

CUMBERLAND COUNTY FINANCE COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
JUNE 7, 2018 – 8:30 AM
REGULAR MEETING MINUTES

MEMBERS PRESENT: Commissioner Jimmy Keefe, Chairman
Commissioner Glenn Adams
Commissioner Marshall Faircloth

OTHERS: Commissioner Michael Boose
Commissioner Jeannette Council
Commissioner Charles Evans
Commissioner Larry Lancaster
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Duane Holder, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Jeffery Brown, Engineering and Infrastructure Director
Brenda Jackson, Social Services Director
Julean Self, Human Resources Director
Nedra Rodriguez, Workforce Development Director
Sylvia McLean, Community Development
Dee Taylor, Community Development Director
Deborah Shaw, Budget Analyst
Heather Harris, Budget Analyst
Geneve Mankel, PIO Communications and Outreach Director
Candice H. White, Clerk to the Board

Commissioner Keefe called the meeting to order.

1. CONSIDERATION OF APPROVAL OF MINUTES – MAY 3, 2018 REGULAR MEETING

MOTION: Commissioner Faircloth moved to approve the May 3, 2018 regular meeting minutes.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF WORKFORCE DEVELOPMENT BOARD RECOMMENDATION TO AWARD THE WORKFORCE INNOVATION OPPORTUNITIES ACT (WIOA) TITLE 1 PROGRAM SERVICES CONTRACT TO EDUCATION DATA SYSTEMS, INC. (EDSI)

BACKGROUND:

Cumberland County receives annual funding from the state to provide workforce development services through the Workforce Innovation & Opportunity Act (WIOA). These important services

are focused on the following groups: local employers, the unemployed, underemployed adults, veterans, dislocated workers, In-School Youth (age 14-21) and Out-of-School Youth (age 16-24). These services are currently contracted to ResCare Workforce Services with a contract period ending June 30, 2018. Estimated allocations for FY19 are anticipated to be as follows for these specific program areas in Cumberland County:

- 1) \$800,000 for adult services programs
- 2) \$550,000 for dislocated worker programs
- 3) \$800,000 for youth services programs

These not-to-exceed amounts may be subject to change as it is based upon a prior estimate of available funds. It is anticipated that the exact funding amount will be known at or about the time of the final contract negotiations. All contracts for services will be on a cost-reimbursement basis, based upon performance, and may be extended for two additional years at the discretion of the County.

The Cumberland County Workforce Development Board (WDB) selected and approved an ad hoc review team consisting of WDB members (Rodney Anderson, Charlene Cross, Isabella Effen, Pam Gibson, and Joy Miller) at the November 8, 2017 meeting. The RFP for WIOA Title I Program Services was released on March 26, 2018 and due by 4 pm on April 23, 2018. Proposals were received from Eckerd Concepts, EDSI, H4 Enterprises, ResCare Workforce Services, and Two Hawk Workforce Services. Proposals were evaluated by the ad hoc committee of Workforce Development Board members utilizing evaluation criteria as follows: customer flow, staffing, statement of work, and program design (40 points); organizational experience, past performance, and references (25 points); transition and staff training plan (10 points); program cost/budget proposal (15 points); and program metrics (10 points). Bidders made oral presentations (10 points) to supplement and explain their proposals on May 1 and 3, 2018. The recommendation below, which was based on the consensus of the review committee, was approved by the Workforce Development Board on May 15, 2018.

RECOMMENDATION/PROPOSED ACTION:

The Workforce Development Board recommends approval of EDSI as the successful proposer to provide WIOA Title I Youth, Adult, and Dislocated Worker program services for the Cumberland County NCWorks Career Center and to authorize the County Manager to execute the negotiated contracts.

**CONTRACT FOR SERVICES FOR
ADULT, DISLOCATED WORKER, AND YOUTH PROGRAM SERVICES
UNDER TITLE I OF
THE WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)**

THIS CONTRACT AGREEMENT is entered into by and between County of Cumberland (County), a body politic and political subdivision of the State of North Carolina established and operating pursuant to the laws of the State of North Carolina (hereinafter referred to as "COUNTY") and

Educational Data Systems, Inc. (hereinafter referred to as "EDSI").

WITNESSETH THAT:

WHEREAS, the County desires to engage EDSI to render services in connection with activities to be operated and funded under Title I of the Workforce Innovation and Opportunity Act Public Law No: 113-128 (herein after referred to as the "Act" or "WIOA"), WIOA DOL ETA 20 CFR, Part 651, 652, 653, 654, 658, 675, 676, 677, 678, 679, 680, 681, 683, and 686; and DOE Office of Career, Technical and Adult Education, Rehabilitation Services Administration 34 CFR Parts 361 and 463; Jobs for Veterans Act Public Law 107-288 at 38 USC § 4215; and

WHEREAS, WIOA funds are anticipated to be made available to the County and the Cumberland County Workforce Development Board from the Division of Workforce Solutions of the North Carolina Department of Commerce (hereinafter referred to as the "State") contingent upon receipt of funds from the United States Department of Labor (herein after referred to as "USDOL") and/or the State; and

WHEREAS, EDSI desires to render services under the Act,

NOW THEREFORE, the parties hereto agree as follows:

1. Employment of EDSI
 - a. The County hereby engages EDSI and EDSI hereby agrees to perform the services hereinafter set forth in accordance with the terms and conditions contained herein.
2. Scope of Services
 - a. EDSI shall diligently perform and carry out in a satisfactory and proper manner the work and services described in Attachment A, "Statement of Work".
3. Time of Performance
 - a. The services of EDSI shall commence on July 1, 2018 and EDSI shall provide such services in such manner and sequence as to ensure their expeditious completion and as may be required in Attachment A, Statement of Work. All services required hereunder shall be completed on or before the end of the contract period: June 30, 2019. For the purposes of the statute of limitation, and in recognition of the fact that closeout procedures, audit, audit resolution, and collection of disallowed costs will occur after the contract period, this contract shall not be considered completed until final action on any disallowed costs by USDOL has been taken and the time for appeal of disallowed costs has expired.
4. Compensation and Method of Payment
 - a. In the case of activities covered by cost reimbursement provisions, EDSI shall be

compensated for the work and services to be performed under this contract by monthly reimbursements based on allowable expenditures actually made, unless otherwise specifically agreed to the contrary. For any activities covered by fixed unit price/performance-based provisions, EDSI shall be compensated based upon the timely delivery of services included in Attachment A, Statement of Work. In no event, however, will the total compensation and reimbursement, if any, to be paid EDSI under this contract exceed the sum of two million one hundred and fifty thousand dollars (\$2,150,000) in WIOA funds as described in Attachment D, "Solicitation (Cumberland County WFB RFP No. 18-01-WFD) and EDSI's Proposal" and this offer to contract signed by Kevin Schnieders. Provided further, EDSI acknowledges that the County and the Cumberland County Workforce Development Board are receiving monies to fund WIOA activities on behalf of the State of North Carolina and the United States Department of Labor and that the County's obligations to pay any funds is conditional upon receipt of such funds. The County may impose restrictions upon the maintenance of excess cash by the contractor consistent with the restrictions placed upon the County by the State and the United States Treasury Department.

- b. EDSI, using funds available pursuant to this contract, shall be fully responsible for the WIOA Adult, Dislocated Worker, College-to-Careers, Incumbent Worker Training, and Youth Program services and activities as provided for in the Statement of Work attached hereto as Attachment A and hereby incorporated by reference as is fully set forth herein.
 - c. EDSI shall be entitled to an "Administrative Fee" calculated by the Determination of Reasonableness of Profit Worksheet, Attachment XX. This Administrative Fee shall be paid to EDSI in twelve equal monthly installments.
5. Approval of Subcontract or Assignability
- a. EDSI shall not assign all or any portion of its interests in this contract, nor shall any of the work or services to be performed under this contract by EDSI be subcontracted, without the prior written approval of the County.
6. County as Contract Administrator
- a. The County and Cumberland County Workforce Development Board staff shall perform the administrative, enforcement, oversight, evaluation, and monitoring of this contract as agents of the County. However, EDSI shall be fully responsible for its compliance with this contract and all laws, rules, regulations, and guidance applicable to the use of WIOA funding. EDSI shall not be entitled to rely on County or the Cumberland County Workforce Development Board for such compliance issues.
 - b. All notices, reports, and other information including a monthly financial status

report shall be sent via e-mail to the Cumberland County Workforce Development Board, c/o, Nedra Clayborne Rodriguez nrodriguez@co.cumberland.nc.us with a copy of said electronic reports sent to paazam@co.cumberland.nc.us.

7. The County has the right to monitor program, fiscal, personnel, and management activities under this contract to ensure that performance goals are being met, and that appropriate administrative procedures, controls, and records are maintained, that Contract terms and conditions are being fulfilled, and that personnel and equal employment opportunity requirements are being met. EDSI for itself and for its sub-recipients does hereby authorize and agree to permit on-site visits by the County, Workforce Development Board Staff, State of North Carolina, USDOL or their designees, private questioning of employees and participants, and access for review or copying of EDSI or sub-recipient records of all programs. EDSI shall attend and shall require its sub-recipients to attend such meetings as requested by the Workforce Development Board regarding the monitoring or evaluation of programs.

The County may provide technical assistance to EDSI and its sub-recipients through periodic discussions and training sessions as the County deems necessary. Notwithstanding any such assistance provided by County, EDSI shall be fully responsible for complying with all applicable policy issuances, laws, and regulations.

The County may provide EDSI with written notification of deficiencies discovered in review of its activities and will endeavor to provide EDSI with reasonable time to take corrective action regarding deficiencies.

The failure of the County or the Workforce Development Board staff to discover or notify EDSI in writing of deficiencies does not relieve EDSI of its obligation to meet performance standards, maintain sound administrative and fiscal management, ensure equitable personnel policies and non-discrimination, and satisfy statutory, regulatory and contractual requirements.

8. Notification of Fraud or Abuse

EDSI shall immediately notify the County in writing of any charges or allegations of criminal misconduct, fraud, negligence, or other wrongdoing in connection with the program or any administering agency.

9. Maintenance of Records

EDSI shall maintain all fiscal and program records for periods required by federal regulations, but in no event less than four (4) years from the completion of obligations under this contract. Should audit proceedings be instituted concerning this contract, EDSI shall not destroy any records thereof until it is notified in writing that all audits are complete and such records are no longer needed. The County, the State, USDOL, and Comptroller General of the United States, or any of their designees shall have access to all records of any type of EDSI or its sub-recipient with regard to funded activities.

10. Property

- a. EDSI acknowledges that all non-expendable property, that is, property with a useful life of more than one year and a unit cost of \$500 or more per unit, and, as outlined in the "Property" section 3.6 of the Grant Administration Agreement, purchased with funds received under this contract or made available to EDSI by the County or the State specifically for a WIOA funded activity, is the sole property of the State. The County may reclaim or relocate non-expendable property hereunder at its discretion, subject to state and federal law. EDSI, however, may not transfer, relocate or alter the use of any property hereunder without the prior written authorization of the County. EDSI shall report any non-WIOA use of non-expendable property to the County.
- b. EDSI is responsible for the proper identification, inventory and maintenance of all property under its control. EDSI shall complete and submit to the County an annual inventory listing, clearly identifying WIOA Property. EDSI shall permit on-site inspections of all property by the County, the State, USDOL, or their designees. EDSI shall adhere to all property policies from the County and the State.
- c. EDSI shall procure the prior written approval of the County to initiate any action involving acquisition by purchase, lease or trade, transfer, relation, changed use or disposition of non-expendable property. EDSI shall not be entitled to recover the costs of acquisition or transfer if such prior written approval is not obtained.
- d. EDSI shall not acquire real property with funds under this Contract.
- e. EDSI expressly assigns to the State any right it may acquire by operation of law or otherwise in any property under this Contract. If intangible property on which a patent or copyright is obtainable is developed with funds acquired under this contract, EDSI acknowledges and agrees to procure the acknowledgment of its sub-recipients that the property is work for hire funded by the State, and the State has ownership of such works unless specifically waived in writing by the Division of Workforce Solutions.
- f. On completion of the services under this Contract or upon earlier termination of this Contract, all non-expendable property and all expendable property covered by federal regulations shall be situated, transferred or disposed of according to instructions by the State.

11. Reporting Requirements

- a. In the case of reimbursable activities, EDSI shall furnish the County with a monthly financial status report in a format designated by the County. Such reports shall be furnished not later than ten (10) business days following the end of each month. Such reports shall consist of detailed information taken from records and official books of account of EDSI. In addition, the County, the State, and USDOL may require

ad hoc reports for program management.

12. Supportive Services, PELL Grant Payments, and Other Financial Assistance

- a. Supportive Services provided by EDSI under this contract to participants shall not duplicate services provided by a public or private source(s), which are available at no cost to EDSI and/or participants. Additionally, EDSI is responsible for documenting a participant's receipt of all financial aid awards and maintaining such documentation. If other financial aid is received, adjustments to the cost of tuition and books paid through this contract shall be made accordingly.
- b. EDSI shall adhere to all Federal, State, and County mandated requirements regarding the use of PELL grant funds and other financial awards in conjunction with WIOA funds.

13. Accounting

- a. EDSI shall maintain complete accounting records sufficient to document receipts and expenditures of WIOA funds under this contract. For cost reimbursement activities, EDSI shall account separately for the expenses of each activity by cost category as described in the budget herein as Attachment B. For fixed unit price/performance based activities, EDSI shall submit the appropriate documentation as detailed in Attachment A, Statement of Work, for the amount described in the budget included as Attachment B. Program income must be accounted for, reported to the County by the appropriate program year fund allocation, and used during the contract period to offset the cost of the services provided or such additional income shall be forwarded to the County. Interest income on cash advances of sub-grant funds shall also be accounted for as additional program income and reported accordingly.
- b. All accounting records should be maintained in accordance with Uniform Guidance Requirements 2 CFR 200, 215, 225, 230, including any exceptions identified by the Department of Commerce at 2 CFR part 2900, the NC Local Government Budget and Fiscal Control Act, Federal and State Certifications and Assurances, State Policy Issuances, other applicable OMB Circulars and administrative provisions, implementing regulations, and Generally Accepted Accounting Principles.

14. Rights in Documents, Materials, and Data Produced

- a. EDSI agrees that all reports and other data prepared by and for it under the terms of this contract shall be delivered to, become, and remain the property of the County or its assigned designee upon termination or completion of the work. Both the County and EDSI shall have the right to use it without restriction or limitation and without compensation to one another. For the purposes of this contract, data includes writings, sound recordings, or other graphic representations, and works of similar nature. No reports of the documents produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of EDSI.

15. Interest of EDSI

- a. EDSI covenants that neither EDSI nor its agents or employees presently has an interest, nor shall acquire an interest, direct or indirect, which conflicts in any manner or degree with the performance of its services hereunder, or which would prevent, or tend to prevent, the satisfactory performance of EDSI's service hereunder in an impartial and unbiased manner. EDSI further covenants that in the performance of this contract, no person having any such interest shall be employed by EDSI as an agent, subcontractor, or otherwise.

16. Interest of Members of the Council and Others

- a. No officer, member or employee of the County, Cumberland County Workforce Development Board, and/or no public official of any local government which is affected in any way by the WIOA activities, shall participate in any decisions relating to this contract which affects his/her personal interest or in the interest of any corporation, partnerships, or association in which s/he is, directly or indirectly, interested; nor shall any such person have any interest, direct or indirect, in this contract or the proceeds arising therefrom.

17. Location of Services

- a. EDSI shall co-locate its employees providing services pursuant to this contract at a location designated by the County. It is the intent of the County that said employees shall be co-located with employees of the Cumberland County Workforce Development Board and the Cumberland County NCWorks Career Center (to include employees of the North Carolina Department of Commerce's Divisions of Workforce Solutions and Services).

18. Maintenance of Effort

- a. EDSI sponsored training in existence prior to the initiation of this contract shall be continued and may not be reduced in any way as a result of this contract (except for reduction unrelated to the provisions or purposes of this contract). EDSI agrees that implementation of this contract will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal or other funds in connection with work that would otherwise be performed.

19. Nepotism

- a. EDSI agrees for itself and its subcontractors that no two members of an immediate family shall be employed within the same agency if such employment will result in one supervising a member of his/her immediate family, or in one occupying a position which has influence over the other's employment, promotion, salary administration, and other related management or personnel considerations. Immediate family is described as wife, husband, mother, father, brother, sister, son,

daughter, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandmother, grandfather, grandson, granddaughter, stepmother, or stepfather. This section shall also apply to governing boards for contractors, EDSI staff, and subcontractor staff involved in WIOA activities.

20. Complaints and Hearings

- a. EDSI shall have a complaint and hearing procedure for complaints and grievances by its employees, participants, and other persons. The procedure may involve investigations by EDSI and shall result in an impartial hearing within 30 days and a written decision in 60 days after receipt of the formal complaint.
- b. The County shall have a complaint and hearing procedure for complaints and grievances as described in policy #11 Nondiscrimination - Workforce Innovation and Opportunity Act (WIOA) Nondiscrimination/Equal Opportunity Standards and Complaint Procedures. The procedures shall be conducted under and governed by the County policies and/or the North Carolina Administrative Code. As to complaints and appeals governed by this paragraph, the County shall have authority to investigate and make findings, determinations and orders, including orders imposing corrective conditions and ordering sanctions, after the opportunity for a hearing. Where permitted under this contract or by law, sanctions and conditions may be imposed prior to an oral hearing in an emergency situation.
- c. The County may, on its own complaint, initiate an investigation and conduct a hearing on any activity under this contract.
- d. The complaint and hearing procedure hereunder will comply with WIOA, the regulations thereunder, and with state law.
- e. EDSI shall designate a hearing officer and provide each participant with a copy of EDSI's complaint and hearing procedure including the names and addresses of EDSI's hearing officer, and the hearing officer of the County.

21. Protests, Disputes, and Claims

- a. Except as otherwise provided in this contract, any protest, dispute, or claim, concerning a question of fact arising under this contract which is not disposed of by agreement shall be resolved by the County, which shall issue a written determination and mail or otherwise furnish a copy to EDSI. The decision of the County shall be final and conclusive unless, within 30 days from the date of receipt of such copy, EDSI mails or otherwise furnishes to the County a written appeal. The decision of the County shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or as grossly erroneous as to imply bad faith or not to have been supported by substantial evidence. In connection with any appeal proceeding under this clause, EDSI shall be afforded an opportunity to be heard and to offer evidence in support of the appeal. Pending final decision of a dispute, EDSI shall proceed diligently with the

performance of the contract and in accordance with the County's decision.

22. Indemnity and Insurance

- a. To the extent permitted by the North Carolina Tort Claims Act (Chapter 143, Article 31 of the North Carolina General Statutes) EDSI shall indemnify and save harmless the County from and against any and all claims, losses, costs, damages, expenses, judgements or liabilities caused or arising through EDSI's performance of this Agreement including, without limitation, negligent or other wrongful acts or omissions, accidents or other occurrence causing bodily injury, including death, sickness, and disease to any personnel, damage or destruction to property, real or personal, and sexual misconduct by EDSI and its employees and agents.
- b. EDSI shall provide the County written notice, in the form of Certificates of Insurance, for any and all insurance required by the RFP or by law. EDSI shall require its insurers to provide the County written notice of any cancellation or lapse in coverage of said insurance immediately upon said lapse or cancellation.

23. Audit

- a. EDSI agrees to have completed a fiscal and compliance audit covering the appropriate period of the contract and submit a copy to the County within 30 days after EDSI receives its completed audit but no later than six months from the end of the audit period. An independent firm of Certified Public Accountants or the State Auditor shall perform the audit. The audit of the contract shall include additional statements of WIOA revenues and expenditures as of June 30th when the contractor has a fiscal year other than June 30th and for the entire contract period when it has been performed during more than one fiscal year. WIOA grant funds may be used to pay the costs of such audit. The audit should include, at a minimum, an accountant's opinion, a balance sheet, a statement of revenues, expenditures, and fund balance, an opinion letter and a management letter, a Schedule of Federal and State Financial Assistance, Compliance Report, and Internal Control Report. The examination must be made in accordance with Generally Accepted Accounting Practices and the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting office. EDSI audits will have all findings and questioned costs (including a note about all payables to and unearned receipts from WIOA) in the Compliance Section of the Audit. Furthermore, to ensure compliance with GS 159-40, non-profit corporations or organizations receiving funds under this contract of \$1000.00 or more and not exempted by Section 1(d) of GS 159-40, are required to file a copy of the independent audit report with the Office of the State Auditor. Also, audits of EDSI performed by the Office of the State Auditor or USDOL directly may satisfy the requirements of this paragraph. The County under state mandate may unilaterally impose additional reasonable conditions on audit activity.

24. Audit Resolution and Disallowed Costs

- a. In the event the County, State, or USDOL disallows any expenditures of funds made by EDSI under this contract, EDSI shall within 10 days reimburse such funds to the County from non-federal funds, after attempted resolution of the disallowed costs under the 120-day Audit Resolution Procedure. The County has adopted the 120-day Audit Resolution Procedure that allows EDSI a 30-day comment period after receipt of the final audit. Within 30 days after the comment period, the County will issue an initial determination stating disallowed costs, then EDSI will have 60 days to produce documentation attesting to the allowed ability of the costs, request a hearing, or otherwise seek a settlement of the disallowed costs. At the end of the 120 days, a final determination will be issued stating all disallowed costs that shall be reimbursed. The County may, in the case of EDSI's default or actions which the County believes are not in good faith by EDSI, withhold future payments under this or any other contract with EDSI or impose other sanctions until the disallowed costs are resolved. If interest on disallowed costs accrues to the County or the State, EDSI shall also be liable for such interest charges.

25. Contract Closeout

- a. Within 30 days from the ending or termination of the contract, EDSI shall submit to the County a final performance report, financial report, closeout document, and a reimbursement for WIOA funds received in excess of final expenditures. Receipt of the closeout documents will complete all transactions under the contract except for property maintenance, audit, and audit resolution. No later than the date the final performance report is due, EDSI shall return to the County any and all County property purchased hereunder and any and all unexpended and surplus funds EDSI obtained pursuant to this Contract.

26. Changes

- a. Any changes in the terms of the Agreement must be in writing and signed by both parties to be effective, except if necessitated by unavailability of or reduction in funding.

27. Contracting Period

- a. The contracting period shall be as stated in section 3a (Time of Performance). As stated in the RFP, the County shall have the option of extending this contract for two additional one-year terms. The County shall give EDSI written notice of its intent to renew, including any additional provisions which the County determines necessary to include in this contract for the renewal period, no less than 60 days prior to the expiration of said period. If the County elects to renew, EDSI shall respond within 30 days of said notice with any requests for exceptions or changes to the original contract terms and any additional provisions provided by the County. If there are no exceptions noted, this contract, including said additional provisions, shall be renewed for the additional term.

28. Termination of the Contract

- a. If through any fault of its own, EDSI shall fail to fulfill in a timely and proper manner its obligations under this contract, or if EDSI shall violate any of the material covenants, agreements, representations or stipulations of this contract, the County shall have the right to terminate this contract by giving written notice to EDSI of such termination and specifying the effective date thereof. In such event, all finished documents and other materials collected or produced under this contract shall, at the option of the County, become its property. EDSI shall be entitled to receive just and equitable compensation for any work performed in accordance with this contract, except for the extent such work must be duplicated in order to complete the contract. Notwithstanding the foregoing, EDSI shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of this contract by EDSI, and the County may withhold payment of any additional sums as security for payment of damages caused by EDSI's breach, until such time as the exact amount of the damages resulting from such breach is determined.
- b. EDSI shall repay to the County within 30 days of termination of the contract any and all cash advances received which exceed actual expenditures for work performed in accordance with this contract. EDSI shall work closely with the County in the liquidation of advances and recovery of unexpended funds.
- c. The County may unilaterally terminate or modify this contract if necessitated by unavailability of or reduction in funding, and/or non-performance by EDSI.
- d. EDSI shall have the right to terminate this contract if the County breaches any of the material covenants, agreements, representations, or stipulations of this contract and has failed to correct such breach within 30 days after receiving written notification from the contractor of the breach. Upon termination, the County shall not be relieved of its duty to pay EDSI for services performed in accordance with the contract and prior to the effective date of termination.

29. Incorporated Documents and Definitions

- a. Documents Included in the Contract
 - i. The following documents are hereby made a part of this Contract by reference, and compliance with the applicable provisions of the documents is a condition of this Contract: Workforce Innovation and Opportunity Act Public Law No: 113-128 (herein after referred to as the "Act" or "WIOA"), WIOA DOL ETA 20 CFR, Part 651, 652, 653, 654, 658, 675, 676, 677, 678, 679, 680, 681, 683, and 686; and DOE Office of Career, Technical and Adult Education, Rehabilitation Services Administration 34 CFR Parts 361 and 463; other applicable federal laws, regulations, orders, circulars and issuances; applicable state laws, regulations, instructions and issuances; Attachment A, "Statement of Work"; Attachment B, "Budget"; Attachment C "Certifications and Assurances"; and Attachment D "Solicitation (Cumberland County WFB RFP No. 18-01-WFD), and EDSI's Proposal" and

this Offer to Contract.

b. Definitions Incorporated in the Contract

- i. All definitions included in WIOA and the regulations promulgated under WIOA, in other applicable federal statutes, regulations, circulars and directives, and in applicable sections of the North Carolina General Statutes and the North Carolina Administrative Code are incorporated herein by reference, whether defined at the time of this agreement or at any time during the period of the agreement.

c. Special Definitions

- i. Whenever WIOA and the regulations promulgated thereunder permit or require the Governor or the State to define certain words or phrases, or whenever the State or County determines that a definition is necessary, the State or County may define such words or phrases by issuance, rule, directive, bulletin or instruction, and such definitions shall be incorporated herein by reference.

d. Changes in Incorporated Documents and Definitions

- i. The parties are bound by any change in federal and state law that occurs subsequent to the Contract. EDSI shall notify the County of any budget transfers or adjustments made to Attachment B.
- ii. If the cumulative amount of all transfers to and from that budget line item equals or exceeds five percent (5%) of the original amount as stated in Attachment B, no transfer or adjustment to that line item may be made without the written consent of the County. All budget transfer requests must include a brief explanation letter and a revised Attachment B prior to the County issuing written approval.

30. Severability, Discretion of the County, and Open Meetings Law

- a. In the event any provision of this Contract shall be considered unlawful or without effect, it shall be considered severable and shall not affect the remainder of the Contract.
- b. The County shall have the power and discretion to enforce any provision of this contract and to select from among its remedies under this Contract and at law. The failure of the County to enforce a provision shall not constitute waiver of the provision or the Contract.
- c. No action taken by EDSI or its sub-recipients in violation of any applicable provision of the state open meetings law shall be valid.

31. Force Majeure

- a. The performance of this Contract may be delayed and/or suspended by any act of God, war, civil disorder, employment strike, hazardous or harmful condition, any alleged criminal or reckless act not caused by EDSI, its employees, agents, and subcontractors, or other cause beyond the control of either party ("Force Majeure Event"). Should performance under this Contract be delayed and/or suspended due to any Force Majeure Event, neither party shall be held liable for any default, damage, and/or breach of contract resulting therefrom.

32. Notices

- a. Written notices required by this Contract shall be directed to the following representatives:

Cumberland County Workforce Development Board
C/O Nedra Clayborne Rodriguez
410 Ray Avenue
Fayetteville, North Carolina 28301

EDSI
Kevin Schneiders – CEO
15300 Commerce Dr. North
Dearborn, MI 48120

Or to such other persons and such other addresses as one of the above parties may designate in writing.

33. Order of Precedence of Attachments

- a. In the event of a conflict between this Contract and its attachments, this Contract shall have precedence over all attachments. Attachment B shall have precedence over Attachment A.

34. Entire Contract

- a. This is the entire agreement between the parties and there are no terms or conditions relative to this matter except those specifically set forth herein; time of completion and performance is of the essence in this contract.
- b. IN WITNESS WHEREOF, the parties have caused this agreement to be executed by its designated officials pursuant to the policies and procedures of their respective governing bodies, as of the day and year first above written.

Nedra Rodriguez, Workforce Development Director, reviewed the background information recorded above and stated the FY19 award will be \$2.15 million. Commissioner Keefe inquired regarding last year's amount and stated this is a new provider. Ms. Rodriguez stated the initial award is always based on estimated allocations and that information is not available until late June or early July. Ms. Rodriguez stated the initial award was similar last year to the one this year and once expenditures are reconciled and the audit is complete, the contract will be amended and brought back to the Board. Ms. Rodriguez stated EDSI, as part of their proposals, stated they will be reaching out and working with community partners as well as veterans in the community.

MOTION: Commissioner Adams moved to award the WIOA Title I Program Services contract to Education Data Systems, Inc. (EDSI).

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

3. CONSIDERATION OF A STANDING OBJECTION TO THE WAIVER OF ANY COURT COST OR FINE IN RESPONSE TO SESSION LAW 2017-57 SECTION 18B.6(A)(B)

BACKGROUND

In late November 2017, the County was notified that we would have the opportunity to appear and be heard on any waiver of court costs or fines imposed in criminal and infraction cases, to be effective December 1, 2017. Since that time, the Administrative Office of the Courts has provided the option of completing the attached form in lieu of having the attorney appear in court.

On the basis of fiscal responsibility, staff is requesting approval to register its objection to waiver or remission of any cost or fine that may be due to the County. We are also requesting approval to waive the request for notice as we no longer wish to receive monthly notices.

RECOMMENDATION/PROPOSED ACTION

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

Approve for the County Attorney to submit the standing objection/waiver of objection by objecting to waiver or remission of any cost under G.S. 7A-304 or fine that may be due the County (check box 1.a.); a waiver for the monthly notice to be discontinued (check box 2.a.).

Vicki Evans, Finance Director, reviewed the background information and recommendation/proposed action recorded above.

Commissioner Adams stated he would seek to recuse himself from as the matter has a direct consequence to day job (attorney). Commissioner Faircloth asked whether management's recommendation was to approve to which Amy Cannon, County Manager, responded in the affirmative.

MOTION: Commissioner Faircloth moved to approve for the County Attorney to submit the standing objection/waiver as recommended.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (2-0) (Commissioner Adams was recused)

Commissioner Keefe referenced the monthly updates recorded below. There were no questions or discussion.

4. MONTHLY UPDATES

A. HEALTH INSURANCE

BACKGROUND:

Claims for April 2018 are up 28% from April 2017 (month to month) and running comparable to FY17. To provide some perspective on the claims, below is the 10-month average for the past 5 fiscal years. This average represents the average claims for July – April of each fiscal year.

Average claims per fiscal year for July – April:

FY13 \$1,249,846

FY14 \$1,246,703

FY15 \$1,528,658

FY16 \$1,783,324

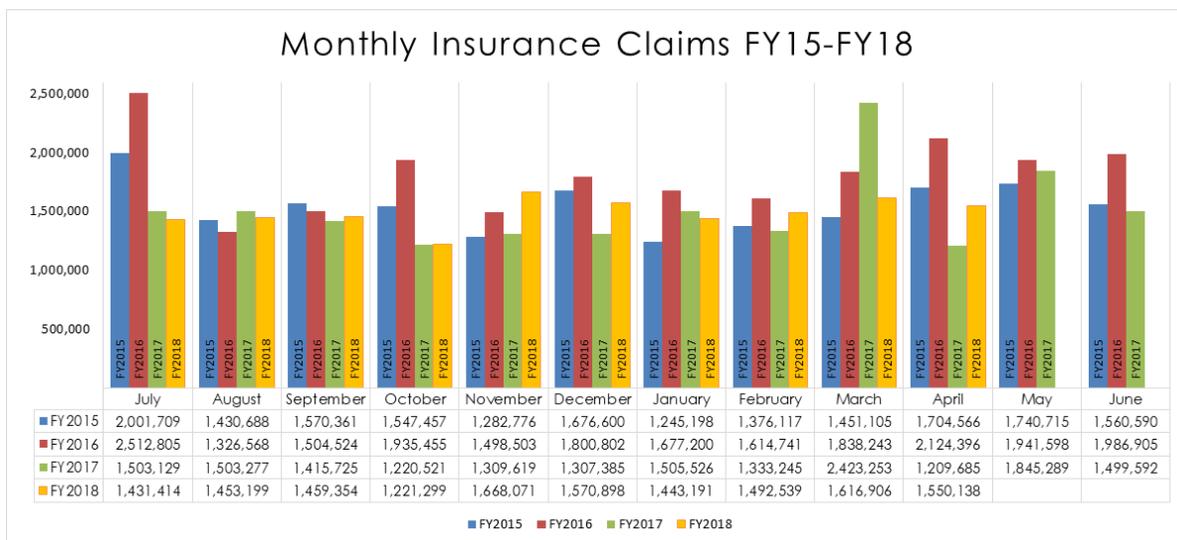
FY17 \$1,473,137

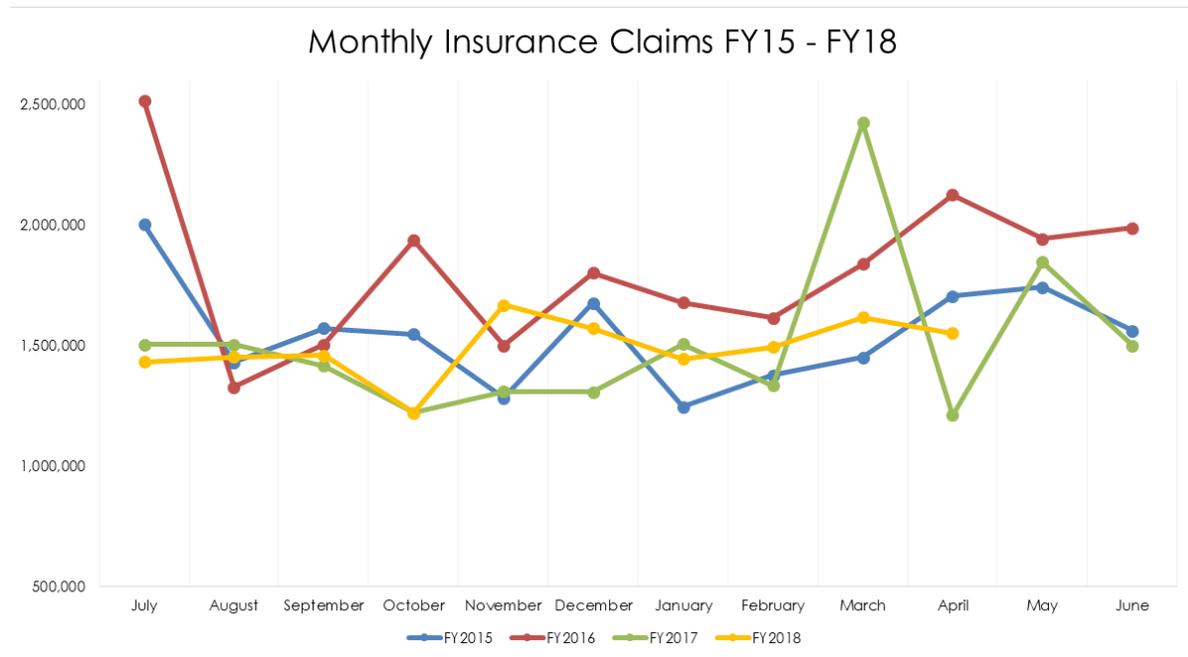
FY18 \$1,490,701

The attached graphs are provided as an aid to the analysis.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information only.





B. CDBG-DR

**CUMBERLAND COUNTY CDBG-DR PROGRAM UPDATE
FOR THE JUNE 7, 2018
FINANCE COMMITTEE MEETING**

Status as of May 29, 2018:

Total Applications	Application Intake (Step 1)	State Eligibility Check (Step 2)	State Duplication of Benefits Check (Step 3)	Under Further Review
237	102 (19 county/83 city)	43 (4 county/39 city)	70 (14 county/56 city)	22
Inspection & Environmental Review (Step 4)	Grant Determination (Step 5)	Contractor Selection (Step 6)	Construction (Step 7)	Completion (Step 8)
11	0	0	0	0

**Steps 2-3 performed by State; Steps 1, 4-8 performed by County/City*

Milestones/Activities:

- Request for Project Management Proposal – Selection Committee Review June 4, 2018
- Ongoing– County will process applications, incomplete applications and submit for review; State will determine eligibility; State will handle environmental review processes;
- County CD Rehab staff have conducted site inspections on properties that are in the Step 3 DOB stage – 2 completed; 5 in progress
- City CD staff have conducted site inspections on properties that are in the Step 3 DOB stage – 2 completed; 2 in progress
- Prepare project detail form for State environmental review process – Robins Meadow Phase II; Day Resource Center in Homeless Initiative Committee for discussion on site determination

Current Staffing:

- State: – David Cauthorn, CD Specialist II, Dept. of Public Safety – (Community Outreach for CDBG-DR) – Temporary Office Room 119 – Historic Courthouse; 130 Gillespie St.
- Cumberland County:
 - Sylvia McLean, P.T. Community Development (CD) Consultant; Terrinique Washington, Admin Support Specialist; Tye Vaught, Admin Program Officer II;
 - Temporary Staff: Interviews completed –Admin Housing Coordinator II; - *projected June 25; Housing Project Manager – re-advertised 5/30/18*
- City of Fayetteville: Jay Reinstein and Cindy Blot are City representatives/contacts

Hours of Operation:

- Monday – Friday, 9 a.m. to 4 p.m.

C. FINANCIAL REPORT

BACKGROUND:

The financial report is included which shows the fiscal year 2018 April year-to-date budget to actual (cash received/cash paid) comparison. Additional detail has been provided on a separate page explaining any percentages that may appear inconsistent with year-to-date budget expectations.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

	FY16-17	FY17-18	FY17-18	YTD ACTUAL	PERCENT OF	
REVENUES	AUDITED	ADOPTED BUDGET	REVISED BUDGET	AS OF April 30, 2018	BUDGET TO DATE	*
Ad Valorem Taxes						
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,312,162	\$ 161,845,610	101.0%	(1)
Prior Years	1,046,732	1,121,000	1,121,000	987,022	88.0%	
Motor Vehicles	17,683,864	18,070,242	18,070,242	13,557,985	75.0%	(2)
Penalties and Interest	650,368	667,602	667,602	648,109	97.1%	
Other	1,018,563	930,279	930,279	808,723	86.9%	
Total Ad Valorem Taxes	176,531,054	181,101,285	181,101,285	177,847,448	98.2%	
Other Taxes						
Sales	41,517,943	41,760,036	41,760,036	23,976,259	57.4%	(3)
Real Estate Transfer	1,091,362	700,000	700,000	852,674	121.8%	
Other	1,114,408	1,111,500	1,111,500	508,617	45.8%	
Total Other Taxes	43,723,713	43,571,536	43,571,536	25,337,549	58.2%	
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	70,826,215	39,669,317	56.0%	(4)
Charges for Services	13,832,010	12,056,608	12,078,908	8,828,460	73.1%	
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,045,838	6,297,399	89.4%	(5)
Proceeds Refunding Bonds		-	23,005,000	23,005,000	100.0%	(6)
Premium on COPS Sold		-	4,285,558	4,285,557	100.0%	(6)
County Closing Contribution		-	254,736	254,735	100.0%	(6)
Lease Land CFVMC	3,714,637	3,714,637	3,714,637	3,813,452	102.7%	(7)
Total Other	12,660,158	10,703,527	38,305,769	37,656,143	98.3%	
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 345,883,713	\$ 289,338,919	83.7%	
Fund Balance Appropriation		8,889,652	16,550,834	-	0.0%	(8)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 362,434,547	\$ 289,338,919	79.8%	

Fiscal Year 2018 - April Year-to-Date Actuals	
Additional Detail	
General Fund Revenues	
*	
(1)	Current Year Ad Valorem - Actuals are at 101.0% of budget as of 4/30/18. 98.35% of the levied tax as of 4/30/18.
(2)	Motor Vehicles 88.0% - YTD Actual reflects 9 months of collections.
(3)	Sales Tax 57.4% - YTD Actual reflects 7 months of collections.
(4)	Unrestricted/Restricted Intergovernmental Revenues 55.5% - lag in revenue is typically one month.
(5)	Other Sources (includes Transfers In) 89.5% - Rental income makes up majority of actual receipts. The majority of remaining balance is budgeted as a transfer in to fund the Board of Ed debt payment toward year-end.
(6)	Proceeds, Premium, Closing 100% - COPS/LOBS refunding of \$23M closed in August 2017. (Correlates with item (9) on report of expenditures.)
(7)	Lease Land CFVMC 102.7% - paid in full.
(8)	Fund Balance Appropriation 0% - Direct entries are not made to fund balance throughout the fiscal year.
General Fund Expenditures	
**	
(1)	Board of Elections 34.6% - capital purchase budgeted for \$809,045 has not yet been purchased.
(2)	Debt Service 72.1% - large debt payment was made in December
(3)	Youth Diversion 6.9% - expenditures for this program tend to occur later in the fiscal year. Conference scheduled during the month of December.
(4)	Engineering 34.3% - Revised budget reflects \$1.2M addition for stream debris removal grant for which no expenditures have been incurred. A budget revision was done in December to move this grant over to Engineering since they will be completing the projects.
(5)	Economic Physical Development 100% - NC Southeast contribution has been paid in full.
(6)	Industrial Park 3.6% - maintenance at Cedar Creek Industrial Park has not yet been completed.
(7)	Economic Incentive 14.1% - economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
(8)	Water and Sewer 0% - Funds budgeted for Overhills W&S have not yet been expended.
(9)	Transfers Out 68.1% - transfers out typically occur near year-end.
(10)	Refunding of 2009A and 2011B LOBS 100% - refunding of \$23M closed in August 2017. (Correlates with item (6) on report of revenues.)
(11)	Capital Outlay 49.7% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.

5. OTHER ITEMS OF BUSINESS

There were no other items of business.

MOTION: Commissioner Keefe moved to go into closed session for Attorney Client Matter(s) pursuant to NCGS 143-318.11(a)(3).

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

MOTION: Commissioner Faircloth moved to reconvene in open session.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (3-0)

There being no further business, the meeting adjourned at 9:25 a.m.