

CUMBERLAND COUNTY FINANCE/AUDIT COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
AUGUST 3, 2017 – 9:30 AM
REGULAR MEETING MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Jeannette Council
Commissioner Jimmy Keefe

OTHER COMMISSIONERS

PRESENT: Commissioner Glenn Adams
Commissioner Charles Evans
Commissioner Larry Lancaster

OTHERS: Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Rick Moorefield, County Attorney
Rob Hasty, Assistant County Attorney
Deborah Shaw, Budget Analyst
Heather Harris, Budget Analyst
Ivonne Mendez, Financial Specialist
Tammy Gillis, Director of Internal Audit and Wellness Services
Renee Gleaton, Internal Auditor
Jeffrey Brown, Engineering and Infrastructure Director
Brenda Jackson, Social Services Director
Rod Jenkins, Health Department Interim Director
Geneve Mankel, Communications and Outreach Coordinator
Candice H. White, Clerk to the Board

Commissioner Faircloth called the meeting to order.

MOTION: Commissioner Council moved to bring Item 7. forward to become Item 2. and to renumber the remaining items accordingly.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

1. APPROVAL OF MINUTES – FINANCE /AUDIT COMMITTEE

A. JUNE 8, 2017 SPECIAL MEETING OF FINANCE COMMITTEE

B. JUNE 12, 2017 EMERGENCY MEETING OF AUDIT COMMITTEE

MOTION: Commissioner Keefe moved to approve the June 8, 2017 Finance Committee special meeting minutes and the June 12, 2017 Audit Committee emergency meeting minutes.
SECOND: Commissioner Council
VOTE: UNANIMOUS (3-0)

2. UPDATE FROM INTERNAL AUDIT ON THE HEALTH DEPARTMENT NOTIFICATION PROCESS

Tammy Gillis, Director of Internal Audit and Wellness Services, stated the week after the audit was issued the Health Department utilized a data base to attempt to locate current addresses for the patients and on July 28, letters were mailed to all 160 patients identified in the audit. Ms. Gillis stated any returned mailings will now be easier to identify due to a specially designed envelop. Ms. Gillis stated as of this week, patients have received the letters and have begun calling the Health Department. Ms. Gillis stated any follow up or further notification with these patients will be handled by the Health Department.

Rod Jenkins, Interim Health Director, stated as of 9:00 a.m., twenty-one responses had been received and the Health Department will err on the side of expediency and allow two to three weeks before going to the next phase.

Commissioner Faircloth reiterated these letters cover a period from 2011-2015, this is not something that just happened and whatever the cause, it has been corrected long ago. Commissioner Faircloth stated because concerns were brought to the Board of Commissioners, a review was conducted on things that happened some time ago in order to be diligent. Commissioner Faircloth stated follow up on the 140 not yet heard from will take place at the September 7 meeting of the Finance/Audit Committee. Questions and comments followed.

3. UPDATE ON DEBT FINANCING

A. SAVINGS RESULTS FROM THE REFUNDING OF 2009A CERTIFICATES OF PARTICIPATION AND 2011B LIMITED OBLIGATION BONDS

BACKGROUND:

In June, the advance refunding analysis of the Series 2009A COPs and 2011B LOBs showed that based on the market at that time, the County had the potential to generate over \$1.5 million in interest rate savings by refunding the 2009A COPs and 2011B LOBs in the public market. The public sale took place on July 19 and achieved better-than expected results of a total net present value savings of just over \$2 million. That savings equates to an average annual interest savings over the next twelve years of approximately \$166,000.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

Melissa Cardinali, Assistant County Manager, reviewed the background information recorded above and stated the July 19 public sale generated a lot of interest in the market.

B. CAPITAL IMPROVEMENTS PLAN FINANCING UPDATE

BACKGROUND:

An update regarding financing of the capital improvements plan last occurred during the finance committee meeting held on April 6. The financing calendar provided at that time was revised to accommodate a meeting with the staff of the Local Government Commission (LGC) that took place during June.

LGC approval and a banking RFP are required in year one and upon project completion. Funds will be drawn from the bank as invoices become due. Upon completion of the projects within the three years, the total amount utilized will be financed and re-payment will begin in the fourth year (fiscal year 2021).

The revised financing calendar is recorded below. To summarize:

- August 7 - Board approves findings resolution and authorization for LGC filing and calls for a public hearing
- August 21 – Board adoption of the approving resolution and the public hearing
- September 12 - LGC approval

The amount to be financed in the fiscal year 2018 transaction will not exceed \$11,220,000. The purpose is to finance capital improvements of roofs, parking lots and external buildings of various governmental properties and the Crown Complex as outlined on the schedule recorded below.

In addition, a portion of the funds will be used to replace the Coliseum's ice floor and a center-hung scoreboard along with enhanced LED lighting. Neither of those projects were originally included in the proposed financing but were added to the CIP in the spring of 2017. Therefore, approval of a budget revision totaling \$2,750,000 is requested to cover the estimated cost of those items.

RECOMMENDATION/PROPOSED ACTION:

Management recommends the Finance Committee approve and forward to the Board of Commissioners the following action:

Approve Budget Ordinance Amendment B180746 to increase the Crown Capital Project Budget by \$2,750,000 with a revenue source of installment financing proceeds.

Please note: This amendment requires no additional County funds.

CIP Projects – To Be Financed in FY18

	FY2018	FY2019	FY2020	Total of Projects Financed FY18
<u>General Fund Projects</u>				
Parking lot repair / resurfacing	\$ 1,147,130	\$ 341,330	\$ 92,800	\$ 1,581,260
Building exterior improvements	1,251,640	96,512	416,440	1,764,592
Roof repair / replacement	312,461	1,652,615	71,288	2,036,364
Subtotal General Fund	<u>\$ 2,711,231</u>	<u>\$ 2,090,457</u>	<u>\$ 580,528</u>	<u>\$ 5,382,216</u>
<u>Crown Complex Projects</u>				
Parking lot repair / resurfacing	\$ 570,952	\$ 641,480	\$ 481,381	\$ 1,693,813
Building exterior improvements	-	165,300	153,700	319,000
Roof repair / replacement	1,483,060	141,288	284,200	1,908,548
Center hung scoreboard	1,500,000	-	-	1,500,000
Coliseum ice floor	1,250,000	-	-	1,250,000
Subtotal Crown Complex	<u>\$ 4,804,012</u>	<u>\$ 948,068</u>	<u>\$ 919,281</u>	<u>\$ 4,658,548</u>
Total Projects - Financing	<u>\$ 7,515,243</u>	<u>\$ 3,038,525</u>	<u>\$ 1,499,809</u>	<u>\$ 10,040,764</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
2017 GENERAL GOVERNMENT DRAW PROGRAM

REVISED FINANCING SCHEDULE

<u>DATE</u>	<u>EVENT</u>	<u>PARTICIPANTS</u>
April 7	Send Complete Financing Package Information to LGC	FA
June 9	Follow Up in Person Meeting with LGC – 10:30am LGC Offices	All
July 19	Update Financing Proposals	FA/County
July 28	Send Joint Legislative Committee Letter (on or before)	County/BC
August 1	County Commission Items Due for August 7th Meeting	County/BC

August 3	Meeting with Finance Committee	County
August 4	Award Financing Proposal Subject to Approvals	County/FA
August 7	Distribute First Draft of Documents	BC/PC
August 7	County Adopts Findings Resolution and Authorize LGC Filing; County Calls for Public Hearing	County/BC
August 8	Publish Notice of Public Hearing (on or before)	County/BC
August TBD	Document Review Meeting	All
August 11	Submit Application to LGC	County
August 15	County Commission Items Due for August 21st Meeting	County/BC
August 21	County Adopts Approving Resolution and Holds Public Hearing	County/BC
September 12	LGC Approval (Executive Committee)	LGC
September 13	Discuss Closing Requirements	All
September 20 (est) Closing		All

Ms. Cardinali reviewed the background information recorded above and stated because the LGC and County calendars do not align, all action items cannot be brought to committee. Ms. Cardinali stated the revised schedule is being provided so commissioners will be aware of what will be coming forward for action on Board agendas. Ms. Cardinali referenced the revised financing schedule recorded above and stated the August 7 resolution will authorize the Finance Director to make an application for the installment financing with the LGC, will state this is the preferred method to obtain the funds as it is the least expensive, will identify that the County had good debt practices and policies and contain a not-to-exceed amount of \$11,220,000. Ms. Cardinali stated this means less may be spent but more cannot be financed. Ms. Cardinali stated additions to the list brought before the board in 2016 will be replacement of the Coliseum's ice floor and a center-hung scoreboard along with enhanced LED lighting, which need to be added to the Crown project via a budget amendment for \$2,750,000. Ms. Cardinali stated this will be added to the financing and no additional funds will be used.

4. CONSIDERATION OF ENGAGING OUTSIDE LEGAL COUNSEL FOR DSS INDEPENDENT CONTRACTOR FOR CHILDREN'S SERVICES

BACKGROUND:

Due to the increased number of children in foster care, the number of cases held by the DSS Attorneys exceed twice the amount of cases recommended by the American Bar Association at 100 plus cases per attorney. In the past, this has caused a delay in the drafting of Termination of Parental Rights (TPR) petitions. This delay keeps the children in foster care longer, slows the process toward permanency for these children and increases the cost to the county. Margaret Russ is responsible for drafting many of the TPR petitions. Having one person draft these petitions provides a consistency which the judges and other attorneys appreciate as well as providing the DSS attorneys with the information they need to move the cases through the court. Ms. Russ is also responsible for cases involving the RIL – Responsible Individuals List,

coordinates cases between DSS and Fort Bragg and is the liaison with the District Attorney office.

RECOMMENDATION/PROPOSED ACTION:

The Department of Social Services respectfully requests approval to contract with Margaret Russ in FY 17-18 in the amount of \$104,000 per year.

Brenda Jackson, Social Services Director, reviewed the background information recorded above and stated that a delay in the drafting of Termination of Parental Rights (TPR) petitions not only keeps children in foster care longer and prevents them from being adopted which can create permanency for these children and a forever loving alternative parent or care giver. Ms. Jackson stated DSS is seeing more and more of the Termination of Parental Rights being appealed, going to the Court of Appeals and the Supreme Court. Ms. Jackson explained the Responsible Individuals List and how the system is utilized to research findings of abuse and neglect of children, and the rights of appeal for individuals on the list. Ms. Jackson stated DSS has worked with Margaret Russ, who is a skilled retired Assistant District Attorney, and asks for consideration to contract with Ms. Russ to assist with this work.

Commissioner Adams stated although he did not have a problem with an outside attorney, he thought the cost was high and there would be a number of attorneys in the community that would bid on an RFP if one was issued. Questions and discussion followed. Ms. Jackson stated her concern about an RFP would be whether respondents would have the knowledge base and experience, and whether there would be a full time commitment versus a part-time commitment of another legal practice. Ms. Jackson spoke to Ms. Russ's qualifications and experience. Discussion continued. Commissioner Faircloth confirmed the proposed contract would contain an hourly rate and not a blanket payment. Ms. Jackson stated the contract would contain a not-to-exceed total amount and payment would be based on hours expended. Commissioner Keefe spoke about the increase in foster care over the past five years and the increased expense involved, and stated joint efforts are needed between the Administrative Office of the Courts, state legislature and Cumberland County DSS to protect the children and parents in the County, both individually and collectively. Ms. Jackson stated social determinants in the community that place children in crisis also need to be taken into consideration; these include such things as the explosion of opiate abuse, increase in human trafficking, job loss, location on the major I-95 corridor and families suffering from mental health and post-traumatic stress issues. Ms. Jackson also stated high numbers in foster care do not mean the system is failing, to the contrary, they mean the system is working and the County is doing its job to protect at-risk children. Ms. Jackson stated it is equally important that when children come into the County's care, they are either united with their parents or provided alternative care.

Commissioner Faircloth stated he was leaning towards approving the contract with the thought that work needs to continue for a more permanent solution. Commissioner Council stated she was also leaning that way because an RFP could be considered at the same time a possible consolidation is discussed.

MOTION: Commissioner Council moved to approve the contract with Margaret Russ in FY 17-18 in an amount not to exceed \$104,000 per year.
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (3-0)

5. **CONSIDERATION OF REQUEST FOR PROPOSALS (RFP) FOR EMPLOYEE BENEFITS/INSURANCE BROKER & CONSULTANT SERVICES**

BACKGROUND:

One of the most significant expenditure categories for the County is the area of employee health. With a combined budget of over \$27 million for health insurance, employee pharmacy, employee clinic and wellness programs; employee health costs are a sizeable share of annual County costs.

To ensure the County is properly addressing the needs of employees while balancing the cost of these needs, the County has historically utilized the services of an independent broker / consultant. The County has maintained a positive relationship with Mark III Employee Benefits for the past two decades.

Despite the relationship with the current broker/consultant, it is good practice to reach out to other firms providing these services and affirm the County is receiving the maximum benefit for the dollars invested in employee health.

Therefore, Management and Finance seeks to issue an RFP for employee benefits/insurance broker and consultant services. The RFP will be issued the week of August 8. Responses to the RFP will be reviewed by a committee consisting of Management, Finance and Benefits, Human Resources and the Internal Audit/ Wellness Director. It is anticipated a recommendation will be brought forward to the Finance Committee at its meeting on October 5, 2017.

RECOMMENDATION/PROPOSED ACTION:

Management recommends approval to move forward with the RFP process for employee benefits/insurance broker and consultant services.

**NOTICE OF REQUEST FOR PROPOSALS
CUMBERLAND COUNTY, NORTH CAROLINA
FOR
EMPLOYEE BENEFITS/INSURANCE BROKER
& CONSULTANT SERVICES**

**ISSUE DATE: AUGUST 8, 2017
PROPOSAL NUMBER: 18-3-CTY**

Cumberland County is seeking proposals from qualified brokers/ consultants to assist with strategically planning, designing and negotiating the best coverage and cost for employee benefits programs that include but not limited to: group medical, life and dental, supplemental employee insurance, flexible spending accounts, and ACA compliance.

All submittals must be received at the location listed below by 3:00 PM on August 31, 2017

Cumberland County
Purchasing Division- Attention Amanda Bullard/Purchasing Manager
117 Dick St.
4th Floor Room 451
Fayetteville, NC 28301

IMPORTANT NOTE: All proposals must be sent in hard copy. Submit one (1) original and seven (7) copies of the proposal. Indicate firm on the front of each sealed proposal envelope. Electronically submitted (email/fax) proposals will not be accepted.

Direct all inquiries concerning this RFP by email to:

Amanda Bullard/Purchasing Manager
CumberlandPurchasing@co.cumberland.nc.us

Questions concerning the RFP requirements must be submitted in writing.

They may be e-mailed (Questions will not be answered by phone).

Questions must be submitted no later than 3:00 PM on August 16, 2017. All questions submitted in writing will be answered in the form of an addendum to this Request for Proposals.

Notice to Bidders

- 1) Proposals will be evaluated according to completeness, content, experience with similar projects, ability of the broker and its staff. The award of a contract to one broker does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed to provide the best value to the County.
- 2) Brokers are cautioned that this is a request for offers, not a request to contract and the County reserves the unqualified right to reject any and all offers when such rejection is deemed to be in the best interest of the County. The County retains the right, in its sole discretion, at any time to reject any or all proposals, in whole or in part, and to cancel or cancel and reissue this RFP, before or after receipt and opening of proposals in response thereto, or take any other actions.
- 3) Any costs incurred by broker in preparing or submitting offers are the broker's sole responsibility; Cumberland County will not reimburse any broker for any costs incurred prior to award.
- 4) No contact with County Departments will be allowed during the proposal process. Any proposers contacting a department(s) directly may subject their proposal to rejection.
- 5) Proposals should only be submitted from companies with at least five (5) continuous years of experience.
- 6) Information that is not defined as proprietary by North Carolina General Statute 132-1.2 must not be marked as such.
- 7) Any options that would be an additional cost must be clearly stated.

General Proposal Instructions

- 1) All proposals must be received no later than the date and time listed on the cover sheet of this proposal in sealed envelopes. The Purchasing Office is not responsible for delays in the delivery of mail by the U.S. Postal Services or private couriers or those rejected by the County email filtering system. It is the sole responsibility of the proposer to ensure that the bid reaches the Purchasing Office by the designed time and hour. Proposals received after the specified date and time will be rejected.
- 2) Envelopes must be clearly marked with the proposal number and delivered date on the outside of the envelope.
- 3) Eight (8) hard copies of the proposal must be received from each proposer (one (1) original, seven (7) copies). Electronic proposals (fax, e-mail, etc.) will not be considered.
- 4) Each proposal must be signed and dated by an official authorized to bind the firm.

1. Purpose

Proposals must be submitted in accordance with the requirements of the RFP. **All questions/request for information in Section 4 of this RFP must be addressed, answered, indexed properly and listed in the same order as listed in RFP.** In addition, all required forms and checklist identified must be included with submission. Failure to include any required information may cause rejection of the proposal.

The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified insurance broker/benefits consulting firm to assist the County with strategically planning, designing and negotiating the best coverage and cost for employee benefits programs that include but not limited to: group medical, life and dental, supplemental employee insurance, flexible spending accounts, and ACA compliance.

The County seeks a benefit plan that can be adjusted annually based on experience as well as one that can easily adapt to changes in market conditions and regulations. Therefore, the County is interested in a firm with a demonstrated record of taking a creative, innovative approach to maneuver through the health reform changes and the rising costs of healthcare and employee benefits while maintaining fiscal responsibility and providing an unbiased perspective to the process.

As of June 2017, the County has approximately 2,300 employees of which 2,017 are full-time employees. Of the County's employees, 68% are female and 32% are male. The County also has approximately 850 retirees receiving healthcare benefits.

Cumberland County is constantly competing to recruit and retain the best employees possible. Our leadership is looking to ensure we have financially competitive and affordable benefit programs to offer our employees.

Cumberland County offers its employees self-funded medical (PPO and HSA) administered by Blue Cross and Blue Shield of North Carolina, dental, vision, term/whole life insurance, short/long term disability, flexible spending plan and supplemental insurance such as cancer, and AD&D insurance. The County also operates an employee pharmacy, wellness center clinic, and wellness program.

The County's fiscal year begins July 1. The County's health plan year is July 1 to June 30. The budget planning process for the next fiscal year begins in the preceding December. Projected benefit costs provided by the broker in a timely manner are imperative in the budgeting process. Providing quarterly (minimally) updates to management and the Board regarding current trends are expected.

2. Contract

This request for proposals and the proposer's response will be part of the final contract terms and conditions between the proposer and the County, unless otherwise negotiated.

The proposer must be willing to sign a contract within 10 days of contract award date and be ready to begin services within 30 days from the contract award date or by November 1, 2017. In addition to providing benefit assistance, the proposer will begin to assist the County with budget preparation and open enrollment for the benefits plan year beginning July 2018. **Employees participate in an annual open enrollment period in April.**

The term of the contract will be effective upon full execution of the agreement for an initial term commencing upon award of the contract and ending one year from date of award. Thereafter, the County reserves the right, at its sole option, to renew the contract for additional one-year terms or terminate the contract.

The contract will be subject to termination for cause or convenience by the County with written notice thirty (30) days prior to the effective date. The contractor will give the County written notice of its intention to terminate the contract, or not to renew the contract, at least sixty (60) days prior to the proposed termination date or renewal date of the contract.

3. Scope of Work

As the County's benefit broker, you would need to be knowledgeable and able to manage or to contract with a Third Party to administer Cumberland County's self-funded health insurance (PPO, HSA). Currently, the County has \$150,000 stop-loss reinsurance on our medical insurance.

Cumberland County requires a North Carolina licensed Broker that is independent and is not affiliated with any insurance company, third party administrative agency or provider network. The proposer must have experience (at least 5 years) in providing brokerage services in the public sector and in a County environment with a minimum of 500 benefited employees.

Cumberland County also requires the following:

- A) Audit resulting contract(s) for accuracy of coverage, terms and conditions.
- B) Assistance with annual benefits renewals, including negotiation of changes in contracts including stop/loss.
- C) When employee benefits are marketed, prepare bid specifications, identify appropriate markets, analyze proposals, make recommendations, and assist in the negotiation of (preferably multi-year) contracts.
- D) Annual reviews of selected employee benefit package for quality of benefits provided, cost

effectiveness, competitiveness and plan administration.

- E) Monitor ongoing contracts, including provider plan administration, plan performance, provider compliance with contract, and incurred claims.
- F) Assist with compliance of Affordable Care Act including consulting and reporting services.
- G) Be available to meet with the Benefits staff and County Management as needed.
- H) Assist in the design of employee benefit communications. Participate in Benefit Fairs and annual enrollment process.
- I) Provide a key contact person to be available to answer questions and resolve issues that arise during the year regarding employee benefits, contract administration, and service provisions.
- J) Evaluate various insurance products submitted by carriers, agents and brokers; provide comparisons and make recommendations if requested
- K) Perform other related consultation services as needed or requested.
- L) Assist in projecting year-end cost and provide an estimate of incurred but not reported claims for budgeting and audit purposes.
- M) Assist with the coordination of the County's Employee Wellness Program with incentives and measurable objectives.
- N) Provide information with the understanding that the County operates an employee pharmacy, wellness clinic, and wellness program and make the County aware of any impact this may have on employee benefit changes.
- O) Assist with the coordination of the County's Health Risk Assessment with incentives and measurable objectives.
- P) Assist and advise the County in annual renewal negotiations with benefit plan providers on matters including, but not limited to, premium rates, benefit levels, performance standards and guarantees, contractual terms and conditions, quality assurance standards, utilization and performance reports, statistical and/or financial reports, and plan specific data such as medical conditions, prescription drugs, high cost procedures, in patient data, etc.
- Q) Provide timely notification of and assistance with understanding and implementing new, updated or revised benefits, laws, regulations and programs including alerting the County regarding any employee communication deadlines or communication issues, and provide sample documents that may be used to notify employees and/or retirees of any of these changes.
- R) Provide timely notification of and assistance with understanding and implementing new, updated or revised benefits, laws, regulations and programs as they relate to plan documents or contracts.
- S) Provide information on employee benefit issues, trends and proposed or new legislation especially in regard to the Affordable Care Act (ACA).

4. Proposal Requirements

The proposal response must clearly demonstrate the required qualifications, expertise, competence and capability of the vendor. Provide a concise description of your firm's ability to provide the services required in the *Scope* of this document. Costs incurred by firms responding to this RFP are solely their responsibility.

Cumberland County requires the successful proposer to procure and maintain during the life of the contract the following insurance coverage:

Professional Liability Insurance

Contractor shall maintain in force for the duration of this contract professional liability or errors and omissions liability insurance appropriate to the contractor's profession. Coverage as required in this paragraph shall apply to liability for a professional error, act, or omission arising out of the scope of the contractor's services as defined in this contract. Coverage shall be written subject to limits of not less than \$1,000,000 per loss.

Fidelity Coverage (Employee Dishonesty)

Contractor shall maintain Fidelity Coverage providing employee dishonesty, forgery or alteration, theft, disappearance, destruction, and computer fraud coverage covering Contractors, employees, officials, and agents for Fidelity in the amount of \$1,000,000. This requirement may be met with Commercial Crime insurance or a Fidelity Bond.

Commercial General Liability

Contractor shall maintain Commercial General Liability and if necessary Commercial Umbrella Liability insurance with a total limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location or the general aggregate shall be twice the required limit.

County of Cumberland, its officers, officials, agents, and employees are to be covered as additional insureds under the CGL by endorsement providing equivalent coverage as respects to liability arising out of activities performed by or on behalf of the contractor; products and completed operations of the contractor, premises owned, leased or used by the contractor; and under the commercial umbrella, if any. The coverage shall contain no special limitations on the scope of protection afforded to Cumberland County, its officers, officials, agents and employees.

Workers' Compensation and Employer's Liability

Contractor shall maintain Workers' Compensation as required by the general statutes of the State of North Carolina and Employer's Liability Insurance. The Employer's Liability shall not be less than \$500,000 each accident for bodily injury by accident, \$500,000 each employee for bodily injury by disease and \$500,000 policy limit.

Business Auto Liability

Contractor shall maintain Business Auto Liability and if necessary, Commercial Umbrella Liability insurance with a limit of not less than \$1,000,000 each accident.

Evidence of Insurance

The Contractor shall furnish Cumberland County with a certificate of insurance, executed by a duly authorized representative of each insurer showing compliance with the insurance requirements prior to commencing the work and upon renewal or replacement of each certified coverage throughout the term of this contract. Evidence of additional insured status shall be noted on the certificate of insurance.

Contractor shall maintain cyber liability to cover any breach involving data belonging to Cumberland County. Contractor will notify Cumberland County immediately of any suspected or actual breach of data in the custody or control of Contractor or any of its third party service providers. Contractor will defend, indemnify and hold harmless Cumberland County from and against any liability, loss, claim, damage, cost or expense (including reasonable attorney's fees) arising out of or in connection with Contractor's or its third party service providers) failure to implement and maintain appropriate security measures.

Indemnity

Contractor shall indemnify and hold Cumberland County, its officers, official agents and employees, harmless against any and all claims, demands, causes of action or other liability including attorney fees, on account of personal injuries or death or on account of property damages arising out of or relating to the work to be performed by Contractor hereunder, resulting from the negligence of or the willful act or omission of Contractor, his agents, employees, and subcontractors.

Additionally, include the answers to the following questions (address by number):

- 1) Describe your organizational structure (i.e. publicly held corporation, partnership, etc.) How many employees are there in your company?
- 2) Describe your company's organization, philosophy, and management structure.
- 3) Describe the organizational structure of the brokers who would provide services to the County (i.e. individual broker, individual broker with supporting back up, team of brokers). Include a brief professional history for each individual and how they are qualified to provide services to the County.
 - a. Who would be working directly with Cumberland County administrative issues, questions, or problem solving?
 - b. Provide the roles and qualifications of each person.
- 4) Describe your contractual relationships, including subcontractors and joint ventures with organizations necessary to your proposal's implementation in regards to medical, dental, disability, life, supplemental, etc.
- 5) How long has your organization been providing broker and benefit consulting services?
- 6) How many clients does your organization presently have? Typically, how many clients does each broker manage?
- 7) How many public-sector clients do you manage? Provide a list of all North Carolina local

government clients, preferably county, to which your firm has provided employee benefits consulting services within the past five (5) years.

- 8) Describe your involvement in claims and billing advocacy?
 - a. What is your average response time to questions posed from your clients?
 - b. How do you handle follow up to outstanding items?
 - c. What is your preferred method of communicating with your clients (i.e. voicemail, e-mail, and fax)?
- 9) Provide a detailed description of your expertise in providing benefits communication and enrollment programs. Do you provide the same services for core benefit programs as you would for the voluntary benefits you offer? **This description must include your recommendation for benefits communication and/or enrollment process.**
- 10) Proposers shall submit as a part of their proposal a preliminary implementation plan for a plan year beginning July 1 through June 30th for the requirements listed in Section 3 Scope of Work. The plan must consist of a sequential listing of all steps necessary to provide the requested services and which party is responsible. **This information must be on a separate sheet, titled Plan of Services.**
- 11) Describe how the enrollment will be organized and managed. Describe the resources necessary to accomplish the purpose of the benefits enrollment, including but not limited to local insurer support staff, timeframes, negotiation of rates and vendor selection.
- 12) The individuals performing the enrollment must conduct themselves in an informational manner effectively communicating all aspects of the benefits to properly inform and educate employees.
 - a. Describe the enrollers who would be meeting with the employees.
 - b. Do they have experience with public sector enrollments?
- 13) The County prefers a Broker who can help show employees what we provide for them in the area of benefits, so they can better appreciate those benefits offered to them. What communication and/or enrollment services make your company's proposal uniquely attractive in this regard?
- 14) Describe the communication pieces your company provides to assist in the enrollment process. Specifically, we are interested in providing each employee a benefits statement, an election form indicating employee deduction, benefits booklet, customized benefits website, educational videos, etc.
- 15) Include a sample communication plan and samples of the communication material you will provide for employees.
- 16) Proposers are required to provide in their proposals a description of the proposer's internet based uses and any recommendations for electronic enrollment services including recommendations concerning appropriate uses of internet based enrollment or enrollment support activities. Describe your firm's experience with Munis Employee Self Service.
- 17) Describe your enrollment system including any costs associated with supporting your system.
 - a. Provide details regarding managing and maintaining electronic enrollment services.
 - b. How do you maintain data security and confidentiality?

- c. What other fees are charged for those services?
- 18) What steps does your organization take to ensure each broker is educated on current market trends and legislative developments? How is this information communicated to your clients?
 - 19) Describe how you propose to build an understanding of the direction and priorities of the County and how you would utilize this information to anticipate our needs in relation to benefits.
 - 20) Describe the process of how your organization would assist the County in selecting a new insurance vendor.
 - 21) What makes your organization unique from other organizations that may submit proposals for the County's consideration?
 - 22) Present your plan proposal to include plan cost per employee for medical, dental, vision, short term disability, life and AD&D.
 - 23) Provide us sample reports of how your present data to the client. Is there a cost for customization or ad hoc reports?
 - 24) How will you help with the management of insurance, including monthly (or quarterly) supervision and/or preparation of claims activity reports from carriers; executive summary reports; underwriting analysis for annual renewals; annual financial projections for budgeting purposes; and alternative funding analyses?
 - 25) Do you have an in-house benefits attorney? If yes, provide his or her credentials and the number of years he or she has provided counsel on benefits issues. If no, do you use an external benefits attorney, and which firm do you use?
 - 26) Will your firm notify Cumberland County of changes in federal, state and/or local laws that would affect us?
 - 27) Explain what steps you have taken to become HIPAA compliant.
 - 28) Clearly outline your proposed form of compensation on a separate compensation addendum (e.g., commission, annual retainer, and fee-for-service). Specify for healthcare versus other benefit options.
 - a. If you are proposing a fee, include your fee schedule/hourly rates.
 - b. If your form of compensation is commissions, provide a list of all eligible commissions or those you are able to receive and of those commissions, the commissions that you collect in a monetary amount and associated percentages.
 - c. If you charge fees for consulting and employee communication, indicate the basis of your charges (hourly, by project, etc.) and what typical charges might be.
 - 29) Submit a completed W-9.
 - 30) The Provide copies of insurance policies applicable under this contract. County is to be named as additional insured under the comprehensive general liability.
 - 31) Use the attached References sheet to provide a list of four (4) verifiable client references of

similar scope and industry, all of whom are able to comment on your organization's relevant experience. This list must include at least three active client references that are similar in nature and size to Cumberland County. Include company name, contact name, telephone number, and size of company's workforce and length of time associated with your organization. It is the vendor's responsibility to provide valid reference information and the County reserves the right to use reference checks in its evaluation of proposals.

5. Criteria for Evaluation

Consideration will be given to factors such as experience, service reputation, service quality, and financial integrity. All proposals will be evaluated according to, but not necessarily limited to, the following:

- The proposal's Plan of Services for implementing the Scope of Work as listed in Section 3 and responses to the Vendor Proposal Requirements as listed in Section 4.
- Experience – Extent and success of previous work provided to organizations similar in nature and size to those required herein. References provided verifying the required experience and level of service needed by County.
- The proposal itself as an example of the potential vendor's work.
- Qualifications/experience of key personnel to be assigned to the project.
- All required forms completed and returned as part of the proposal package.
- Service Reputation – Ability to meet expectations, carry out a defined work plan and meet deadlines. Provide references.
- Service Quality – Ability to provide outstanding customer service, access the health insurance market, and effectively manage accounts.
- Financial Integrity – Demonstrate sound financial status, including a consistent trend of meeting all financial liabilities.
- Service Cost – Identify the commission based percentage that will be required to effectively deliver the defined scope of services.

6. Funding

This RFP is conditional upon the availability of federal, state, or local funds that are appropriated or allocated for payment of the proposed purchase. If, during any stage of this RFP process, funds are not allocated and available for the proposed purchase, the RFP process will be canceled. Cumberland County will notify all known vendors at the earliest possible time if this occurs.

7. Oral Presentations

During the evaluation process, Cumberland County may, at its discretion, request any one or all

proposers to make an oral presentation for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, brokers are cautioned that the County is not required to request clarification; therefore, all proposals must be complete and reflect the most favorable terms available from the broker. Not all brokers may be asked to make such oral presentations. **The anticipated time frame for presentations is the third week of September, 2017.**

8. Final Selection

A recommendation will be made by the County Manager at the earliest possible time.

The right is reserved to accept the responses the County determines to be in the best interest of the County and its employees. The County reserves the right to reject any and/or all proposals.

9. Proposals Subject to Public Records Laws:

All Proposals, data, materials and documentation originated, prepared and submitted to the County pursuant to this RFP shall belong exclusively to the County and may become available to the public in accordance with the North Carolina Public Records Act as provided in N.C.G.S. §132-1 et. seq. County will make reasonable attempts to maintain, in accordance with the Public Records Laws and the Act, the confidentiality of any trade secrets or confidential information that meets the requirements of N.C.G.S. §132-1.2 of the Public Records Laws if such Potential Contractors properly and conspicuously identify the particular data or other materials which are Confidential Information in accordance with the Public Records Laws.

10. Negotiation and Execution of Contract

A Successful Potential Contractor under this RFP shall negotiate and execute a Contract containing such terms and conditions as shall be satisfactory to the County. The occurrence of negotiations with any Potential Contractor conveys no right or status on such Potential Contractor. By submitting a Proposal, each Potential Contractor acknowledges and agrees that the County may negotiate with one or more Potential Contractors, under such circumstances, at such times and in such a manner as it determines to be in the best interest of the County.

11. Governing Law

This Procurement and any Contract resulting from this RFP shall be governed by and constructed in accordance with the laws of the State of North Carolina. Any and all claims or disputes arising under or in connection with this RFP or the Contract shall be exclusively governed by the laws of the State of North Carolina, and venue shall be exclusively within Cumberland County, North Carolina.

12. Indemnity and Insurance

Contractors will indemnify and hold harmless the County, its officers, agents, and employees from and against all loss, cost, damages, expense and liability caused by accident or other occurrence resulting in

bodily injury, including death and disease to any person, or damage or destruction to property, real or personal, arising directly or indirectly from operations, products, or services rendered or purchased under the contract.

13. Transfer, Assignment, or Subcontract

The covenants and agreements contained within the awarded proposal are specifically binding and the County will not allow the awarded proposal to be transferred, assigned or subcontracted to any other party or parties without the express written consent from the County.

14. Certification of Independent Price Determination

By submission of this Proposal, the Potential Contractor certifies and, in the case of a joint Proposal, each party thereto certifies as to its own organization, that in connection with this Procurement:

- a. The price in this Proposal has been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other Potential Contractor or with any competitor.
- b. Unless otherwise required by law, the prices which have been quoted in this Proposal have not and will not be knowingly disclosed by the Potential Contractor prior to the Proposal opening, directly or indirectly, to any other Potential Contractor or to any competition.
- c. No attempt has been made or will be made by the Potential Contractor to induce any other person or firm to submit or not to submit a Proposal for the purpose of restricting competition.

15. E-Verify Compliance

By submission of this Proposal, the Potential Contractor certifies that it and any subcontractors complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

16. Iran Divestment Compliance

Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.55-69. Contractor shall not utilize any subcontractor that is identified on the List.

17. Equal Opportunity Employer

County is an equal employment opportunity employer. The County is a federal contractor, and therefore the provisions and affirmative action obligations of 41 CFR §601.4(a), 41 CFR 60- 741.5(a), and 41 CFR 60-250.4 are incorporated herein by reference, where applicable.

COMPANY NAME _____

REFERENCES

PROPOSALS MUST LIST FOUR (4) REFERENCES IN COMPLIANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 4.31.

EXECUTION OF PROPOSAL

DATE: _____

The potential Contractor certifies the following by placing an "X" in all blank spaces:

- _____ That the potential Contractor is a North Carolina licensed Broker that is independent and is not affiliated with any insurance company, third party administrative agency or provider network.
- _____ That the potential Contractor has at least 5 years in providing brokerage services in the public sector and in a County environment with a minimum of 500 benefited employees.
- _____ That this proposal was signed by an authorized representative of the firm.
- _____ That the potential Contractor has determined the cost and availability of all materials and supplies associated with performing the services outlined herein.
- _____ That all labor costs associated with this project have been determined, including all direct and indirect costs.
- _____ That the potential Contractor agrees to the conditions as set forth in this Request for Proposal with no exceptions.

Therefore, in compliance with the foregoing Request for Proposal, and subject to all terms and conditions thereof, the undersigned offers and agrees, if this proposal is accepted within thirty (30) days from the date of the opening, to furnish the services for the prices quoted within the timeframe required.

COMPANY NAME _____

ADDRESS _____

CITY, STATE & ZIP _____

PHONE _____ FAX _____

BY _____

(Signature and Title)

Type or Printed Name _____ Federal Identification Number _____

THIS PAGE MUST BE COMPLETED AND SUBMITTED AS A PART OF YOUR PROPOSAL.

PROPOSAL CHECK LIST

(Completed checklist must be submitted with proposal)

- ☐ Proposal Submitted by 3 PM on August 31, 2017.
- ☐ Includes (1) original and (7) hard copies
- ☐ Envelope Properly Marked
- ☐ All Section 4 questions, information request are addressed, indexed properly and listed in the same order as listed in RFP

- ☐ Plan of Services is on a separate sheet and properly titled, as required in Section 4
- ☐ Compensation Addendum included and properly titled, as required in Section 4
- ☐ Insurance Policies are included and the general liability policy shows the County as additional insured, as required.
- ☐ Reference sheet completed, in compliance with the requirements of Section 4.31
- ☐ Company W9 form included
- ☐ Execution of Proposal is completed and signed by and authorized rep

COMPANY NAME _____

Ms. Cardinali reviewed the background information recorded above and stated management is seeking to issue an RFP the week of August 8 with a recommendation to be brought forward to the Finance Committee at the October 5 meeting. Ms. Cardinali stated the request of the committee is to approve moving forward with the RFP process for employee benefits/insurance broker and consultant services. Ms. Cardinali stated there are over twenty-five different brokers who provide the service to other local governments across the state who will receive the RFP directly and the RFP will also be published on the County's website.

Commissioner Keefe stated the combined budget of over \$27 million is such a large part of the County's overall budget that in addition to the RFP, he would ask that other alternatives for health insurance also be explored that may solve the benefit and cost issue that goes with it. Commissioner Keefe asked if the timeline could be the next fiscal year budget. Ms. Cannon stated the renewal is July 1 and working backwards, the notice has to be given to BCBS in March. Ms. Cardinali stated if recommendations are brought to the committee in October and should the committee choose to go another route that is in place by November, there will need to be time for a new person to analyze the County's program to make the appropriate recommendation to the committee.

Commissioner Keefe asked whether there would be any benefit to combining local government agencies and stated nothing should be taken off the table with the cost of insurance benefits continuing to escalate. Questions and discussion followed.

MOTION: Commissioner Keefe moved to move forward with the RFP process for employee benefits/insurance broker and consultant services with monthly reports on health insurance brought to the Finance Committee.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

6. CONSIDERATION OF AMENDMENT TO KELLY HILLS RATE STRUCTURE

BACKGROUND:

In recent months, the Public Utilities Division has had an increase in the number of past due utility accounts. The Public Utilities Division mails out several letters to customers and then eventually takes the customer to Small Claims Court, in an attempt to get the customer to pay their bill. This process is lengthy and costly and the Public Utilities Division does not recoup any fees.

Currently customers do not pay any additional fees to Kelly Hills for being delinquent. Public Utilities is requesting a processing fee and administrative filing fee be added to the amount owed by the customer to help recoup the collection cost. Additionally, the fee will help stop the same customers from continuing to be late without consequences. The processing fee would cover the preparing, printing and mailing of the collections letters and the administrative filing fee would cover the preparation of the Small Claims documents.

The Public Utilities Division is also requesting to change the fee for the installation of an elder valve to the actual cost of installation plus ten percent (10%). The current fee is \$1,000.00 and does not cover any unforeseen issues that may occur during installation of the valve. PWC installs the elder valves at the County's request and then invoices the County for the cost of installation.

The cost of installation varies dependent on the depth of the sewer line, soil conditions, location of the elder valve, etc. Once the elder valve is installed and the customer brings their account up to date; the service is restored. However, there remains a possibility of the customer becoming delinquent in the future. If that occurs, the customer will be disconnected from the system. Therefore, the Public Utilities Division is requesting to add a \$25.00 disconnect fee to the rate structure for Kelly Hills to recover costs associated with this disconnection.

It should be noted that these proposed changes to the Kelly Hills / Slocomb Road Water and Sewer District rate structure will create uniformity between all the County water and sewer districts.

Kelly Hills Requested Rate Changes:

Add Processing Fee per Collection Action of \$30.00

Add Administrative Filing Fee per Collection Action of \$100.00

Change Elder Valve installation cost from \$1,000.00 to Actual Cost plus 10%

Add Disconnect Fee of \$25.00

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Finance Committee approve the rate structure for Kelly Hills and place the item on the agenda of the August 21, 2017 Kelly Hills/Slocomb Road Water and Sewer District meeting for approval.

Kelly Hills/Slocumb Road Sanitary Sewer Rate Schedule

MONTHLY RATE

The monthly rate shall be the sum of the Availability Fee and the Administration Fee.

AVAILABILITY FEE

Availability Fee – Non-connected customers (As referenced in the Cumberland County Water & Sewer Ordinance)	\$10.00
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ADMINISTRATION FEE

Administration Fee	\$2.00
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FLAT RATE SANITARY SEWER SERVICE

The monthly flat rate shall be the sum of the Flat Monthly Charge, Availability Fee and the Administration Fee.

Flat Monthly Charge	\$39.74
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OTHER FEES

Deposit	\$100.00
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Late Penalty	\$10.00
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Processing Fee per Collection Action	\$30.00
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Administrative Filing Fee per Collection Action	\$100.00
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Disconnect Fee (Administrative charge to discontinue service for non-payment)	\$25.00
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Reconnect Fee- Business hours (Administrative charge to re-establish service after discontinuance for non-payment)	\$25.00
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After-Hours Reconnect Fee (Available until 9:00 pm)	\$75.00
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*Returned Check Fee (Amount of check plus return fee - CASH, MONEY ORDER OR CERTIFIED CHECK ONLY)	\$25.00
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Court Costs	Actual
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Elder Valve

Actual plus 10%

CONNECTION FEES AND CHARGES

1. Facility Investment Fee:

The Facility Investment Fee will be based on the customer's water meter size and will provide Kelly Hills/Slocumb Road Water and Sewer District with funds for long-term system replacement and upgrade.

<u>Size of Water Meter</u>	<u>Facility Investment Fee</u>
5/8"	\$720.00
1"	\$1,800.00
1-1/2"	\$3,600.00
2"	\$5,760.00

Facility Investment Fees for water meter sizes 3" or larger shall be determined by an engineering estimate.

2. Sewer Laterals:

An estimate shall be given to the applicant prior to installation and shall be paid by the applicant prior to any installation of laterals to be connected to the sewer system. All charges include labor, equipment and materials required for the installation of the specified pipe size or sizes.

3. Main Extension Charges:

An estimate shall be given to the applicant prior to installation and shall be paid by the applicant prior to extending the main in the sewer district. All charges include labor, equipment and materials required for the installation of the specified pipe size or sizes.

Jeffery Brown, Engineering and Infrastructure Director, reviewed the background information recorded above and called attention to the changes to the rate structure highlighted in red. Mr. Brown stated more and more customers are being delinquent with their utility bills so approval of a \$30 fee for collections is being requested as is an administrative filing fee per collection action of \$100. Mr. Brown stated the current fee structure only allows the collection of \$1,000 to change the elder valve installation but based on the amount of time and the depth of the sewer, sometimes the cost is \$1,400 to \$1,500. Mr. Brown stated the request is to approve the actual cost plus 10%. Mr. Brown stated the request to add a disconnect fee of \$25 is to cover staff time associated with the disconnection. Mr. Brown pointed out that the requested changes would match other water and sewer rate structures that have already been approved by the Board. Questions followed.

Ms. Cannon asked if all Finance Committee and other committee items could move forward to the August 7 agenda. Consensus followed.

MOTION: Commissioner Council moved to approve the rate structure for Kelly Hills and place the item on the agenda of the August 7, 2017 Kelly Hills/Slocumb Road Water and Sewer District meeting for approval.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

7. MONTHLY FINANCIAL REPORT

BACKGROUND:

The financial report is included as of June 2017.

Highlights of the general fund include:

- Revenues
 - Current real and personal property tax collections are strong but are slightly below the percentage of budget of the prior year.
 - Motor vehicle tax revenues are strong. The FY17 total for the line is lacking the 12th payment for the year in comparison to the total for FY16.
 - Sales tax is in-line with budget.
- Expenditures
 - Overall general fund expenditures are in-line with budget and prior year amounts.

Crown center expense summary/prepared food and beverage and motel tax

- Spectra is reporting income and operating expenses in amounts consistent with the same timeframe last fiscal year.
- Prepared food & beverage taxes and motel tax are strong and reflect final totals for the fiscal year.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

Ms. Cardinali stated although the report is as of June 2017, it is not all inclusive of the fiscal year. Ms. Cardinali stated motor vehicle and tax collections are strong, real and personal property collections lag behind last year possibly due to Hurricane Matthew at the 98% of collection mark, sales tax is not flat with budget and the Crown numbers show a loss \$40,000 less than the prior fiscal year. Questions and discussion followed.

8. CLOSED SESSION FOR ATTORNEY CLIENT MATTER(S) PURSUANT TO NCGS 143-318.11(A)(3) (IF NEEDED)

There was no closed session.

9. OTHER ITEMS OF BUSINESS

Chairman Adams stated he had discussions with representatives of Cumberland Healthnet and Stedman Wade about the opportunity to provide adult health and dental services at the Health Department. Chairman Adams stated Cumberland Healthnet serves as a portal for the uninsured and Stedman Wade is a federal qualified health center that sees uninsured individuals. Chairman Adams stated Stedman Wade presented a proposal to provide adult health and dental services on a limited basis through December 31, 2017 and they are looking for a solution to provide those services on a long term basis after December 31. Chairman Adams stated this will be at no cost to the County because Stedman Wade receives funding for the uninsured and believes they can drawdown funds to utilize the Health Department as a satellite clinic. Chairman Adams stated they will provide adult and pediatric dental services in the clinic. Chairman Adams recalled the budget contained \$70,000 for Cumberland Healthnet and stated individuals released from the hospital or ER can receive follow up care through the portal provided by Cumberland Healthnet. Chairman Adams stated he envisions detainees who are released being able to receive follow up care at Stedman Wade's satellite clinic at the Health Department. Chairman Adams stated Stedman Wade is building a facility on Murchison Road with doctors, dentists and behavioral health. Ms. Cannon stated Interim Health Director Rod Jenkins is working on a contractual agreement with Cumberland Healthnet as well as Stedman Wade for the period until December 31, 2017.

Ms. Cannon stated the Health Department was notified in June of a grant for \$150,000 for three years which will be utilized for the Stedman Wade cost through December 31 and with the committee's consensus, a budget amendment to recognize that grant will be placed on the August 21 meeting agenda along with the contract agreement. Consensus followed.

There being no further business, the meeting adjourned at 10:44 a.m.