
Minutes
Cumberland County Board of Commissioners
May 3, 1999, 9:00 AM
Regular Meeting

CUMBERLAND COUNTY BOARD OF COMMISSIONERS

APRIL 5, 1999, 9:00 AM
REGULAR MEETING

PRESENT:

INVOCATION:

Commissioner Billy King

PLEDGE OF ALLEGIANCE

RECOGNITION: County Retiree: Alvin Surkin, Sheriff's Office
CUMBERLAND COUNTY BOARD OF COMMISSIONERS

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REGULAR MEETING

PRESENT:

INVOCATION:

Commissioner Billy King

PLEDGE OF ALLEGIANCE

RECOGNITION: County Retiree: Alvin Surkin, Sheriff's Office
Board/Committee: Stanley W. Johnson, Youth Services
Advisory Board

PUBLIC HEARING

Consideration of granting approval in principle of an Industrial Revenue Bond for Union Corrugating Company and the financing thereof with Industrial Revenue Bonds in the principal amount of up to \$2.5 million.

BACKGROUND: Union Corrugating, Inc. is planning an expansion and would like to use the Industrial Revenue Bonds. This is not a pledge of the County's full faith and credit and the cost incurred will be paid by the Industry.

ACTION: Adopt Resolution and approve the principal of the Industrial Revenue Bond in the amount of \$2.5 million.

RESOLUTION

APPROVAL IN PRINCIPLE OF INDUSTRIAL PROJECT FOR UNION CORRUGATING COMPANY, INC.

AND THE FINANCING THEREOF WITH INDUSTRIAL REVENUE BONDS IN THE PRINCIPAL AMOUNT OF UP TO \$2,500,000

WHEREAS, the Cumberland County Industrial Facilities and Pollution Control Financing Authority (the "Authority") has agreed to assist in the financing under the North Carolina Industrial and Pollution Control Facilities financing Act (the "Act" of an industrial project by Union Corrugating Company, a North Carolina corporation (the "Company"), which plans to construct and equip an expansion to an existing facility for the manufacture of metal building products in Cumberland County (the "Project"), and has indicated that agreement by the execution of an Inducement Agreement between the parties dated march 17, 1999, and;

WHEREAS, Under GS 159C-7 each project must be approved by the Secretary of the Department of Commerce and, under Article 51B of Chapter 143 of the North Carolina General Statutes, the North Carolina Federal Tax Reform Allocation Committee must allocate a sufficient amount of North Carolina's "volume cap," as defined in Section 146 of the Internal Revenue code of 1986, as amended (the Code) to the financing; and

WHEREAS, The Rules and Procedures of the North Carolina Department of Commerce require that the governing body of a county approve in principle any project to be financed under the Act; and

WHEREAS, This Board of Commissioners has today held a public hearing with respect to the advisability of the Project and the issuance of bonds therefor, as evidenced by the Certificate and Summary of Public Hearing; and

WHEREAS, Section 147(f) of the code requires that the Board of Commissioners approve the plan of financing for the bonds; and

WHEREAS, the Authority intends to issue its Industrial Development Revenue bonds (Union Corrugating Company), Series 1999 (the "Bonds") in the principle amount of \$2,500,000 which will be purchased by NationsBank, N.A.; and

WHEREAS, under Section 159C-4 of the Act the issuance of bonds under the Act must be approved by the governing body of the county in which the project to be financed under the Act is located;

NOW, THEREFORE, the Board of Commissioners of Cumberland County, meeting in regular session at Fayetteville, North Carolina, on April 5, 1999, do the following:

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR CUMBERLAND COUNTYment.

The County hereby agrees that, should any of the Projects exceed cost estimates by as much as 20%, the Hospital Corporation has available funds on hand that can and will be used to allow completion of such projects and the County hereby indicates its agreement to such use of such funds.

This resolution shall take effect immediately.

RESOLUTION APPROVING ACQUISITION AGREEMENT FOR HIGHSMITH RAINEY MEMORIAL HOSPITAL
AND A RSTATED MANAGEMENT LEASE AGREEMENT FOR CAPE FEAR VALLEY MEDICAL CENTER

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Board/Committee: Stanley W. Johnson, Youth Services Advisory Board

PUBLIC HEARING

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RESOLUTION
APPROVAL IN PRINCIPLE OF INDUSTRIAL PROJECT FOR UNION CORRUGATING COMPANY, INC.

AND THE FINANCING THEREOF WITH INDUSTRIAL REVENUE BONDS IN THE PRINCIPAL AMOUNT OF UP TO \$2,500,000

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WHEREAS, Under GS 159C-7 each project must be approved by the Secretary of the Department of Commerce and, under Article 51B of Chapter 143 of the North Carolina General Statutes, the North Carolina Federal Tax Reform Allocation Committee must allocate a sufficient amount of North Carolina's "volume cap," as defined in Section 146 of the Internal Revenue code of 1986, as amended (the Code) to the financing; and

WHEREAS, The Rules and Procedures of the North Carolina Department of Commerce require that the governing body of a county approve in principle any project to be finan

DocumentSummaryInformation

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RESOLVED by the Cumberland county Board of Commissioners, that it approves and ratifies the Agreement to be dated as of April 6, 1999, between Cumberland Medical Center, Inc., Cumberland County Hospital System, Inc., and Cumberland County, including all attachments or exhibits thereto, substantially in the form as submitted to this meeting together with such revisions thereto as may be satisfactory to the Board of Trustees of Cumberland County Hospital System, Inc., to the County Manager and to the Office of the County Attorney, and be it

FURTHER RESOLVED, that the Board's Resolution of February 1, 1999, titled "Resolution Concerning Initial Approval of Hospital Financing and The Financing Team Therefor and Authorization for Reimbursement of preliminary Expenditures for Particular Projects," which among other actions approved a financing team for issuance of the revenue bonds, is amended in Paragraph 1 thereof by adding as Underwriters in the column following "Wachovia Capital Markets, Inc." the following: "NationsBanc Montgomery Securities LLC" and "Merrill Lynch", and be it

FURTHER RESOLVED, the Cumberland County Board of Commissioners approves that certain Restated Management Lease Agreement, to be dated as of May 1, 1999, between Cumberland County Hospital System, Inc. and Cumberland County, in the form as submitted to this meeting together with such revisions thereto as may be satisfactory to the Board of Trustees of Cumberland County Hospital System, Inc., to the County Manager and to the office of the County Attorney, and be it

FURTHER RESOLVED, that the Chairman or vice Chairman of the Board of Commissioners, and the officers of the County, as appropriate, are authorized on behalf of

the County and in its name to execute and deliver all documents necessary or appropriate to consummate the above transactions, including the documents above as submitted to this meeting, together with such revisions as may be satisfactory to the County Manager and the Office of the County Attorney.

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WHEREAS, Section 147(f) of the code requires that the Board of Commissioners approve the plan of financing for the bonds; and

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n the principle amount of \$2,500,000 which will be purchased by
NationsBank, N.A.; and

WHEREAS, under Section 159C-4 of the Act the issuance of bonds under the Act must be approved by the governing body of the county in which the project to be financed under the Act is located;

NOW, THEREFORE, the Board of Commissioners of Cumberland County, meeting in regular session at Fayetteville, North Carolina, on April 5, 1999, do the following:

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR
CUMBERLAND COUNTY±ö
in the Transportation Improvement Program (TIP);

WHEREAS, unforeseen circumstances sometimes cause highway projects to be delayed;

WHEREAS, current Board of Transportation policy requires funds for projects delayed beyond the TIP Schedule to revert for reallocation to projects in other Distribution Regions;

WHEREAS, a new construction date for a delayed project can not be scheduled until new funding for the project is added to the TIP thereby further delaying the project for as much as six to eight years;

WHEREAS, extended delays for critically needed highway projects

results in mounting traffic congestion, hazardous driving conditions and great inconvenience to the public; and

WHEREAS, Senator Tony Rand and Representative Bill Hurley have introduced legislation in both chambers of the General Assembly that will provide for the retention of funding within the Distribution Region for delayed projects thereby accelerating the restart date for such projects.

NOW, THEREFORE BE IT RESOLVED, that the Cumberland County Board of Commissioners supports the legislation entitled AN ACT TO PROVIDE THAT UNEXPENDED FUNDS DEDICATED TO A CERTAIN DISTRIBUTION REGION PURSUANT TO GS 136-17.2A SHALL BE USED FOR PROJECTS IN THAT DISTRIBUTION REGION OR MAY BE USED FOR LOANS TO OTHER DISTRIBUTION REGIONS and urges the General Assembly to expedite the enactment of such legislation.

Proclamation proclaiming 1999 the 100th Anniversary of the Veterans of Foreign Wars of the United States.

ACTION: Adopt Proclamation.

PROCLAMATION
100TH ANNIVERSARY OF THE VETERANS OF FOREIGN WARS
OF THE UNITED STATES

Chairman Thomas B. Bacote

Vice Chairman Ed Melvin

Commissioner Talmage Baggett

Commissioner Breeden Blackwell

Commissioner Billy R. King

Commissioner J. Lee Warren, Jr.

Commissioner H. Mac Tyson II

Cliff Strassenburg, County Manager

James Martin, Deputy County Manager

Juanita Pilgrim, Asst. County Manager

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Neil Yarborough, County Attorney

Marsha Fogle, Clerk to the Board

Chaplain Johnson,

Sheriff's Office

None

MOTION: Commissioner Warren moved to approve.

SECOND: Commissioner Melvin

VOTE: UNANIMOUSnyu WHEREAS, born in the fires of a revolution and tempered by civil war and foreign conflocts, the United States of America today

Consideration of the approval of documents for hospital revenue bond financing, Highsmith-Rainey Memorial Hospital acquisition and the restated hospital lease.

BACKGROUND: The Board has previously approved in principle issuing revenue bonds on behalf of the Hospital in the par amount not to exceed \$120,000,000 to (a) refinance the callable portion of the Hospital's 1991 Bonds, (b) finance construction of certain capital projects at the Hospital (the West Wing expansion, the GI Lab expansion, the Two East renovation, replacement of the Angiography Room) and a new Wellness Center and © finance acquisition of Highsmith Rainey Memorial Hospital. The transaction is initially phased as an interim loan with the private placement of a \$32,000,000.00 subordinated revenue bond to NationsBank to fund the acquisition of Highsmith Rainey on April 30, 1999. The permanent financing is expected then to be issued in the first week of May. The interim financing

will then be re-paid through the proceeds of the permanent financing. The revenue bonds are secured by net revenues of the combined hospital system and are not a pledge of the full faith and credit of the County's taxing power. The Local Government Commission will consider approval of the transaction on Tuesday, April 6, 1999. The final Bond Order will then be placed on the Board's agenda for its meeting on April 19, 1999, because it must be considered after the Local Government Commission's approval. In addition, upon the advice of the Local Government Commission, two more co-

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iation for discovery audits (b99-614) Funding Source - County

Health - Spring lake Resource Center: Increase in revenue/expenditures in the amount of \$59,088 to budget grant revenue received from the Kate B. Reynolds Foundation to establish four new positions: Physician Extender II, Public health Nurse II, Licensed Practical Nurse I, & Processing Assistant III beginning March 28, 1999 (B99-617) Funding Source - Grant

Lafayette Fire Department: Revision in the amount of \$11,528 to appropriate Fund BalancĐ/

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1ging underwriters, NationsBank Montgomery Securities and Merrill Lynch, will be added to the underwriting group to provide additional market presence in distributing the revenue bonds. The definitive Acquisition Agreement for Highsmith Rainey is also before the Board for approval. This agreement will be between Cumberland Medical Center, Inc. (i.e., Columbia/HCA), Cumberland County Hospital System, Inc. (i.e., Cape Fear Valley Medical Center) and the County. It is to be dated as of April 6, 1999, and is expected to close on April 30, 1999. It terminates the Highsmith Rainey ground lease with the County and transfers the Medical Arts Building, a vacant parcel, and other assets to the County.

Based on input from the national bond rating agencies, the team working on the financing and acquisition (including the Local Government Commission representative) concluded it would be appropriate to re-state the Hospital's management Lease Agreement with the County to (1) expressly include the Highsmith Rainey assets as property leased by the County to the Hospital, (2) extend the term of the lease to coincide with the maturity of the bonds, and (3) consolidate the rents for both Cape Fear Valley Medial Center and Highsmith Rainey. The Restated Management Lease Agreement does that. The restatement of rent continues the current annual payment through the maturity of the bonds and adds the rents called for under the Highsmith Rainey lease. After the last year of rent called by under the Highsmith Rainey lease, the rent is then simply adjusted by the CPI through the balance of the lease term. The restated lease also makes minor stylistic changes to remove ambiguities in some language and conform to the intention of the parties.

The Hospital Board of Trustees approved the bond financing and acquisition agreements and related documentation at its meeting of March 24, 1999. The Restated Management Lease Agreement has been submitted to the Hospital and its counsel and we expect it to be reviewed by that Board's committees the week of April 19, 1999 and acted upon by the full Board at its meeting of April 28, 1999.

ACTION:

Approve the resolution and documents (the Indenture, Escrow Agreement, Contract of Purchase, Official Statement, Commitment, Supplemental Indenture No. 4, Restated Management Agreement) relating to the Hospital's issuance of revenue bonds in the form submitted by Bond Counsel;

Approve adding NationsBank and Merrill Lynch as additional co-managing Underwriters to and through which the revenue bonds will be sold;

Approve the definitive Acquisition Agreement, including all attachments, between Cumberland Medical Center, Inc., the Hospital and the County;

Approve the Restated Management Lease Agreement between the Hospital and the County;

Authorize the Chairman or the Vice Chairman of the Board and the officers of

the County, as appropriate, to execute and deliver all documents necessary or appropriate to consummate the above transactions, including the documents above as submitted to this meeting, together with revisions as may be satisfactory to the County Manager and the Office of the County Attorney.

MOTION: Commissioner Baggett moved to approve the above Action Items, with the deletion of the second sentence in Condition #6 in the Restated Management Lease Agreement.

SECOND: Commissioner Warren

VOTE: UNANIMOUS

i embodies the highest ideals of freedom and democracy; and

WHEREAS, for over two hundred years, millions of Americans have answered our nation's call to defend our freedoms and our democratic form of government against all enemies; and

WHEREAS, such service has required sacrifice, hardship, endurance, dedication, bravery, courage and the highest level of patriotism; and

WHEREAS, freedom is not free, and those who have served our country deserve special recognition; and

WHEREAS, founded in 1899 by veterans of the Spanish-American War, the VFW is dedicated to serving all of America's veterans and their families;

NOW, THEREFORE, the Cumberland County board of Commissioners proclaims 1999 the "100th ANNIVERSARY OF THE VETERANS OF FOREIGN WARS OF THE UNITED STATES," and urges all individuals, schools, businesses, churches and civic organizations to proudly display the Flag of the United States of America and participate in programs honoring the VFW and all of America's 26 million veterans.

Proclamation proclaiming May as "Confederate History Month" and May 10th as "Confederate Memorial Day".

BACKGROUND: The men of the Fayetteville Arsenal Camp, Sons of Confederate Veterans request adoption of a proclamation proclaiming May as "Confederate History Month" and May 10 as "Confederate Memorial Day".

ACTION: Adopt Proclamation

PROCLAMATION

WHEREAS, on May 20, 1861, the State of North Carolina declared itself to be a free and independent state and subsequently jointed the Confederate States of America of which it was a member from 1861 until 1865; and

WHEREAS, the County of Cumberland contributed many soldiers to the service of the Confederate States; and

WHEREAS, the North Carolinians who served in the War Between the States are memorialized throughout the state; and

WHEREAS, all citizens of Cumberland County should study the War Between the States as we study all wars, so that we may understand the historical events which compelled the war and from that understanding continue to learn to live together and seek to avoid further conflicts;

NOW, THEREFORE, We, the Cumberland County board of Commissioners hereby proclaims each May hereafter to be designated as CONFEDERATE HISTORY MONTH and May 10 is proclaimed as CONFEDERATE MEMORIAL DAY.

Proclamation proclaiming March 29 - April 4, 1999, "Community Development Week" and April 8, 1999 "Community Development Day" in Cumberland County.

BACKGROUND: The Community Development Office has requested the Board adopt the Proclamation. This year is the 25th anniversary of the

Community Development Block Grant Program.

ACTION: Adopt Proclamation

PROCLAMATION COMMUNITY DEVELOPMENT WEEK

WHEREAS, the Community Development Block Grant Program (CDBG) has operated since 1975 to provide local governments with the resources required to meet the needs of persons of low and moderate income; and

WHEREAS, the CDBG Program has had a significant impact on our local economy through job creation and retention, physical redevelopment and improved local tax bases; and

WHEREAS, CDBG funds are used by thousands of neighborhood-based, non-profit organizations throuout the nation to address pressing neighborhood and human service needs; and

WHEREAS, Cumberland County, North Carolina and other local governments have clearly demonstrated the capacity to administer and customize the CDBG Program to identify, prioritize and resolve pressing local issues such as the provision of decent, affordable housing, neighborhood and human service needs; job creation and retention; and physical redevelopment.

NOW, THEREFORE, I, Thomas B. Bacote, by virtue of the authority vested in me as Chairman of the Cumberland County Board of Commissioners, do hereby proclaim the week of March 29-April 4, 1999 "CUMBERLAND COUNTY COMMUNITY DEVELOPMENT WEEK and April 8, 1999, COMMUNITY DEVELOPMENT DAY in Cumberland County and urge all citizens to join us in recognizing the Community Development Block Grant Program and the important role it plays in our community.

Rejection of Bids for mainframe computer upgrade.

BACKGROUND: The following bids were received for the mainframe upgrade:

LDA Products

\$369,636.00

Mainline Systems

\$417,836.00

LDA Products was the low bidder; however, their Bid Bond was not received by the 2:00PM deadline, causing us to reject their bid.

ACTION: Reject bids and solicit new bids using the same information as previously submitted.

Approval of deputizing Collection Agents for outside collection for the Tax Collector's Office.

BACKGROUND: The Tax Office would like to deputize additional employees to assist in enforced collection activity. Collection agents assigned outside collection duty need the ability to act without the presence of the Collector or Chief Deputy Collector, thereby increasing their effectiveness in the collection of taxes. As a part of the process they need the authority to levy upon property subject to taxation. Although they will act in an independent capacity, they will do so only when directed to act by the Collector or Chief Deputy.

ACTION: Deputize Phyllis Faircloth, E.T. Sessoms and Athalie Williams giving them the limited authority to (1) carry out the directions of the tax collector to budget additional revenue earned in prior fiscal years (b99-627) Funding Source - Ad Valorem Tax.

Eastover Fire District: Revision in the amount of \$100 to recognize additional tax revenue to fund the cost of unanticipated tax refunds. (B99-626) Funding Source - Ad Valorem Tax

Mental Health:

Developmental Disabilities: Increase in revenue/expenditures in the amount of \$234.205 to budget additional federal and state revenue to be used to serve additional clients who are currently on the waiting list (b99-623 - 623C) Funding Source - Federal and State

HUD Apartment: Revision in the amount of \$5,051 to move one position from full time to part time as approved by the State (b99-622) Funding Source - State

Health Department: Increase in revenue/expenditures in the amount of \$4,550 to budget additional fees to fund purchase of a projector and screen. (B99-620) Funding Source - Fees

General Government Other: Revision in the amount of \$7,000 to fund Cumberland county's one-third share of the estimated cost for Rice, Williams Associates to reopen and finalize negotiations with Time Warner Cable (B99-637) Funding Source - County

Day Reporting: Revision in the amount of \$16,891 to decrease expenditures in Spring Lake Day Reporting since a satellite office will no longer be opened at the Spring lake resource Center and to increase expenditures by \$16,891 in Day reporting to budget the cost of additional rent (\$12,000) incurred due to delays in constructing the new Community Corretions Center and to budget miscellaneous furniture and equipment for the new facility (\$4,891) (B99-628 & 629A) Funding Source - County

(10) N.C. Elderly Handicapped Transportation:

MOTION: Commissioner King moved to follow staff recommendation on the items on the Consent Agenda.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS

eBdBBBc Revision in the net amount of \$1,680 to recognize interest earned on ETDAP funds and to reallocate ETDAP funds among participating agencies as approved by the Human Services Transportation System Steering Committee (B99-638) Funding Source - State

Community Development: Revision in the amount of \$25,480 to transfer the Rehabilitation Program Coordinator's position from CDBG Administration to Housing Activities (B99-629) Funding Source - Federal

REGULAR AGENDA

Nominations to Boards/Committees:

Nursing Home Advisory Board (2 vacancies)

BACKGROUND: Pat Smith, appointed to the Nursing Home Board in February, 1999, has not responded relative to her acceptance of the appointment. In addition, Mr. David Varnedoe did not participate in an

facility visits in 1998. Mid Carolina Area Agency on Aging is requesting these two appointees be replaced.

ACTION: Nominate to fill the above vacancies:

Nominees: Marion E. Wall
Graham King

Work Force Development Board (1 vacancy)

BACKGROUND: Mr. Noddie Washington, serving in the Labor Representative position on this Board, is retiring and a replacement needs to be made. The United Steelworkers of America is recommending Mr. William Lowe to fill this vacancy. This term will expire, July, 1999.

ACTION: Nominate Mr. William Lowe to fill the vacancy.

NOMINEE: William Lowe

Appointments to Boards/Committees:

MOTION: Commissioner King moved to appoint the nominees for the Committees listed below by acclamation.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS

Domiciliary Home Community Advisory Committee (1 vacancy)

Nominee: Edwin T. Larr, Jr.

Mental Health Board (1 vacancy)

Nominee: Doug Brisson

Wrecker Review Board (1 vacancy)

Nominee: Boyd Thompson
revised

Note: County Manager Cliff Strassenburg passed out a revised Resolution which he received just this morning from the Local Government

Commission. The revised Resolution changed the words "indenture" in the sixth WHEREAS to (Fifth Supplemental Indenture" and reduced the principal amount of the Bonds to not in excess of \$119,000,000 and lowered the aggregate interest rate to not in excess of 5.72%. In addition under the "BE IT RESOLVED....., number 3 was corrected to r
1Y MAXIMUM SALARY

Physician III-A	8
89,773	144,969
Physician III-B	10
98,913	159,767
Physician III-C	11
103,826	167,726
Public Health Physician III	8
89,773	144,969
Public Health Physician IV	9
94,231	152,189

The change in the Physician Class Series does not give any physician an increase in salary.

MOTION: Commissioner Warren moved to approve.
SECOND: Commissioner Baggett
VOTE: UNANIMOUS

Report/recommendation from the County Finance Committee regarding telephone expense reduction proposal.

BACKGROUND: As a part of the County's continuing effort to reduce expenses, Robert Segal, CPA PA has identified several measures the county could take to reduce telephone expenses and enhance services. By acquiring and installing a PBX (private business exchange) network at a cost of \$1,250,000 (financed over three years), the county would realize a decrease in the monthly telephone cost for 2,000 phone extensions. This new system will tie the County The expected average savings over the first five years is approximately \$234,000. Other measures we can take are as follows:

revision of rates at the Coliseum and Mental Health Department: \$20,400 annual savings;
use of alternate service provider for non PBX services: \$32,100 annual

savings;

long distance & local measured service cost reduction: \$44,700 annual savings.

ACTION: Approve the new PBX System, the savings measures noted above and associated budget revisions (B99-681 & 682).

Commissioner Melvin suggested we look at thead "the Fourth Supplemental Indenture, instead of Supplemental Indenture.

Commissioner Warren asked why the Local Government Commission is requiring more underwriters. The County Manager said they felt them necessary because of the size of the transaction. He noted if the sales network does not work, then we will have to payer higher commissions or interest rate.

Commissioner Tyson inquired if there would be any change in the way the hospital will pay the property tax on the newly acquired Highsmith Rainey. Mr. Strassenburg stated the County would still receive their \$3 million per year, plus property taxes.

Commissioner Tyson also noted a concern he had relative to Condition #6 in the Restated Management Lease Agreement. He noted that the Hospital System will furnish the Board of Commissioners with a monthly operating statement and that expenditures for travel expenses of administrative personnel will be reported annually. He said he did not see any reason for the second sentence which address the travel expenses of administrative personnel. He said he felt everyone should be treated alike and that the second sentence should be deleted or perhaps re-worded.

MOTION: Commissioner Tyson moved to approve the action recommended, amending the first and second sentence of Condition #6 in the Restated Management Lease Agreement to read as follows: "The HOSPITAL SYSTEM shall furnish the COUNTY's Board of Commissioners with monthly operating statements, inlcuding but not limited to all travel expenditures for administrative Personnel.

SECOND: Commissioner Melvin (for discussion purposes)

DISCUSSION: In response to a question, the County Attorney noted that the difference in the two sentences in Condition #6 is probably the detail with which the travel expenses are reported. Commissioner Blackwell noted his concern about receiving a revised Resolution at the last minute, with no

time to review it. Commissioner Blackwell asked if there was any additional cost to be incurred as a result of adding two more underwriters. The Manager stated there was no additional cost. In addition, Commissioner Blackwell inquired as to the \$59.9 million. Mr. Yarborough, County Attorney, noted that was the exact payoff amount of the old bond. Commissioner Blackwell commended the hospital for seeking an inspection of the buildings. He noted that the LAW Engineering Firm of Raleigh, pointed out in their report that there were some immediate items that needed to be addressed. He inquired if the corrections would be a part of the bond package or paid for some other way. The County Manager said the deficiencies would be corrected and paid for from current hospital revenues. Commissioner King said he did not feel there was a need to amend the Restated Hospital Lease Agreement.

SUBSTITUTE MOTION: Commissioner King moved to approve the action as recommended by management.

SECOND: Chairman Bacote

DISCUSSION: Commissioner Blackwell said if one commissioner had a concern relative to this matter, the Board should honor his request, as it is important that this be a unanimous vote.

Commissioner Melvin said he had no problem approving everything as presented, and the Commissioners could address the report at a Hospital Board meeting. Commissioner Warren noted it was extremely important that this be a unanimous vote.

Commissioner King withdrew his substitute motion.

SUBSTITUTE

Discussion of the new bridge on Cumberland Road.

Y

BACKGROUND: Mr. Ted Melvin asked to appear before the Board on this item.

NOTE: Mr. Melvin did not attend the meeting.

MOTION: Commissioner King moved to remove this item from the

agenda.

SECOND: Commissioner Blackwell

VOTE: UNANIMOUS

Report on the status of the Winding Creek Building Renovation Project bids.

BACKGROUND: Bids were received for a second time on this project on March 25, 1999, at which time a sufficient number of bids were received for all primes. Because of the timeframe between receipt of the bids and this Commissioners' meeting, staff has not had time to complete an analysis of the bids. Therefore a recommendation is not ready at this time. Management will complete the analysis of the bids and bring the recommendation forward to the Board at the April 19, 1999 meeting.

NO ACTION NEEDED BY THE BOARD.

Consideration of Change Order #1 for Glover Construction Company - Ann Street Landfill Closure Project.

BACKGROUND: Change Order #1 in the amount of \$79,311.01 is for additional work associated with the closure of the unlined portion of Ann Street Landfill. This is a final change order that reconciles the actual quantities of all bid items against the estimated quantities at the unit costs established in the construction contract. Item 18 in the Change Order represents a significant add item and is for additional fill material that was required in building the soil cap due to settlement of the landfill. This was required to maintain the proper grades on the final soil cap for drainage purposes. The essential components in the change order document are:

Reconciliation of actual quantities to bid quantities is a net reduction of \$335,963.09;

Added fill due to settlement is an add of \$404,774.10;

Added erosion control measures is an add of \$10,500.00.

ACTION: Approve Change Order #1 for Glover Construction in the amount of \$79,311.01 and revise the total contract amount to \$3,610,452.95 and approve associated budget revision (B99-631).

Commissioner Baggett inquired if there would be any additional hauling from the borrow pit. Mr. Bob Stanger indicated there would be no additional

hauling as a result of this Change Order.

MOTION: Commissioner King moved to approve.

SECOND: Commissioner Baggett

VOTE: UNANIMOUS

Consideration of approval of a Franchise Ordinance and Contract for concessionaire services at Arnette Park.

BACKGROUND: This franchise will allow Papa Jacks Restaurant to provide concessionaire services to the general public visiting the Arnette Park located at 2165 Wilmington Highway.

ACTION: Approve the First Reading of the Ordinance and Franchise Agreement.

MOTION: Commissioner King moved to approve.

SECOND: Commissioner Melvin

DISCUSSION: Commissioner Warren inquired as to when the current franchise agreement expired. The current franchise expired in December, 1998. It was not renewed because there was no reason to have food services because the activities in the park during the winter months did not warrant it.

VOTE: UNANIMOUS

Report/recommendations from the County Facilities committee regarding adding beds to the Youthful Offender Unit of the new jail.

BACKGROUND: On March 11, 1999, the County Facilities Committee received a progress report on the County Detention Center Project. As a result of visiting the Mecklenburg County Detention Center the Project Team recommends increasing the size of the Youthful Offender Unit from 32 beds to 48 beds (the original number). The recommendation is based on a determination made by the Sheriff's Office that as a result of direct supervision, a 48 bed Youthful Offender Unit could be effectively controlled. The change will increase the estimated cost of the Detention Center by about \$720,000 and reduce the cost per bed of the overall project by approximately \$700. The Facilities Committee recommends approval of the increase in beds from 32 to 48.

ACTION: Approve the increase in beds in the Youthful Offender Unit of the new County Detention Center from 32 to 48 beds.

MOTION: Commissioner Warren moved to approve.

SECOND: Commissioner Blackwell

DISCUSSION: Commissioner Tyson mentioned he had a conversation with Commissioner Melvin relative to the construction of a jail in Robeson County in which they were looking at 608 beds at a cost of \$20 million.

VOTE: UNANIMOUS

Report/recommendation from the County Personnel Committee regarding position classification changes and reversion to the previous physician salary schedule.

BACKGROUND: The Personnel Committee met on March 11, 1999 and approved the following classification changes and the reversion of physicians' salaries back to separate grades. This change will allow us to remain in compliance with the requirements of the State Personnel Office. Because of the increase in salaries in January, some of the physicians' salaries were in excess of the maximum. Reversion back to the older plan will alleviate this problem.

CLASSIFICATION CHANGES APPROVED BY THE PERSONNEL COMMITTEE:

DEPARTMENT: Civic Center

Current Classification/Grade: Microcomputer Technician/ 65

Position #: 1006

Current Salary: \$27,865

Proposed Classification/Grade: Operations Manager/68

Proposed Salary: \$31,975

Annualized Difference: \$4,110

Current Classification/Grade: Operations Director/71

Position #: 1018

Current Salary: \$37,665

Proposed Classification/Grade: Director of Operations/71

Proposed Salary: \$37,665

Annualized Difference: 0

Effective 4/5/99

DEPARTMENT: Sheriff

Current Classification/Grade: Accreditation Specialist/61

Position #: 6085

Current Salary: \$23,650

Proposed Classification/Grade: Accreditation Compliance Officer/66 (new classification)

Proposed Salary: \$29,180

Annualized Difference: \$5,530

Effective Date: 4/5/99

DEPARTMENT: Tax Administration

Current Classification/Grade: Tax Analyst (Food/Bev./Occup.)/64

Position # 377

Current Salary: \$26,887

Proposed Classification/Grade: Tax Auditor/64

Proposed Salary: \$26,887

Annualized Difference: 0

Effective Date: 4/5/99

PHYSICIAN SALARY SCHEDULE FOR THE PHYSICIAN CLASS SERIES:
(Effective 7/5/98)

CLASS	GRADE	MINIMUM SALARe
two		

hospitals to see if we can realize some savings there. Commissioner Martin indicated there could in fact be some savings and he would contact the hospital.

Commissioner King expressed concerns that because of the changing technology, would this PBX System be outdated in a short period of time. It was noted the life of the system is seven years; however, we may need to add some enhancements at a later date. It was also noted the current system is 20 years old.

MOTION: Commissioner King moved to approve.

SECOND: Commissioner Blackwell
VOTE: UNANIMOUS

Discussion of proposed format for the joint meeting with the Fayetteville City Council.

BACKGROUND: The Board of Commissioners and the Fayetteville City Council will meet in joint session on April 12, 1999, 7:00 PM. Commissioner Melvin has submitted for consideration the proposed format for that meeting:

7:00 PM - 7:30 PM: Open stand-up social with both groups

7:30PM - Until: Formal meeting with the following objectives:

Establish consensus on areas of discussion;
Explore methods for evaluating those areas (i.e., subcommittees, task force, facilitators);
Establish communications channels for future meetings/issues.

MOTION: Commissioner Melvin moved to approve the above format.
SECOND: Commissioner Tyson
VOTE: UNANIMOUS

This format will be forwarded to the City of Fayetteville for their approval.

Discussion of the dates for joint meetings with municipalities.

BACKGROUND: Most of the meeting dates and times have been established with the municipalities excepting the Town of Linden and the Towns of Godwin, Wade and Falcon.

The Board directed that staff schedule a meeting with the Town of Linden sometime after July, 1999. In addition, the Board instructed Staff to ask the Town Boards of Godwin, Wade and Falcon to meet with us at 6:00PM on August 30. That same night at 7:30PM we will meet with the citizens in those areas at the Wade Town Hall.

MOTION: Commissioner Melvin moved to approve the schedule as noted

above.

SECOND: Commissioner Tyson

VOTE: UNANIMOUS

MEETING ADJOURNED: 11:00 AM.

Floyd, BBs of Commissioners
RESOLUTION CONCERNING ISSUANCE OF HOSPITAL FACILITIES
SUBORDINATE
REVENUE BONDS (CUMBERLAND COUNTY HOSPITAL SYSTEM, INC.) SERIES
1999
AND HOSPITAL FACILITIES REVENUE BONDS (CUMBERLAND COUNTY
HOSPITAL SYSTEM, INC.),
SERIES 1999

WHEREAS, the Board of Commissioners (the "Board") of the County
of Cumberland, North Carolina (the "County

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COUNTY BOARD OF COMMISSIONERS

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a"), has financed and refinanced certain costs of the health care system
operated on behalf of the County by the Cumberland County Hospital

System, Inc. (the "Hospital Corporation") through the issuance under the State and Local Revenue Bond Act, General Statutes of North Carolina Section 159-80 et seq. (the "Act"), of, among other issues, its \$59,998,913.60 Hospital Facility Revenue Bonds (Cumberland County Hospital System, Inc.), Series 1991 (the "Series 1991 Bonds"); and

WHEREAS, it has been proposed that the callable Series 1991 bonds be refinanced for the purpose of debt service savings due to lower interest rates under the Act; and

WHEREAS, the Hospital Corporation has planned (a) the construction and installation of a West wing Expansion for food and Nutrition Services, Materials Services, Information Systems and the Cardiac Surgery Center, the construction and installation of a Wellness Center, the expansion of its GI Lab, the renovation of Two East and replacement of the Angiography room (the "Projects") and (b) the acquisition of Columbia Highsmith Rainey Memorial Hospital (the "Acquisition") and has requested the Board to consider financing a portion of the costs of the Projects and the Acquisition with revenue bonds under the Act at the same time the callable Series 1991 Bonds are refunded through the issuance of additional bonds (the "Bonds") for such purposes, among other things; and

WHEREAS, the Board of Trustees of the Hospital corporation has adopted a resolution requesting this board to approve the issuance of the Bonds; and

WHEREAS, the Board has previously adopted a resolution on February 1, 1999, giving initial approval for the Bonds; and

WHEREAS, the Bonds will be issued pursuant to a Supplemental Indenture Number 5, dated as of May 1, 1999 (the "Fifth Supplemental Indenture"), between the County and The Bank of New York, as Trustee, and Central Carolina Bank and Trust Company, as Co-Trustee, amending a Trust Indenture dated as of March 1, 1988, as previously supplemented (the "1988 Indenture"), or an Amended and Restated Trust Indenture dated as of May 1, 1999 (the "Indenture"); and

WHEREAS, a portion of the proceeds of the Bonds will be held to refinance the Series 1991 Bonds pursuant to an Escrow Agreement dated as of May 1, 1999, between the County and The Bank of new York, as Escrow

Agent (the "Escrow Agreement"); and

WHEREAS, the Bonds will be sold by the Local Government Commission of North Carolina (the "LGC"), to the several underwriters represented by The Robinson-Humphrey Company, LLC (the "Underwriters") pursuant to a Contract of Purchase between the Underwriters and the LGC and approved by the County and the Hospital Corporation, to be dated the date of the sale (the "Contract of Purchase"); and

WHEREAS, the Bonds will be sold by the Underwriters with an official Statement (the "Official Statement") providing information with respect to the Bonds; and

WHEREAS, the difference in timing between the closing of the Acquisition and the issuance of the bonds is likely to be such that the advance of funds for such period is required and the Hospital Corporation has represented an interim loan with a bank is the preferred structure for such interim funding and a commitment (the "Commitment") for such a loan has been presented to the County and the Hospital Corporation; and

WHEREAS, it has been recommended by bond counsel to the County that the interim loan be in the form of subordinate revenue bonds (the "Interim Subordinate Bonds") under the 1988 Indenture, with a stated maturity date of October 1, 2000, but intended to be redeemed upon issuance of the Bonds;

WHEREAS, there have been presented to the Board the forms of the following documents:

Fifth Supplemental Indenture in substantially the form of the draft Indenture;
Escrow Agreement
Contract of Purchase;
Official Statement;
Commitment;
a Supplemental Indenture Number 4 dated as of April 15, 1999 (the "Fourth Supplemental Indenture"), supplementing the 1988 Indenture to effect the issuance of the Interim Subordinate Bonds; and

WHEREAS, the Board desires to finalize its approval of such documents and the issuance of the Bonds and the Interim Subordinate

Bonds and is adopting this resolution for such dual purpose;

NOW THEREFORE, the Board of Commissioners of the County of Cumberland, meeting in regular session on April 5, 1999, in Fayetteville, North Carolina, do the following:

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CUMBERLAND, NORTH CAROLINA:

The forms of the Indenture, the Escrow Agreement, the Official Statement, the Contract of Purchase, the Commitment, the Fifth Supplemental Indenture, the Fourth Supplemental Indenture and the Indenture are hereby approved and the officers of the Board are hereby authorized and directed to execute and deliver such documents on behalf of the County in final form with such completions, omissions, insertions and changes as may be approved by such officers, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; provided such documents shall only be executed and delivered after approval of the issuance of the bonds and the Interim Subordinate Bonds by the LGC and the closing of the Acquisition and (a) the principal amount of the Bonds shall not be in excess of \$119,000,000, the aggregate interest rate (TIC) thereon shall not be in excess of 5.72% and the Underwriters' fee or discount shall not be in excess of \$8.00 and (b) the principal amount of the Interim Subordinate Bonds shall not be in excess of \$32,000,000 and the maturity thereof shall not be later than October 1, 2000.

Subject to completion of the fifth Supplemental Indenture or the Indenture and the Contract of Purchase as specified in paragraph 1, the Bonds shall be issued and the officers of the County are hereby authorized and directed to execute and deliver the Bonds to the Underwriters upon delivery to the Trustee of the purchase price therefor as specified in the Contract of Purchase.

The officers of the County are hereby authorized and directed to execute the Commitment, the Fourth Supplemental Indenture and all documents relating thereto and to the Interim Subordinate Bonds for the advance of funds required to close the Acquisition, with the Interim Subordinate Bonds to be repaid upon issuance of the Bonds.

The officers of the County are hereby authorized and directed to deliver all certificates and instruments and other documents and to take all such further actions as they may consider necessary or desirable in connection with the execution and delivery of the Bonds and related documents and the Commitment and the Interim Subordinate bonds, including but not limited to, insurance and other agreements related to municipal bond insurance for the Bonds, if any.

The County hereby finds and agrees that:

the refinancing of the Series 1991 Bonds, the projects and the Acquisition are necessary or expedient;
the Projects and the operator of the property acquired in the Acquisition are feasible;
the County's debt management procedures and policies are excellent;
the County is not in default in any of its debt service obligations;
the proposed amount of the Bonds and the Interim Subordinate Bonds are adequate and not excessive for the purposes intended; and
the proposed Bonds and the Interim Subordinate Bonds can be marketed at a reasonable interest cost to the County.

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Page last updated 4/22/00