

LARRY L. LANCASTER
Chairman

JEANNETTE M. COUNCIL
Vice Chairman

GLENN B. ADAMS
MICHAEL C. BOOSE
CHARLES E. EVANS
W. MARSHALL FAIRCLOTH
JIMMY KEEFE



CUMBERLAND ★ COUNTY ★ NORTH CAROLINA

BOARD OF COMMISSIONERS

CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

MEMORANDUM

TO: Policy Committee Members (Commissioners Boose, Evans and Lancaster)

FROM: Kellie Beam, Deputy Clerk to the Board *KB*

DATE: February 8, 2018

SUBJECT: Policy Committee Special Meeting – Thursday, February 15, 2018

There will be a special meeting of the Board of Commissioners' committees (Finance, Policy and Facilities Committees) on Thursday, February 15, 2018 beginning at 1:00 p.m. in room 564 of the Judge E. Maurice Braswell Cumberland County Courthouse. All committee meetings will start as soon as the previous committee adjourns.

AGENDA

1. Approval of Agenda (NO MATERIALS)
2. Consideration of the DRAFT 2018 Cumberland County Goals and Action Plan (Pg. 2)
3. Consideration of the DRAFT 2018 Cumberland County State Legislative Agenda (Pg. 7)

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



ITEM NO. 2

DUANE T. HOLDER
Assistant County Manager

TRACY JACKSON
Assistant County Manager

SALLY S. SHUTT
Assistant County Manager

CUMBERLAND
COUNTY
NORTH CAROLINA

OFFICE OF THE COUNTY MANAGER

MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE POLICY COMMITTEE

TO: POLICY COMMITTEE MEMBERS
FROM: SALLY SHUTT, ASSISTANT COUNTY MANAGER
THROUGH: AMY CANNON, COUNTY MANAGER
DATE: FEBRUARY 7, 2018
SUBJECT: DRAFT 2018 CUMBERLAND COUNTY GOALS & ACTION PLAN

Requested by: Amy Cannon
Presenter(s): Sally Shutt
Estimate of Committee Time Needed: 20 minutes

BACKGROUND: The Cumberland County Board of Commissioners agreed on six major goals for 2018 during a planning session on Jan. 26 at Cape Fear Valley Medical Center.

The board agreed to focus on capital projects; public water expansion; economic development; financial strength; performance and efficiencies, which includes reviewing the structure of County human services; and completing negotiations on several projects, including sales tax, baseball and school funding agreements among others.

Management has drafted the attached action plan based on the six goal areas outlined by the commissioners during the retreat and is seeking feedback and recommendations from the Policy Committee.

RECOMMENDATION/PROPOSED ACTION: Consider the attached DRAFT 2018 Cumberland County Goals and Action Plan and provide feedback before sending the plan to the full Board of Commissioners.

Capital Projects

Use the Capital Planning Model as a tool to assist in funding capital and large recurring expenses such as repairs/maintenance and information technology.

- Review and approve the DRAFT Capital Planning Model policy
- Establish the annual funding commitment for the specific capital projects and recurring expenses
- Incorporate the Capital Planning Model into the annual budget process with more detailed discussion on project specifics

Public Water Expansion

Create a plan and identify funding sources for countywide water, starting with areas contaminated by GenX.

- Partner with the Public Works Commission to complete a preliminary engineering study and environmental assessment for the GenX contaminated areas
- Stay engaged with state agencies
 - Participate in weekly conference calls
 - Attend Science Advisory Board meetings
- Engage with state legislators about funding needs and public health concerns in contaminated areas
 - Request funding for extending water lines
 - Maintain awareness of the impact on our citizens
 - Stress importance of holding Chemours accountable
- Identify funding sources; seek grants and state and federal legislative actions and assistance
- Continue to provide information to citizens about GenX contamination through website and other platforms
- See attached detailed plan

Economic Development

Promote economic development, job retention and growth.

- Work with the Fayetteville Cumberland Economic Development Corporation to develop and establish goals and strategies for economic development
 - Strategy should include working with municipalities on initiatives
- Streamline regulatory, permitting processes
 - Acquire new software solution for central permits, inspections, code enforcement, land use, parcel/address management and environmental health
- Consider pursuing legislative action allowing the County to have a small business enterprise program to promote the development of small businesses in the county

Maintaining the County's Financial Strength

Maintain the County's strong financial position by pursuing initiatives that advance long-term sustainability.

- Capital Planning Model
- Business Intelligence
- Continued involvement in Government Finance Officers Association Excellence in Financial Reporting Program (Comprehensive Annual Financial Report)

Performance and efficiencies, including review of human services governance structure

Optimize service delivery through staff development, business process review and innovation.

- Human Resources projects
 - Performance Development and Management System through NeoGov
 - Salary review
 - Leadership Academy
- Prioritize business process review/improvement
- Explore the merger of county functions (technology, human resources, public information, facilities maintenance)
- Continue investment in technology
- Human Services Governance Review
 - Department of Public Health
 - School of Government presentation on Feb. 27
 - Develop next steps

Completing project negotiations

Pursue discussions with appropriate entities and reach decisions related to projects that have been under long-term consideration.

- 911 Center
- Sales Tax Distribution
- School Funding
- Shaw Heights
- Baseball Funding/Parking Deck (City and County approved agreements Feb. 5, 2018)

GENX PLAN

A proactive plan for working with local, state, Chemours and the citizens affected by the contamination.

Local

- PWC partnership – assess the area and determine cost of running water lines. The utility is willing to pay half the cost of hiring an engineering firm to review the earlier feasibility study and determine the engineering requirements and cost of extending water lines into the Gray's Creek Water and Sewer District.
- Complete a preliminary engineering study and environmental assessment
- Communicate with Bladen and other counties in the river basin to compare and share information about activities to assist and inform citizens and collectively work with state and federal authorities to hold Chemours accountable and ensure safe water and air quality

State

- County Management and Health Department continue to participate in weekly conference calls with NCDHHS (DEQ and DPH) and stay updated on:
 - o Ground and surface water testing
 - o Discharge and other regulatory issues
 - o Air quality
 - o Health impact
- Health Department officials attend Science Advisory Board meetings (NC Division of Public Health) to stay updated on the health effects findings
- State Legislature (County delegation, House and Senate select committees on water quality)
 - o request funding for extending water lines
 - o maintain awareness of the impact on our citizens
 - o stress importance of holding Chemours accountable
- Seek grant and loan funding for projects

Federal

- Seek federal support for water infrastructure
- Involve federal delegation in seeking EPA assistance on testing and setting regulatory standards

Chemours

- Set up meetings between the company and the commissioners and management to learn about the company's action plan and share citizen concerns

Citizens

- Provide information and facilitate communication with state officials
- Serve as a link to state resources

GENX PLAN

- Communicate appeals process currently in place to address possible tax relief for contaminated properties
- Use various platforms to provide information to citizens, including County's GenX webpage, social media and press releases

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager



ITEM NO. 3

DUANE T. HOLDER
Assistant County Manager

TRACY JACKSON
Assistant County Manager

SALLY S. SHUTT
Assistant County Manager

CUMBERLAND
COUNTY
NORTH CAROLINA

OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE FEBRUARY 15, 2018
SPECIAL MEETING OF THE POLICY COMMITTEE**

TO: POLICY COMMITTEE MEMBERS
FROM: SALLY SHUTT, ASSISTANT COUNTY MANAGER
THROUGH: AMY CANNON, COUNTY MANAGER
DATE: FEBRUARY 7, 2018
SUBJECT: DRAFT 2018 STATE LEGISLATIVE AGENDA

Requested by: Amy Cannon
Presenter(s): Sally Shutt
Estimate of Committee Time Needed: 15 minutes

BACKGROUND: The Board of Commissioners will meet with the N.C. Legislative Delegation on March 9 at 8:30 a.m. in Room 119 of the Judge E. Maurice Braswell Courthouse. Commissioners were asked to send items they wanted included on the state agenda. The attached DRAFT 2018 State Legislative Agenda has been prepared for your consideration in preparation for that meeting and helps outline the County's legislative priorities.

RECOMMENDATION/PROPOSED ACTION: Consider the attached DRAFT 2018 State Legislative Agenda and provide feedback to staff before the agenda is sent to the full board for consideration and approval.

GENX Contamination

- Funding and support for extending public water lines in contaminated areas
- Health impact and holding Chemours accountable

Tax and Finance

- Food & Beverage Tax
 - Amend the Prepared Food and Beverage Tax (Session Law 1993-413) to repeal the sunset provision. Request the removal of the provision that the tax be repealed when the debt service on the Crown Coliseum Complex is paid in 2024. (See attached bill and copy of letter that was sent to the delegation in September.)

Expand the permitted uses of the tax proceeds to allow greater flexibility.
- Local Occupancy Tax
 - Be allowed to operate under House Finance Committee guidelines for the Local Occupancy Tax
- Sales Taxes
 - Discuss the potential for Article 43 sales tax as an option for public safety funding.
 - Discuss changes in sales tax collections (taxes on services and remote sales) and their impact on Cumberland County

Schools

- Support the legislation to repeal the statutory authority under N.C. Gen. Stat. 115C-4319(c) that allows a local school board to file suit against a county board of commissioners over county appropriations for education. Legislation (S531/H305) seeking to repeal the authority was held up in the House during the long session.
- Lottery Funds for School Construction: The biennium budget passed in 2017 created the Needs-Based Public School Capital Fund, which provides targeted grants to counties in Tiers 1 and 2 using lottery funds. However, as a Tier 2 county, Cumberland County will not be eligible for grant funds until 2020-21.

Human Services

- **Social Services:** Continue support of county administered social services system as the Social Services Regional Supervision and Collaboration Working Group

(established pursuant to Session Law 2017-41) holds ongoing meetings and explores a “vision” for county social services that may include a state administered system in the future.

- **Public Health:** Approve funding for Communicable Disease Nurse positions in county public health departments. The Cumberland County Department of Public Health supports the request from the N.C. Association of Local Health Directors in asking the General Assembly for \$8 million to be spread among all 100 counties to fund a Communicable Disease Nurse position. For Cumberland County, that would be about \$80,000. The increased funding to Local Public Health will help address rapidly emerging infectious disease (e.g. ZIKA, Hepatitis C, Escherichia coli (E. coli) O121 or E. coli O26, Antibiotic Resistant Infections, Coronavirus (MERS), Meningitis, Drug Resistant Tuberculosis, Influenza, etc.) Considering recent national and international concern around communicable disease outbreaks, it is imperative that local health departments have a minimum set of resources available to perform local communicable disease control and community and public health surveillance activities, and to communicate clearly about disease threats within their jurisdictions.

Support for the basic core functions of local public health departments is waning, along with infrastructure funding, impacting local public health ability to accomplish mandated services. Local control of communicable diseases is a well-recognized core public health function here in N.C. and nationally, a role comparable to the public safety mission of law enforcement.

- **Mental Health:** Support increased state funding for mental health services based on the increased demands

Increase State Aid to Libraries – The Cumberland County Public Library & Information Center Board of Trustees supports increased state funding for the important services provided through the library system.

Others topics:

- Seek legislation to allow Cumberland County the flexibility to participate with local companies and vendors through a small business enterprise program similar to the legislative action approved last year for the City of Fayetteville. (Session Law 2017-81)
- Seek update on the status of the N.C. Military Hall of Fame project and site selection. The N.C. Department of Military and Veterans Affairs recommended the N.C. Museum of Natural History. Consider endorsing Cumberland County as the location.
- Discuss the General Assembly’s position on funding for 911 services and the responsibilities of counties to provide this service to municipalities and unincorporated areas.

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 413
SENATE BILL 923

AN ACT TO AUTHORIZE CUMBERLAND COUNTY TO LEVY A PREPARED
FOOD AND BEVERAGE TAX TO PROVIDE A MEANS FOR FINANCING ALL
OR PART OF AN ARENA IN CUMBERLAND COUNTY.

The General Assembly of North Carolina enacts:

Section 1. Authorization. – (a) Levy. If no referendum has been held in the county as provided in subsection (b) of this section within five years at which the tax was defeated, the Cumberland County Board of Commissioners may, by resolution, levy a prepared food and beverage tax of up to one percent (1%) of the sales price of prepared food and beverages sold at retail for consumption on or off the premises by any retailer within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(1). Before adopting or amending a resolution levying the tax, the board of commissioners shall hold a public hearing on the tax. The board of commissioners shall publish notice of the hearing not less than 10 days nor more than 25 days before the date fixed for the hearing. After holding the public hearing, the board of commissioners may either levy the tax as provided in this subsection or initiate a referendum as provided in subsection (b) of this section.

(b) Levy after Referendum. – The Cumberland County Board of Commissioners may direct the county board of elections to conduct a referendum on the question of whether a county meals tax at a rate of up to one percent (1%) will be levied in accordance with this act. Before directing the county board of elections to conduct the referendum, the board of commissioners shall hold a public hearing on the tax. The board of commissioners shall publish notice of the hearing not less than 10 days nor more than 25 days before the date fixed for the hearing.

The election shall be held on a date jointly agreed upon by the two boards and shall be held in accordance with the procedures of G.S. 163-287. The form of the question to be presented on a ballot for a special election concerning the levy of the tax authorized by this act shall be: "FOR a local tax on prepared food and beverages at a rate of up to one percent (1%)". "AGAINST a local tax on prepared food and beverages at a rate of up to one percent (1%)".

If the majority of those voting in a referendum held pursuant to this subsection vote for the levy of a local meals tax, the Cumberland County Board of Commissioners may, by resolution, levy a prepared food and beverage tax of up to one percent (1%) of the sales price of prepared food and beverages sold at retail for consumption on or off the premises by any retailer within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(1).

Sec. 2. Definitions; Sales and Use Tax Statutes. – (a) The definitions in G.S. 105-164.3 apply to this act to the extent they are not inconsistent with the provisions of this act. In addition, the following definitions apply in this act:

- (1) Financing. – Debt service, lease payments, or any other obligation or means of supporting capital costs, together with any related reserve requirements.
- (2) Prepared food and beverages. – Any meals, food, or beverages to which a retailer has added value or has altered its state (other than solely by cooling) by preparing, combining, dividing, heating, or serving, in order to make the food or beverage available for immediate human consumption.

(b) The provisions of Article 5 and Article 9 of Chapter 105 of the General Statutes apply to this act to the extent they are not inconsistent with the provisions of this act.

Sec. 3. Exemptions. – The prepared food and beverage tax does not apply to the following sales of prepared food and beverages:

- (1) Prepared food and beverages served to residents in boarding houses and sold together on a periodic basis with rental of any sleeping room or lodging.
- (2) Retail sales exempt from taxation under G.S. 105- 164.13.
- (3) Retail sales through or by means of vending machines.
- (4) Prepared food and beverages served by a retailer subject to the occupancy tax levied by the county if the charge for the prepared food or beverages is included in a single, nonitemized sales price together with the charge for rental of a room, lodging, or accommodation furnished by the retailer.
- (5) Prepared food and beverages furnished without charge by an employer to an employee.
- (6) Retail sales by grocers or by grocery sections of supermarkets or other diversified retail establishments, other than sales of prepared food and beverages in the delicatessen or similar department of the grocer or grocery section.
- (7) Prepared food and beverages served on federal military reservations.

Sec. 4. Collection. – Every retailer subject to the tax levied under this act shall, on and after the effective date of the levy of the tax, collect the tax. This tax shall be collected as part of the charge for furnishing prepared food and beverages. The tax shall be stated and charged separately from the sales price, shall be shown separately on the retailer's sales records, and shall be paid by the purchaser to the retailer as trustee for and on account of the county. The tax shall be added to the sales price and shall be passed on to and collected from the purchaser instead of being borne by the retailer.

Sec. 5. Administration. – A tax levied under this act is due and payable to the county in monthly installments on or before the 25th day of the month following the month in which the tax accrues. Every retailer liable for the tax shall, on or before the 25th day of each month, prepare and render a return on a form prescribed by the county.

The return shall show the total gross receipts derived in the preceding month from sales to which the tax applies. The county shall design, print, and furnish to all appropriate retailers the necessary forms for filing returns and instructions to ensure the full collection of the tax.

A return filed with the county under this act is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.

Sec. 6. Refunds. – The county shall refund to a nonprofit or governmental entity the prepared food and beverage tax paid by the entity on eligible purchases of prepared food and beverages. A nonprofit or governmental entity's purchase of prepared food and beverages is eligible for a refund under this section if the entity is entitled to a refund under G.S. 105-164.14 of local sales and use tax paid on the purchase. The time limitations, application requirements, penalties, and restrictions provided in G.S. 105-164.14(b) and (d) shall apply to refunds to nonprofit entities; the time, limitations, application requirements, penalties, and restrictions provided in G.S. 105-164.14(c), (d), and (e) shall apply to refunds to governmental entities. When an entity applies for a refund of the prepared food and beverages tax paid by it on purchases, it shall attach to its application a copy of the application submitted to the Department of Revenue under G.S. 105-164.14 for a refund of the sales and use tax on the same purchases. An applicant for a refund under this section shall provide any information required by the county to substantiate the claim.

Sec. 7. Penalties. – A person, firm, corporation, or association who fails or refuses to file a return and pay the tax due under this act shall pay a penalty of five dollars (\$5.00) for each day's omission up to a maximum of five hundred dollars (\$500.00) for each return. In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid. The board of commissioners may, for good cause shown, compromise or forgive the additional tax penalties imposed by this section.

Any person who willfully attempts in any manner to evade a tax imposed under this act or who willfully fails to pay the tax or make and file a return shall, in addition to the penalties provided by law, be guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both.

Sec. 8. Use of Proceeds. – The county shall transfer the proceeds of the prepared food and beverage tax to the Cumberland County Civic Center Commission, an agency of Cumberland County. The proceeds transferred to the Cumberland County Civic Center Commission shall be used (i) to provide for, when due, payments for the current fiscal year with respect to any financing for new arena facilities or for the expansion of the existing arena facilities, which may include off-street parking for use in conjunction with the facilities and (ii) to pay other costs of acquiring, constructing, maintaining, operating, marketing, and promoting the new arena or expanded arena facilities.

The Commission may contract with any person, agency, association, or nonprofit corporation to carry out the activities and programs for which the tax proceeds may be expended. All contracts entered into pursuant to this subsection shall require an annual financial audit of any funds expended and a performance audit of contractual obligations.

Sec. 9. Effective Date of Levy. – A tax levied under this act shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted. The levy of a prepared food and beverage tax may not be effective before January 1, 1994.

Sec. 10. Restaurant Representation. – Upon enactment of a prepared food and beverage tax, the Cumberland County Board of Commissioners shall, by resolution, appoint one or more restaurant owners or operators in Cumberland County to the Cumberland County Civic Center Commission and shall also appoint one or more restaurant owners or operators to the governing body of the Fayetteville Area Convention and Visitors Bureau.

Sec. 11. Repeal. – A tax levied under this act may be repealed by a resolution adopted by the Cumberland County Board of Commissioners. The Cumberland County Board of Commissioners shall repeal the tax when the new or expanded arena facilities for which the tax was imposed are constructed and any debt for those facilities has been paid. Repeal of a tax levied under this act shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this act does not affect a liability for a tax that has attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal.

Sec. 12. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 20th day of July, 1993.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives

GLENN B. ADAMS
Chairman

CHARLES E. EVANS
Vice-Chairman

MICHAEL C. BOOSE
JEANNETTE M. COUNCIL
W. MARSHALL FAIRCLOTH
JIMMY KEEFE
LARRY L. LANCASTER



CUMBERLAND
★ COUNTY ★
NORTH CAROLINA

BOARD OF COMMISSIONERS

CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

Senator Wesley Meredith
Room 314 Legislative Office Building
300 N. Salisbury Street
Raleigh, NC 27603-5925

September 11, 2017

Dear Senator ^{Wesley}Meredith,

I am following up on our recent conversation regarding legislation the County would like to be adopted when the General Assembly reconvenes in October.

The Cumberland County Board of Commissioners is seeking your support in repealing the sunset provision in the Prepared Food and Beverage Tax (Session Law 1993-413, Section 11).

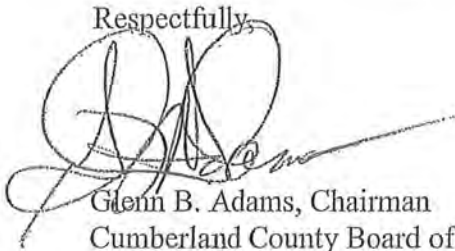
We are asking that "shall" be changed to "may" in the following sentence:

The Cumberland County Board of Commissioners shall may repeal the tax when the new or expanded arena facilities for which the tax was imposed are constructed and any debt for those facilities has been paid.

The special prepared food and beverage tax sunsets in 2024 and supports the Crown Complex debt payments and operating/capital expenses. If the sunset is not repealed, the County stands to face an average annual loss of \$3.2 million. The fund balance cannot support more than one year of that loss.

Thank you for considering our request and please contact us with any questions.

Respectfully,



Glenn B. Adams, Chairman
Cumberland County Board of Commissioners