

CUMBERLAND COUNTY BOARD OF COMMISSIONERS  
MONDAY, NOVEMBER 5, 2012 – 9:00 AM  
117 DICK STREET, 1<sup>ST</sup> FLOOR, ROOM 118  
REGULAR MEETING  
MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman  
Commissioner Jimmy Keefe, Vice Chairman  
Commissioner Jeannette Council (arrived 9:03 a.m.)  
Commissioner Kenneth Edge  
Commissioner Charles Evans (arrived 9:03 a.m.)  
Commissioner Billy King (arrived 9:06 a.m.)  
Commissioner Ed Melvin (departed 10:50 a.m.)  
James Martin, County Manager  
Amy Cannon, Deputy County Manager  
James Lawson, Assistant County Manager  
Rick Moorefield, County Attorney  
Sally Shutt, Chief Public Information Officer  
Hank Debnam, Cumberland County Mental Health Area Director  
Jonathan Charleston, Area Authority Area Board Attorney  
Beth Melcher, DHHS Deputy Secretary for Health Services  
Rich Slipsky, Special Deputy Attorney General  
Lascel Webley, Jr., Area Board Chair, Alliance Behavioral  
Healthcare  
Tracy Hayes, General Counsel, Alliance Behavioral Healthcare  
Doug Peters, Fayetteville Regional Chamber President  
Russ Rogerson, Fayetteville Regional Chamber Executive Vice  
President for Economic Development  
Candice White, Clerk to the Board  
Kellie Beam, Deputy Clerk to the Board  
Press

Chairman Marshall Faircloth called the meeting to order.

INVOCATION AND PLEDGE OF ALLEGIANCE – Commissioner Keefe provided the invocation followed by the Pledge of Allegiance to the American Flag.

Recognition of Retired County Employee:

James Martin, County Manager recognized Judy Ray, a retiree from the Cumberland County Department of Social Services, for her outstanding service to the citizens of Cumberland County September 17, 1984 through July 1, 2012.

1. Approval of Agenda

MOTION: Commissioner Melvin moved to approve the agenda.

SECOND: Commissioner Edge

VOTE: UNANIMOUS (6-0)

2. Consent Agenda

A. Approval of minutes for the October 15, 2012 regular meeting

B. Approval of Payment of Prior Year Invoices:

1) Animal Control

**BACKGROUND:**

The Cumberland County Animal Control Department has requested payment of an FY2012 invoice for services rendered by Chameleon Software to import rabies certificates from local veterinarians into the remote Chameleon database. The invoice was sent to another County Department and was not forwarded to Animal Control in a timely manner. The total amount to be paid is \$4,913.01. The Animal Control Department has implemented procedures to prevent reoccurrence.

**RECOMMENDATION/PROPOSED ACTION:**

Management is requesting approval for payment of the above invoice in the total amount of \$4,913.01 and approval of the attached budget revision.

2) Health Department

**BACKGROUND:**

The Cumberland County Health Department has requested payment of two FY2012 invoices for services rendered by CorVel Corporation for workers' compensation services. The total amount to be paid is \$1,757.22. The Health Department has implemented procedures to prevent reoccurrence.

**RECOMMENDATION/PROPOSED ACTION:**

Management is requesting approval for payment of the above two invoices in the total amount of \$1,757.22 and approval of the attached budget revision.

C. Approval of Health Department Delinquent Accounts to be Written Off and/or Turned Over to the North Carolina Debt Set-Off Program

**BACKGROUND:**

At the Board of Health meeting on October 16, 2012, the Board approved writing off a total of \$65,141.14 as bad debts. The bad debt accounts with balances of \$50.00 or higher will be processed through the North Carolina Debt Set-Off Program which can attach a debtor's State Income Tax refund for payment of bad debts. The accounts with balances under \$50.00 will continue to be worked for collection through our in-house collection efforts. This write-off of bad debts is in compliance with the Board of Health's recommendation to write-off bad debts every quarter.

**RECOMMENDATION/PROPOSED ACTION:**

Management requests to have this item placed on the next County Commissioners' meeting agenda for their approval to write off bad debts in the amount of \$65,141.14.

CUMBERLAND COUNTY DEPARTMENT  
OF PUBLIC HEALTH  
DELINQUENT ACCOUNTS TO BE TURNED OVER FOR COLLECTION  
BAD DEBT WRITE-OFF #35  
OCTOBER 16, 2012

PROGRAM	AMOUNT
ADULT HEALTH	\$38,478.55
BCCCP	\$12.40
CHILD HEALTH	\$5,770.16
DENTAL	\$7,711.84
DIABETES	\$27.00
EXPRESS CARE	\$1,588.19
FAMILY PLANNING	\$7,088.77
IMMUNIZATIONS	\$0.00
MATERNITY	\$3,881.06
PAP	\$583.17
T.B.	\$0.00
TOTAL	\$65,141.14

All bad debt accounts with balances of \$50.00 or higher, will be sent to the North Carolina Debt Set-Off Program, which can attach a debtor's State Income Tax Refund for payment of bad debts.

- D. Approval to Set the Health Department 2012-2013 Flu Vaccine Fees and the Vaccine Administrative Fee

BACKGROUND:

At the Board of Health meeting on October 16, 2012, the Board voted to set the 2012 – 2013 Flu Season Fees for flu vaccines. This year’s Influenza Vaccines are broken down into four different categories: Regular Seasonal Flu, High Dose Flu which is a quadruple-dose version for Seniors, Flu Mist for intranasal use, and a vaccine for intradermal use.

**RECOMMENDATION/PROPOSED ACTION:**

Management requests to have this item placed on the next County Commissioners’ meeting agenda for their approval to set the fees as stated below:

Regular Seasonal Flu	\$12.74	\$13.31	\$12.60	\$10.10	\$15.00	\$15.00
High Dose Fluzone	Not Covered	\$30.92	\$29.21	\$26.35	\$30.00	\$32.00
Flu Mist	\$21.24	\$22.32	\$22.32	\$16.51	\$25.00	\$25.00
Intradermal Flu	Not Covered	\$18.38	Not Covered	\$15.40	\$0.00	\$20.00
Admin. Fee	\$17.25	\$19.70	\$9.04	\$11.00	\$20.00	\$20.00

**E. Approval of Sale of Surplus County-Owned Real Property Acquired by Tax Foreclosure:**

- 1) Lot 35 Sunny Acres Est; 1078 Tower Drive; PIN: 0432-89-4967  
Pt Lot 5 McFarland Hgts; 3106 Dyke Street; PIN: 0426-51-3014

**BACKGROUND:**

On or about April 12, 2011, the County acquired by tax foreclosure the above properties. The amount currently owed on the foreclosure judgment including interest and costs for both is \$9,659.55.

David Gause has offered to purchase the County’s interest in the properties for \$9,659.55 and has deposited \$965.95 in the Finance Office.

The tax value of the properties is:

LOT 35 SUNNY ACRES EST SEC 2 (0.51AC); 1078 TOWER DR. Value: \$7,500.00

(Located on Tower Dr.); PIN 0432-89-4967; GRAYS CREEK TOWNSHIP

PT LOT 5 MCFARLAND HGTS (0.36AC); 3106 DYKE ST Value: \$10,667.00

(Located on Dyke St.); PIN 0426-51-3014; CROSS CREEK TOWNSHIP

These properties are surplus to the needs of the County and, according to N.C.G.S. §153A-176 and N.C.G.S. §105-376, the County has the authority to sell such properties. Management has reviewed this offer and it is now being submitted for the Board to consider whether or not to accept Mr. Gause’s bid.

They have been advertised and this office has not received any upset bids. The bid period is now closed.

**RECOMMENDATION AND PROPOSED ACTION:**

That the Board of Commissioners consider whether to accept the offer of David Gause to purchase the above properties for the sum of \$9,659.55, plus advertising and recording costs, and authorize the Chairman to execute a deed upon receipt of the balance of the purchase price.

- 2) Lot 45 McNeill Sands, Sec 1 Rev; 4235 Scary Creek Road;  
PIN: 0472-18-0965

**BACKGROUND:**

On or about June 14, 2012, the County acquired by tax foreclosure the above property. The amount currently owed on the foreclosure judgment including interest and costs for the property is \$3,302.18.

Dennis and Amanda Howard have offered to purchase the County's interest in the property for \$3,302.18 and have deposited \$330.22 in the Finance Office. The tax value of the property is \$5,000.00.

This property is surplus to the needs of the County and, according to N.C.G.S. §153A-176 and N.C.G.S. §105-376, the County has the authority to sell such property. Management has reviewed this offer and it is now being submitted for the Board to consider whether or not to accept Mr. and Mrs. Howard's bid. The property has been advertised and this office has not received any upset bids. The bid period is now closed.

**RECOMMENDATION/PROPOSED ACTION:**

That the Board of Commissioners consider whether to accept the offer of Dennis and Amanda Howard to purchase the above property for the sum of \$3,302.18, plus advertising and recording costs, and authorize the Chairman to execute a deed upon receipt of the balance of the purchase price.

- F. Approval of Owner Redemption of Sale of Surplus County-Owned Real Property Acquired by Tax Foreclosure; Lt 2 R M Subd, Sec 1; 5705 Miracle Hill Drive; PIN: 0471-48-2032; Cedar Creek Township

**BACKGROUND:**

On or about January 6, 2011, the County acquired, by tax foreclosure sale, property previously owned by Roscoe McNeill and wife Rena McNeill at:

LT 2 R M SUBD SEC 1 (0.64AC); 5705 MIRACLE HILL DR;  
(Located on Miracle Hill Dr and Dudley Rd.); PIN NO. 0471-48-2032;  
CEDAR CREEK TOWNSHIP

The amount owed on the foreclosure judgment plus interest and costs is \$403.25.

Roscoe McNeill and wife Rena McNeill, who are the former owners, have offered as the former owners to purchase the County's interest in such property and exercise their equity of redemption for \$403.25 and have deposited the \$403.25 with the Finance Office.

North Carolina General Statutes §105-376 and §160A-267 authorize the Board to resell property acquired by tax foreclosure to the former owner(s) or any person having an interest in the property for an amount not less than the costs associated with the foreclosure and subsequent resale. This allows former owner(s) or any person with an interest in the property to re-purchase their property, so long as the County is made whole, rather than putting the property on the open market.

**PROPOSED RECOMMENDATION AND ACTION:**

That the Board of Commissioners' consider whether to accept the offer of Roscoe McNeill and wife Rena McNeill to exercise their equity of redemption to re-purchase the property described above for \$403.25.

- G. Approval of Records Retention and Disposition Schedule for the Cumberland County Register of Deeds Office and the Board of Elections

**BACKGROUND:**

The Local Records Unit of the North Carolina Department of Cultural Resources, Government Records Branch has provided counties with the updated Records Retention and Disposition Schedules for the Register of Deeds and the Board of Elections.

Any destruction of public records should be carried out under the guidance of this new Schedule.

**RECOMMENDATION/PROPOSED ACTION:**

Management recommends approval of the Records Retention and Disposition Schedules. These documents can be viewed in the County Manager's Office or at the following website address at [www.ah.dcr.state.nc.us/records/local](http://www.ah.dcr.state.nc.us/records/local).

- H. Approval of a Resolution Opposing North Carolina Coastal Wind Projects in Low-Level Military Flight Training Areas

COUNTY OF CUMBERLAND

NORTH CAROLINA

RESOLUTION OPPOSING NORTH CAROLINA COASTAL WIND PROJECTS  
IN  
LOW-LEVEL MILITARY FLIGHT TRAINING AREAS

WHEREAS, the Governor's Land Compatibility Task Force Report of May 2012 states:

The United States military maintains combat readiness through intensive training on the ground and in the air. Incompatible land uses in areas used by the military

limits the time that training ranges are available and the types of training conducted, thereby negatively impacting military readiness by restricting the military's ability to "train as they would fight." In addition to bases and training ranges, areas of concern include off-base air and land corridors that connect military bases and airfields with remote training ranges and/or key air training areas and routes; and

WHEREAS, a wind energy project is planned for coastal North Carolina, which would involve the construction of 49 wind turbines at a height of 505 feet above the ground; and

WHEREAS, wind turbines create noise and strobe effects on neighboring properties and can be detrimental to the environmental integrity; wildlife, such as bald eagles and migrating tundra swans, in our area; agriculture; livestock and pets; and

WHEREAS, the proposed wind energy project is directly in the most frequently used low-level (500 feet training required syllabus) training route used by Seymour Johnson Air Force Base F-15E aircrew en route to the Dare County Bombing Rang. The training route is the only F-15E Strike Eagle training route in the nation, making Seymour Johnson Air Force Base home to the only two Strike Eagle aviator training programs in the county. No other area in the nation and no other military aircraft have this highly-critical mission capability: low-altitude training using unique terrain-following technique at only 500 feet of altitude. Frequent use of the Dare County Bombing Range and specific air training routes and operating areas over North Carolina is critical to accomplishing the mission of Seymour Johnson Air Force Base. To continue to be useful for training purposes, these areas must allow realistic combat oriented flying and training, including low-level and nighttime operations; and

WHEREAS, the wind turbine structures and rotating blades have a negative effect on both the F-15E's main radar and its terrain following radar system and both medium and low altitude flight levels, thereby compromising the training mission of Seymour Johnson Air Force Base and other neighboring Department of Defense military installations. The turbines would be located in the final segment of the route leading directly into the Dare County Bombing Range; and

WHEREAS, the training route consists of all airspace five miles north and five miles south of the route's centerline. The proposed turbines happen to cover the entire area north of the route's center line. The Air Force is unable to use the airspace south of the centerline because the area is designated Bird/Aircraft Strike Hazard (BASH) zone where Air Force safety prevents any flights lower than 3,000 feet; and

WHEREAS, Since 1957, the United States Marine Corps has lost approximately 85 percent flight training airspace in eastern North Carolina due to encroachment; and

WHEREAS, the wind energy projects in general could pose a serious night time flight risk for both rotary-wing and fixed-wing air operations routinely conducted out of Simmons Army Airfield and Pope Army Airfield; and

WHEREAS, any encroachment issues are problematic to low-level military flight training areas in eastern North Carolina and would pose serious future Base Realignment and Closure (BRAC) Commission issues concerning potential closure of military installations in North Carolina; and

WHEREAS, Seymour Johnson Air Force Base plays a vital role in the economic stability of Wayne County and the surrounding region with approximately 5,200 active duty military and 1,100 reservist personnel. In fiscal year 2011, the total economic impact of Seymour Johnson Air Force Base was over \$534 million with these dollars turning over four times before leaving the area; and

WHEREAS, military spending is critical to the economy of not only eastern North Carolina, but to the entire State of North Carolina as evidenced by the following:

- Department of Defense spending exceeded \$4.07 billion in federal fiscal year 2011 – an increase of 13 percent and \$471 million over procurement in the state in 2010
- Businesses in 87 of North Carolina's 100 counties performed defense-related prime related work, twelve of these received over \$40 million in defense-related work.
- The military has a \$26 billion total annual impact on the state economy
- More than 416,000 individuals, or eight percent of total state employment, are eight directly employed by the military or Coast Guard, or have jobs with the organizations and companies producing products and providing services that support the military in North Carolina.

WHEREAS, the Cumberland County Board of Commissioners does recognize that military installations are embedded within local communities, and that engagement with those communities is important for sustaining the military's ability to fulfill its mission, and

WHEREAS, the Cumberland County Board of Commissioners does further recognize strong military and community leadership will be a requirement to overcome obstacles to military installations and their missions and to provide the impetus and resources to ensure successful collaborative processes that support installation mission readiness needs.

NOW, THEREFORE BE IT FURTHER RESOLVED that the Cumberland County Board of Commissioners hereby:

- Calls for implementation of stricter permitting and public input processes for wind and solar generation
- Calls for full property appraisal assessment and potential effect of properties within or near wind energy project

- Calls on the North Carolina General Assembly to pass state legislation blocking all encroachment or impairments to military training routes without state approval
- Calls on the North Carolina General Assembly to provide communities in North Carolina's military region additional guidance or assistance from state agencies or regional planning bodies to enable them to make infrastructure decisions and develop plans to ensure new growth is not at odds with sustaining the military mission in North Carolina.

NOW, THEREFORE BE IT FURTHER RESOLVED that the Cumberland County Board of Commissioners does hereby call on all counties and municipalities, elected official and leaders in North Carolina to oppose the construction of wind energy projects or such project within the military low-level flying routes or training areas in North Carolina.

NOW, THEREFORE BE IT FURTHER RESOLVED that the Cumberland County Board of Commissioners does hereby oppose the planned energy projects in eastern North Carolina, which will harm the training missions of Seymour Johnson Air Force Base and other Department of Defense users of the airspace near the planned projects and calls upon the North Carolina General Assembly and all of the citizens in North Carolina to oppose such energy projects in eastern North Carolina.

Adopted this 5th day of November, 2012.

I. Approval of Leases:

- 1) FACVB (Ten Year Lease)

**BACKGROUND:**

At its October 15, 2012 meeting, the Board of Commissioners adopted a resolution of intent to lease both floors of the Robeson S & L Bldg. to the FACVB. The notice of intent was duly advertised in the *Fayetteville Observer* on October 25, 2012. The essential terms of the proposed lease are as follows:

Premises: Robeson S & L Bldg. located on Person Street across from the Courthouse

Lessee: FACVB

Notice of Intent: will be required

Use: to conduct activities to promote tourism and the use of convention facilities in Cumberland County

Term: ten years commencing upon approval by Board of Commissioners

Renewal Terms: none

Rent: 7,049 s.f. @ 10.50 for annual rent of \$74,015

Utilities: lessee's responsibility

Regular Inside Maintenance: lessee's responsibility

Janitorial: lessee's responsibility

Maintenance of Exterior, Parking Lot and Landscaping: County's responsibility

Insurance: \$1 million general liability provided by lessee  
Improvements: at lessee's cost, subject to county's approval  
Early Termination Provision: none

**RECOMMENDATION/PROPOSED ACTION:**

Adopt the following resolution:

CUMBERLAND COUNTY

NORTH CAROLINA

**RESOLUTION**

Whereas, the FACVB is a non-profit corporation funded by occupancy tax revenues to promote tourism and business travel to Cumberland County; and

Whereas, the FACVB has been located in the first floor of the old Robeson S & L Bldg. at 245 Person Street, Fayetteville, since at least 1997; and

Whereas, the FACVB has requested to lease both floors of the building for another ten years; and

Whereas, at its October 15, 2012, the Board of Commissioners adopted a resolution of its intent to lease this building to the FACVB and this notice of intent was duly advertised in the Fayetteville Observer on October 25, 2012.

BE IT RESOLVED that the Cumberland County Board of Commissioners finds that the real property known as the old Robeson S & L Bldg. located at 245 Person Street, Fayetteville, NC, will not be needed for government purposes for the next ten years and shall be leased to the FACVB pursuant to the lease terms described in the memorandum attached hereto.

Adopted this 5<sup>th</sup> day of November, 2012.

- 2) Hometown Sports America, Inc. (SwampDogs) (Four Year Lease)

**BACKGROUND:**

At its October 15, 2012 meeting, the Board of Commissioners adopted a resolution of intent to lease the J. P. Riddle stadium to the Hometown Sports America, Inc., (the Swampdogs). The notice of intent was duly advertised in the Fayetteville Observer on October 25, 2012. The essential terms of the proposed lease are as follows:

Premises: J. P. Riddle Stadium

Lessee: Hometown Sports America, Inc. (the Swampdogs)

Notice of Intent: will be required

Use: as the home field for an amateur baseball club playing in the Coastal Plains League

Term: four years commencing January 1, 2013

Renewal Term: one 4-year renewal term to be exercised at the option of the club

Rent: total amount (including concession rights) is \$12,000 annually

Utilities: county to pay all utilities, including parking lot security lights, sign lighting, water for playing field and irrigation, all other water, sewer, electric and telephone with the club to reimburse flat amount of \$150 per game during the playing season and \$250 per month for the months of the off-season when no games are played

Maintenance by the Club:

- dragging and lining the field for its games and clean-up of concessions and locker areas
- HVAC system for the club office
- field tarp and batter's cage and batter's/pitcher's tunnel
- all concession equipment, including cookers, grills, coolers, freezers, drink dispensers, food and beverage handling equipment
- signage used for advertising/marketing (not the stadium identification sign)

Maintenance by the County:

- all regular maintenance
- mowing, edging, fertilizing playing surface
- maintaining parking lot, mowing and landscaping outside the ballpark
- post-game clean-up
- all electrical and mechanical systems including field lighting, parking lot lighting, scoreboard, plumbing, stadium identification sign, backstops, dugouts, foul poles, outfield fence
- all structures and buildings including the clubhouse, public restrooms, concession buildings, press box, ticket booths, bleachers and box seats

Janitorial: club's responsibility

Insurance: as required by the County Risk Manager

Early Termination Provision: none

#### RECOMMENDATION/PROPOSED ACTION:

Adopt the following resolution:

CUMBERLAND COUNTY

NORTH CAROLINA

#### RESOLUTION

Whereas, the Swampdogs amateur baseball club has brought baseball to Cumberland County for the past eight years; and

Whereas, the Swampdogs' commitment to baseball has enhanced recreational opportunities for the community; and

Whereas, at its October 15, 2012, the Board of Commissioners adopted a resolution of its intent to continue to lease J. P. Riddle Stadium to the Swampdogs and this notice of intent was duly advertised in the Fayetteville Observer on October 25, 2012.

BE IT RESOLVED that the Cumberland County Board of Commissioners finds that the real property known as the J. P Riddle Stadium located on Legion Road in the City of Fayetteville will not be needed exclusively for government purposes for the next eight years and shall be leased to Hometown Sports America, Inc., (the Swampdogs), pursuant to the lease terms described in the memorandum attached hereto.

Adopted this 5<sup>th</sup> day of November, 2012.

J. Budget Revisions

(1) Emergency Services

Revision in the amount of \$1,940 to recognize Citizen Corp Training and Equipment grant to purchase equipment for the Community Emergency Response Team Program. (B13-146) Funding Source – State

(2) Social Services

a. Revision in the amount of \$3,767 to appropriate fund balance to roll forward unexpended Casey funds from prior years. (B13-141) Funding Source – General Fund Fund Balance

b. Revision in the amount of \$566 to appropriate fund balance to roll forward unexpended Adoptive Incentive funds from prior years. (B13-142) Funding Source – General Fund Fund Balance

(3) Animal Control

a. Revision in the amount of \$10,000 to recognize revenue from Pet Smart Charities for hosting an on-site adoption clinic. (B13-127) Funding Source – Other

b. Revision in the amount of \$11,703 to recognize insurance settlement to purchase equipment for new vehicles. (B13-129) Funding Source – Insurance Settlement

(4) Eastover Sanitary District (ESD) General Fund/Eastover Sanitary District Debt Service Fund

a. Revision in amount of \$91,950 to incorporate initial adjustments to the ESD General Fund budget for new sewer operations. (B13-144) Funding Source – Fees

b. Revision in the amount of \$829,080 to establish a separate debt service fund for the Eastover Sanitary District and move the

current FY2013 debt service budget from the ESD General Fund into the new fund. (B13-157)

(5) Library Grants

Revision in the amount of \$8,925 to recognize two grants from the Arts Council; Storytelling Festival Grant in the amount of \$3,425 intended for performers and expenses, and Fighting the Fires of Hate/Holocaust Grant in the amount of \$5,500 intended for a book burning exhibit. (B13-154) Funding Source – Grants

(6) Senior Aides/General Government Other

Revisions in the net amount of \$15,854 to reconcile county budget with Federal funding allocation, by reducing the General Fund transfer (\$3,923) and the In-kind Services (\$24,438) and increasing Federal Grant (\$12,507). (B13-128 and B13-128A) Funding Source – Federal, General Fund - Fund Balance, In-kind

(7) Southpoint Water / County Water & Sewer Department

Revision in the amount of \$5,032 to appropriate County Water & Sewer Fund Balance to provide startup funds for the new Southpoint Water Fund. Funds will be paid back when Southpoint becomes operational and generates revenue. (B13-153 & B13-153A) Funding Source – County Water & Sewer Fund Balance Appropriated

MOTION: Commissioner Keefe moved to approve consent items 2.A through 2.J.(7).  
SECOND: Commissioner Melvin  
VOTE: UNANIMOUS (6-0)

## PUBLIC HEARING

3. Public Hearing on Proposed Economic Development Incentive Agreement for Nitta Gelatin USA, Inc.

### BACKGROUND:

In a closed session, the Board has indicated its intent to approve an economic development incentives agreement for Nitta Gelatin as a Tier 1 grant back of the taxes paid on the new taxable investment for five years. The project consists of an 18,600 sq. ft. expansion of an existing manufacturing facility located at 4341 Production Drive, Fayetteville which will create six new jobs. The details of the project are included in the attached summary prepared by Russ Rogerson. Notice of the public hearing for this proposal was duly advertised in the Fayetteville Observer on October 25, 2012.

### RECOMMENDATION/PROPOSED ACTION:

Consider the approval of this agreement after conducting a public hearing.

Project Summary

Industry Sector:	Manufacturing / Gelatins
Investment:	\$17,800,000
Job Creation:	6

Project Overview:

Project JELLO represents a local, existing industry manufacturing company specializing in high quality gelatins used for food products, medications, etc. The company needs to add a new line for a new product (Collagen Pipette) for joint and skin care products. The Cumberland County facility is in competition for the new line with competitors located in Japan and Canada. With this incentive, the Cumberland County facility would gain approval for the expansion. This will result in the expansion of 16,000 SF of plant space, plus 1,600 SF of office and lab space – to include a 1,000 SF parts room – a total 18,600 SF expansion to the facility. The new product will be exported to Japan, which will result in the addition of 6 newly created jobs.

Land/Building Requirements:

Client representatives indicate the expansion will require an 18,600 SF addition to their current facility as well as the installation of a new electrical transformer.

Investment Breakdown:

The total investment of \$17,800,000 is divided as follows: \$5,800,000 (25%) for the construction of the additional 18,600 SF and \$12,000,000 (75%) for the purchase of new equipment. In addition to the construction, an electrical transformer will also be added. The Project does not require additional water/sewer services.

Estimated Community Impact:

With an expansion investment of \$17,800,000 and the creation of 6 full-time, direct-impact jobs (with a median hourly wage of \$15.00 per hour / per employee), it is estimated that the ripple effect of said community investment would create an additional 3 indirect-impact jobs within the community, generating more than \$108,200 in indirect-impact employee compensation

Incentive Recommendation:

Based on the points scored for the qualifying items as listed in the table below, it is The Alliance’s recommendation that Project JELLO be approved for the Tier I Property Tax Grant Back Incentive, estimated to amount to \$270,941.00, to be used in the five-year increments as outlined below.

TIER I INCENTIVES PROVIDE A 50% INCENTIVE PER YEAR FOR FIVE YEARS.

QUALIFYING ITEM	MAXIMUM POINTS POSSIBLE	POINTS SCORED
Jobs (Number, Quality,	40	9

Hiring Residents)		
Project Location	25	10
Capital Investment	20	15
Environmental Impact	10	2
Industry Cluster/Business Type	10	6
Public Benefit	10	10
<b>TOTAL POINTS SCORED</b>		<b>52</b>

**PROJECT IMPACTS  
TAXES & INCENTIVE VALUE CALCULATION**

Year	ACTUAL TAXES	50% INCENTIVE	ACTUAL TAXES TO COUNTY
1	\$122,840.00	\$61,420.00	\$61,420.00
2	\$114,848.00	\$57,424.00	\$57,424.00
3	\$107,655.00	\$53,828.00	\$53,828.00
4	\$101,182.00	\$50,591.00	\$50,591.00
5	\$95,356.00	\$47,678.00	\$47,678.00
<b>TOTALS</b>	<b>\$541,881.00</b>	<b>\$270,941.00</b>	<b>\$270,941.00</b>

Request for Approval of Incentives :

The preceding project report serves as the formal Request for Approval of Incentives on behalf of Project JELLO, in the total amount of \$270,941.00 over five-years as recommended and outlined in the terms of the Incentive Level Tax Value Calculation table above.

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Rick Moorefield, County Attorney, stated the Board has considered the request for this incentive agreement for an existing company in prior closed sessions and the matter is now at the public hearing stage. Mr. Moorefield stated the project is a 18,600 sf expansion of an existing facility with the creation of six new jobs above the median manufacturing wage for Cumberland County. Mr. Moorefield stated the proposed incentive agreement is for a grantback of one-half of the increase of property taxes caused by the project for five years.

This is the duly advertised/noticed public hearing set for this date and time as recorded below:

**PUBLIC HEARING NOTICE**

The Cumberland County Board of Commissioners will hold a Public Hearing at 9:00 a.m. on Monday, November 5, 2012, Room 118 of the Cumberland County Courthouse, 117 Dick Street, Fayetteville, N.C. 28301, to consider an economic development incentive agreement for Nitta Gelatin USA, Inc. The project is a proposed 18,600 s.f. expansion of

an existing manufacturing facility located at 4341 Production Drive, Fayetteville, N.C., which will result in the creation or retention of 6 jobs. The proposed incentive is a grant back of a portion of the property taxes on the increase in the assessed value of the property pursuant to the city-county joint economic development policy.

This the 25<sup>th</sup> day of October, 2012.

Chairman Faircloth opened the public hearing

The Clerk to the Board advised there were no speakers.

Chairman Faircloth closed the public hearing.

MOTION: Commissioner Melvin moved to approve the Economic Development Incentive Agreement for Nitta Gelatin USA, Inc.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

#### ITEMS OF BUSINESS

4. Presentation by Ms. Beth Melcher, Chief Deputy Secretary, NC DHHS, Regarding the State's Managed Care Organization (MCO) Model for Mental Health Services

#### BACKGROUND:

The county manager has had requests to invite Ms. Melcher to give the Board a brief presentation on the State's MCO model for providing mental health services on November 5, 2012.

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Mr. Martin recognized Beth Melcher, DHHS Deputy Secretary for Health Services, who introduced Rich Slipsky, Special Deputy Attorney General; Lascel Webley, Jr., Area Board Chair, Alliance Behavioral Healthcare; and Tracy Hayes, General Counsel, Alliance Behavioral Healthcare.

Deputy Secretary Melcher stated the seeds for mental health reform were planted in 2001 when the General Assembly passed reform legislation which, among many things, separated the provision of services from the management of services. She stated public entities were asked to divest themselves of services because it was recognized that the private sector could be more innovative and that there was an inherent conflict of interest between the provision of services and the management of those same services.

Deputy Secretary Melcher stated that the impetus for the MCO system was developed through the operation of a pilot program by Piedmont Behavioral Health (PBH) with the recognition that management needed to be given the authority to actually manage. Deputy Secretary Melcher stated that in 2005 PBH requested and received permission to move forward with a 1915(b)/(c) Medicaid waiver. Deputy Secretary Melcher stated PBH began

the Medicaid waiver pilot and in 2008 the General Assembly asked that the waiver be expanded and in 2011 asked that the waiver be statewide.

Deputy Secretary Melcher provided the following presentation of the expansion of the 1915(b)/(c) Medicaid Waiver for Mental Health, Developmental Disability and Substance Abuse Services (MH/DD/SAS).

What is a 1915(b)/(c) Medicaid Waiver?

- Combines services for all Medicaid funded MH/DD/SA service recipients into a single capitated funding model
- Eliminates “any willing and qualified provider” provision. Waiver site can limit provider network
- Waiver entity assumes risk in managing services within the Medicaid capitation rate
- Combines authorization management of Medicaid/State Funds at the community level
- Expansion of successful PBH pilot wavier covering Cabarrus, Davidson, Rowan, Stanly, and Union counties

Goals of the 1915(b)/(c) Medicaid Waiver:

- Improved Access to Services
- Improved Quality of Care
- Ensure services are managed and delivered within a quality management framework
- Increased Cost Efficiencies
- Predictable Medicaid Costs
- Generate Appropriate Financial Incentives
- Empower consumers and families to shape the system through their choices of services and providers
- Empower LMEs to build partnerships with consumers, providers and community stakeholders to create a more responsive system of community care

Managed Care Tools:

- Capitation provides local flexibility and control of resources
- Payor of claims ensures that funds are spent in accordance with authorizations
- Rate setting authority allows adjustment of rates according to local conditions
- Closed network allows for competition and choice while rightsizing the marketplace which ensures the fiscal viability of providers
- Utilization management ensures consumers receive the appropriate service in the right amount to meet their needs
- Care Coordination directly intervenes to ensure consumers receive the care needed when it is needed in order to prevent higher cost services

Benefits of a Publically Managed 1915(b)/(c) Medicaid Waiver

- Predictable Medicaid expenditures for MH/DD/SA services
- Maintains public infrastructure to manage MH/DD/SA services
- High quality standards/consumer outcomes
- Improved access to services
- Public accountability at state and local level
- Coordination with Primary Care/CCNC

- Savings remain in North Carolina and may be reinvested

Deputy Director Melcher emphasized that the state recognized a lot of benefit to publically managed care and the General Assembly made a conscious decision to keep the managed care environment in the public sector. Deputy Secretary Melcher stated the General Assembly wanted to ensure there was a local presence in all communities, there was public accountability, and that the MH/DD/SAS infrastructure was not sold to an out-of-state private company. Deputy Secretary Melcher stated the General Assembly wanted the profits from savings that are realized to stay in the North Carolina so they can be redirected to better services.

Deputy Secretary Melcher reviewed the LME/MCO as recorded below and noted Cumberland County along with Johnston County and Durham County submitted an application for Waiver Participation.

#### Session Law 2011-264

- Expanded 1915 (b)/(c) Medicaid Waivers statewide for individuals with MH/DD/SA service needs by 7/1/13
- Increased Minimum LME Size
  - 300,000 by July 2012
  - 500,000 by July 2013
- Encouraged LME Consolidation to attain financial and management efficiencies and statewide consistency.
- Mandated RFA Selection Process for Waiver Participation
- Required LMEs not approved to manage 1915 (b)/(c) Waiver by January 1, 2013 to Merge/Align with a waiver approved LME or be assigned by DHHS Secretary to and approved LME-MCO

#### LME/MCO Selection Process

- RFA Process identified LMEs who met basic requirements
- Series of readiness reviews conducted by Mercer and DHHS
- Regular implementation monitoring by DHHS
- Contract monitoring, financial reporting, onsite review after “go live”
- Statewide implementation of waiver by July 1, 2013

#### Elements of MCO Success

- Size/Economies of Scale
- Technical Skills
- IT Capacity
- Organizational Flexibility and Integration
- Culture Change (Understanding MCO Role)
- Strong Provider Network
- Community/Stakeholder Involvement

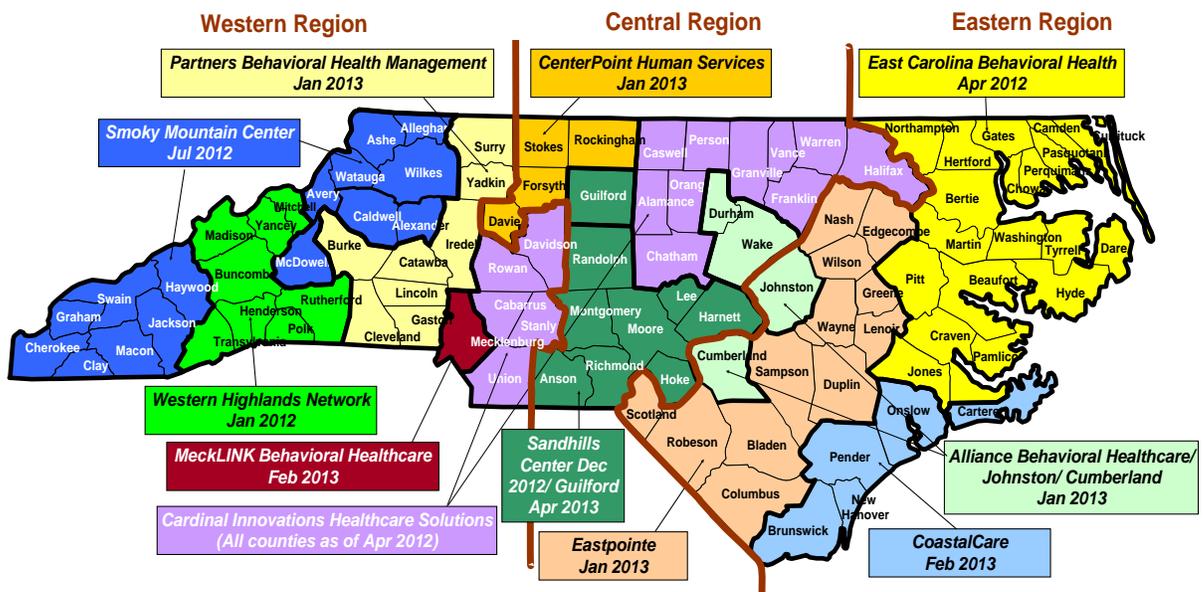
#### Status of LME-MCO Transitions

- 56 counties now under the (b)/(c) waiver
  - Cardinal Innovations
  - Western Highlands Network

- ECBH
- Smoky Mountain Center
- December 1, 2012--Sandhills Center
  - Sandhills & Guilford Co. will merge effective Jan 1, 2013
  - Guilford Co. will be added under the (b)(c) waiver in April 2013
    - This allows for transition and closure activities from the merger

Deputy Secretary Melcher displayed an LME/MCO map with member counties, current and proposed on January 1, 2013.

**Local Management Entity - Managed Care Organizations (LME-MCOs)  
and their Member Counties (Current and Proposed on January 1, 2013)**



Deputy Secretary Melcher stated those counties that are not yet MOC's have more readiness reviews and they need to keep passing the reviews in order to continue to the next phase. Deputy Secretary Melcher stated the General Assembly in its last session revised the Area Board structure and put in a two-year moratorium on counties shifting, moving or withdrawing in order to provide stability during the transition to the new environment.

In response to a question posed by Commissioner Council, Deputy Secretary Melcher explained Cumberland and Johnston are the only two counties that have taken advantage of the interlocal agreement, an arrangement that has always been part of the statutes, and all other counties have merged and tied into multicounty entities.

Deputy Secretary Melcher responded to questions from Commissioner Keefe about the status of LME/MCO transitions. She stated the expectation is that counties will continue to fund what they have funded in the past in terms of the services they want for their citizens because county dollars are the best and most flexible to respond to the needs of their citizens. Deputy Secretary Melcher stated in virtually all situations, counties are

sending their funds to be managed separately by the lead entity. Deputy Secretary Melcher stated the manner in which the funds are managed are between the county and the lead entity.

In response to additional questions posed by Commissioner Keefe, Deputy Secretary Melcher explained efficiencies under the Medicaid waiver are realized primarily on the administrative side and in most cases, site locations of the former LMEs have been maintained and contracted back to a local entity for services such as provider and consumer relations. Deputy Secretary Melcher stated when merger occurs, the old LME is merged and a new one is constituted, and the fund balance has to be part of the agreement for the merger. Mr. Slipsky explained there is a statute that requires that the fund balance go to the new entity that is going to provide the MH/DD/SAS on behalf of that county following merger.

Commissioner Edge asked if Cumberland County had until July 1, 2013 to decide upon a merger. Mr. Slipsky responded in the affirmative and stated Cumberland County has met the population requirement through an interlocal agreement and has its MCO obligations covered by the Alliance LME/MCO. Commissioner Edge asked whether Cumberland County stood a chance of additional seats on the Alliance board or merger if it did not pass the resolution approving the alternative board structure for the Alliance. Deputy Secretary Melcher explained the Alliance has asked to establish its board differently because of the interlocal agreement it has with the other counties, including Cumberland County. Deputy Secretary Melcher also explained that the merger of Cumberland County into the Alliance would involve negotiations and separate discussion with the Alliance as to whether Cumberland County would have additional members on the board. Deputy Secretary Melcher clarified that Cumberland County's interlocal agreement would not fall under the two-year moratorium on a county's withdrawing from a multicounty entity thus still allowing Cumberland County an opportunity to merge.

Chairman Faircloth asked what the effect would be on Cumberland County if it failed to have a unanimous vote on the approving the alternative board structure for the Alliance and later wanted to merge with the Alliance. Deputy Secretary Melcher stated were Cumberland County not to approve the resolution, it would require a change in the current Alliance board structure and it may or may not upset some of the agreements with the counties involved. Deputy Secretary Melcher stated were there a future merger with Cumberland County, the Alliance could change the way its board is aligned at any time because there is no requirement for the alternative board structure.

Lascel Webley, Jr., Area Board Chair of Alliance Behavioral Healthcare, stated the Alliance requested the alternative board structure and if it is not approved by December, the board structure would revert back to the structure mandated by the state. Mr. Webley outlined the alternative board structure and stated since the business model is that of a large insurance company seeking cost efficiencies, the alternative board structure set by the Alliance includes business minded individuals who have operational experience and the ability to scrutinize financials. Mr. Webley stated the alternative structure additionally provides flexibility for more qualified individuals regardless of their background and also ensures consumers of services have a voice.

Commissioner Evans asked Mr. Webley if he could guarantee that Cumberland County would have four seats on the Alliance board were it to merge before Cumberland County signs the resolution for the alternate board structure. Mr. Webley stated he did not have the authority to state how the board seats would be promised or allotted to Cumberland County because that is something that would have to be determined through the merger process and approved by both the Durham and Wake County Boards of Commissioners.

Commissioner King stated there is concern within the community that the new structure will be impersonal, that some service providers will be eliminated, and that a higher bar will be put in place. Commissioner King asked about the impact this would have on consumers and the assurance that consumers would be readily served. Deputy Secretary Melcher responded that the new environment will provide an authority and management that has the capacity to deal with providers who are not meeting best practice standards and are not providing quality care. Deputy Secretary Melcher stated the hope is that those providers will decide to step up their services to meet the bar rather than not make the changes. Deputy Secretary Melcher stated when the federal government allows the waiver of regulatory requirements, they impose higher expectations on oversight, monitoring, outcomes and performance measures than the state has ever had to meet before. Deputy Secretary Melcher explained this is a contractual arrangement between Medicaid and the MCO and should a MCO fail, the state has the authority to work with the community to find an entity that can succeed.

In response to a question posed by Commissioner Council, Deputy Secretary Melcher stated ninety-eight counties have decided to merge and two counties have decided to have an interlocal agreement. Ms. Melcher stated Johnston County has approved the resolution for the Alliance alternate board structure.

5. Consideration of Mental Health Matters:

- a) Resolution Regarding Alliance Board Representative  
(Carried Forward from October 1, 2012 Board of Commissioner Meeting)

Board of County Commissioners  
of  
Cumberland County Resolution Approving Alternative Board Structure for the  
Alliance Behavioral Healthcare Area Authority pursuant to N.C. Gen. Stat. §  
122C-118.1

WHEREAS, the General Assembly revised 122C-118.1- Structure of area board to allow Boards of County Commissioners within a multicounty area with a catchment population of at least 1,250,000 to have the option to appoint members of the area board in a manner or with a composition other than as required by this Section by each county unanimously adopting a resolution to that effect and receiving written approval from the Secretary of DHHS; and

WHEREAS, the Boards of County Commissioners of Durham and Wake Counties approved by joint resolution the creation of Alliance Behavioral Healthcare, a multicounty area authority pursuant to N.C. General Statute 122C-

115 for the provision of mental health, developmental disabilities and substance abuse services effective April 23, 2012;

NOW, THEREFORE, BE IT RESOLVED by the Cumberland County Board of Commissioners that comprises the catchment area for Alliance Behavioral Healthcare that the Board of Directors for the area authority shall be appointed as follows:

The Area Board will consist of Eight (8) members shall be appointed by Durham County, six (6) members shall be appointed by Wake County and Two seats shall be at-large. No member shall serve more than three (3) consecutive full terms. The process for appointment shall be according to the following general terms and conditions:

a. Eight (8) Area Board members shall be appointed by the Durham County Board of Commissioners. Seated members now serving on the The Durham Center Board shall transition to the new Area Board and serve terms consistent with the requirements set forth in N.C. Gen. Stat. § 122C-118.1(d). Board representatives will include one (1) with business expertise, one (1) with financial expertise and one (1) person who represents the interest of children as required by G.S. 122C-118.1(a). Additionally two (2) consumers/ families/ advocates will be appointed. A Board member may concurrently represent two categories of membership.

b. Six (6) Area Board members shall be appointed by the Wake County Board of Commissioners. Board representatives will include one (1) with business expertise, one (1) with financial expertise and one (1) person who represents the interest of children as required by N.C. Gen. Stat. § 122C-118.1(a). Additionally two (2) consumers/ families/ advocates will be appointed. A Board member may concurrently represent two categories of membership.

c. The area authority shall fill the two (2) at-large seats consistent with the criteria currently required by the Alliance Behavioral Healthcare by-laws. The at-large seats shall initially be filled by one (1) representative from each Johnston and Cumberland counties and said appointees shall hold their seat for the duration of the contract agreement between the Alliance Area Authority and the respective counties. Upon termination of the contract agreement between the new Alliance and Johnston and Cumberland counties, the at-large seats shall be filled in accordance with needs and wishes of Alliance Behavioral Healthcare. Other Area Board requirements will be jointly developed consistent with the requirements of N.C. Gen. Stat. § 122C-118.1. Alliance Behavioral Healthcare Area Authority will accept applications, interview and recommend appointments to the Board of County Commissioners.

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Chairman Faircloth asked whether there was unanimous support for the resolution. Commissioner Evans stated he was not ready to adopt the resolution because he still had some concerns and questions that needed to be answered.

MOTION: Commissioner Keefe moved to table the resolution to the next meeting.  
SECOND: Commissioner Edge  
VOTE: UNANIMOUS (7-0)

b) Funding Request Previously Referred to Finance Committee (Subject to Action of Finance Committee on November 1, 2012)

**BACKGROUND:**

This item was referred to the Finance Committee for review and consideration from the October 15, 2012 meeting. Mental Health has requested additional funding in the total amount of \$1,217,894 for the following:

(1) Additional Services	\$595,199
(2) MCO Start-Up Funds	\$533,940
(3) LME Positions (Jan through June)	\$88,755

Management met with Mental Health staff to review this request. Based on our discussions, management has learned that Mental Health notified providers of a reduction in authorized units of services after September 10, 2012. Previously, Mental Health had appropriated fund balance in the event federal, state, and medicaid dollars were not sufficient to meet all clients' needs. Mental Health sent out this notification since they did not include a request for county funds or fund balance in their FY2013 budget to provide additional services. In fact, in the last four fiscal years, Mental Health has utilized over \$7.75M from fund balance to fund services. The request of \$595,199 is anticipated to be used in the following disability areas:

Developmental Disabilities	\$275,679
Substance Abuse	\$250,033
Crisis	\$61,697
Adult Mental Health	\$7,790

It is important to understand how services are authorized and allocated. After a client is evaluated, Mental Health then determines the type and level of service. If funds are available, Mental Health gives the client a listing of providers that offer the type and level of service appropriate for that client. Once the provider is selected by the client, Mental Health will authorize the units of service to the selected provider. Basically, units of services are driven by client's unique needs and the funding available. Therefore, Mental Health cannot identify the amount of funding any particular provider will receive.

Mental Health has requested these funds to continue providing services that were previously available through the use of their fund balance. Adequate funding was not requested or appropriated to meet the service demands which led Mental Health to abruptly curtail services without advanced notice to providers and consumers. As stated at the October 15th meeting, the county will need to

identify the level of funding to be made available and then limit the authorized units of services to the recurring funds available. This process will begin as Mental Health transitions to the Managed Care Organization (MCO). One of the many expected outcomes of a managed care system is a reduction in the number of service providers, with a concentration on larger and more efficient providers. In addition, the managed care centralized administrative function, and the capitated service rates, should enhance efficiency, therefore spreading service dollars over a larger client base. Management believes that this process of rightsizing the local dollars is best handled naturally through the transition to the MCO environment. We believe this systematic approach is better for the clients and the providers. Therefore, we would recommend adding the additional service dollars in the amount of \$595,199 to fund services through December 31, 2012.

The second item which has been requested is \$533,940 for MCO start-up costs. This amount was included in the interlocal agreement approved by the Cumberland County Area Authority. A portion of this is to fund some MCO positions for November and December to prepare for the transition to the MCO on January 1. The remainder of the \$533,930 is to be paid to the MCO for technology upgrades, phone system enhancement, and other start-up costs. Since this was part of the interlocal agreement with the MCO, Management recommends approval of the \$533,940 and further that any amount not spent for start-up salaries, be paid to the Alliance Center as Cumberland's contribution for MCO start-up costs.

Finally, Mental Health has requested \$88,755 to fund three LME positions for the period January 1 through June 30, 2013. The positions are as follows; Records Management, Accounting Specialist, and a Quality Assurance position. The MCO has expanded the number of positions that may be funded from the original 47 to 49 funded positions. They have agreed to fund an IT position and an Accountant position through June 30, 2013 to assist in the transition and the close-out of the claims. The MCO will have a quality assurance and management function that will be required to provide reports to the Boards of Commissioners from all participating counties. Based on the MCO funding these two additional positions, Management does not recommend funding to continue these LME positions at this time. Coordination should continue with Mental Health and the Alliance Center on functions that can be collectively managed to ensure all claims are closed out appropriately and that the transition occurs with minimal disruption to the clients.

**RECOMMENDATION/PROPOSED ACTION:**

Management recommends approval of the requested \$595,199 for services through December 31, 2012 and the \$533,940 for the MCO start-up costs.

**MOTION:** Commissioner King moved to follow the recommendation of the Finance Committee for approval of the requested \$595,199 for services through December 31, 2012 and the \$533,940 for the MCO start-up costs.

**SECOND:** Commissioner Evans

VOTE: UNANIMOUS (7-0)

6. Presentation of Update on the Cumberland County 2012-2013 Strategic Plan

BACKGROUND:

The Board of Commissioners approved the 2011-2012 Strategic Plan on April 18, 2011. Progress reports were given on February 17, 2012 and on June 4, 2012. The latest update on progress made in meeting the goals and objectives outlined in the Strategic Plan will be provided during the November 5, 2012 regular meeting.

RECOMMENDATION/PROPOSED ACTION:

For information purposes only.

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Sally Shutt, Chief Public Information Officer, provided the following update on the 2012-2013 Strategic Plan:

GOAL 1: Ensure a safe and healthy community by providing needed services to our citizens in a timely manner.

Objective 1: Assist with reducing youth crimes and gang involvement by providing youth development program opportunities.

Action Steps:

- 4-H, Soil & Water Conservation District, Mental Health, Library have ongoing programs for youth.
- Representatives from CCS, FTCC, Cumberland County government and the Fayetteville Regional Chamber are participating on the Career and Technical Education Task Force established to assess current CTE programs and make recommendations.

Objective 2: Assist with efforts to reduce crime by repeat offenders.

Action Steps:

- Construction on Detention Center expansion started in September

Objective 3: Improve emergency response services to citizens.

Action Steps:

- All county fire departments are now on a central Firehouse Server; 40 laptops have been installed at fire stations.
- Crisis Intervention Training has expanded to include EMS paramedics and emergency dispatchers from the city and county.
- Telecommunication and dispatch staff will learn to identify and safely manage high-risk callers using verbal de-escalation and risk reduction techniques.
- The Sheriff's Office, Fayetteville PD and county Emergency Services are developing procedures to govern the dispatch of CIT officers.

Objective 4: Promote a healthy community by providing educational, health and human services programs and resources to citizens.

Action Steps:

- Employee Health Services opened in August with Express Care Clinic, Wellness Program and Employee Pharmacy.
- No break in service as Mental Health Clinic transitioned to Health Dept
- Diabetes Self-management Program is underway at the Health Department.
- The library now offers “Rhythm and Rhyme: A Sensory Story Time” for children with Down syndrome, sensory -processing disorder/language delays, and disabilities monthly at more than one location.
- Register of Deeds Office collected school supplies for homeless students. Filled 800 bags.
- Mental Health won a 2012 Programs of Excellence Awards in for its Strengthening Families program from the NC Council of Community Programs

Objective 5: Strengthen the county’s green and energy-efficiency initiatives

Action Steps:

- Sewer meters have been installed at the Courthouse, DSS and the Detention Center to reduce water bills. \$4,500 savings realized since August.
- Paperless agendas now possible with I-pads

GOAL 2: Provide adequate infrastructure consistent orderly growth of a dynamic county.

Objective 1: Explore strategies to address the County’s need for more office space, and ensure facilities are well-maintained.

Action Steps:

- E. Newton Smith Center now home to Board of Elections and Employee Health Services
- Winding Creek Annex now home to Community Development and Senior Employment Program

Objective 2: Improve transportation services in rural areas and promote expansion of van, rail and air systems

Action Steps:

- Cedar Creek Connector Pilot program started Oct. 15
- FAMPO and partners developing a transportation and land use plan for southwestern Cumberland and northeastern Hoke Counties. Seeking public input via online survey. Draft plan is due Dec. 2012.

Objective 3: Increase gateway and other beautification efforts to create a more aesthetically appealing community.

Action Steps:

- Master Gardener Volunteers work with the Wounded Warrior Serenity Garden at Womack Army Medical Center on Fort Bragg.
- Extension Master Gardener Volunteers are working with Fort Bragg on a community garden project that teaches army families how to produce their own fruits and vegetables.
- Registrations being accepted now for the next session of Master Gardener

Objective 4: Continue efforts to provide safe water to all citizens.

Action Steps:

- Southpoint project – construction has started, letters sent to residents about early sign-up deadline of Dec. 1

GOAL 3: Promote economic development by creating and retaining jobs, and providing career opportunities, quality education, cultural and recreational services.

Objective 1: Ensure effective economic development incentives and practices are in place to attract and retain business and industry.

Action Steps:

- Library's August 2012 Job Fair had 715 attendees. They have confirmed that 31 participants were hired that day. Planning has started for Spring 2013 job fair tentatively scheduled in March 2013.
- Community Development received award for affordable housing complexes in Hope VI project.
- DSS won a best practice award for its 2011 Fall into Work job fair.

Objective 2: Promote economic development through the preservation of natural resources, farmland and the county's agricultural industry.

Action Steps:

- Cooperative Extension secured \$25,000 in grant funding to conduct a farmers' market feasibility and location study.
- Cooperative Extension has worked with field crop producers on expanding grain sorghum production from 300 acres to 1,700 acres in response to a new buying program from Murphy Brown and Prestage farms.

Objective 3: Provide quality cultural and recreational services.

Action Steps:

- Library received three Arts Council grants to fund:
  - Traveling exhibit from the U.S. Holocaust Memorial Museum ("Fighting the Fires of Hate: America and the Nazi Book Burnings") to be displayed at the Headquarters Library starting in April 2013.
  - Storytelling Festival in March 2013
  - Friends of the Library received a grant to digitally photograph the library's original artwork collection by N.C. artists. Staff will catalog and prepare a digital presentation that will be accessible from the library's website.
- Librari-Con, an annual anime/manga (Japanese animation) convention for teens, broke an attendance record with 890 participants.

GOAL 4: Educate, inform and engage employees, citizens, elected and appointed officials through effective and efficient communications.

Objective 1: Increase citizen engagement as evidenced by increased applications for county boards and committees and attendance at public forums and meetings.

Action Steps:

- First Citizens' Academy was a success
- Institute for Community Leadership, Leadership Fayetteville Government Day
- Veterans Services Town Hall Meeting on Nov. 17

- Community Outreach
- Friends of the Library received the 2012 Frances B. Reid Award from the Friends of North Carolina Public Libraries for their outstanding effort to support and strengthen public library service.

Objective 2: Enhance communications systems and transparency so citizens can readily access information.

Action Steps:

- I-pads and paperless agendas
- Library will begin transitioning to IP phone system by late November.

Objective 3: Improve internal communications.

Action Steps:

- New Performance Management System is in place
- Pharmacy Updates sent to all employees and retirees

Objective 4: Develop and promote the County's strategic plan to employees and the public.

Action Steps:

- Commissioner Edge spoke to Kiwanis group in September about the Strategic Plan
- Citizens' Academy, ICL and Leadership Fayetteville

Objective 5: Enhance collaboration between county government and other boards, committees and commissions.

Action Steps:

- Commissioners met with Legislative Delegation on Sept. 18
- Commissioners met jointly with the Mental Health Board on Oct. 29

GOAL 5: Employ motivated, professional and well-trained personnel who offer excellent customer service with PRIDE

Objective 1: Optimize service delivery through innovation, automation and technology to enhance current services and create new service opportunities.

Action Steps:

- The library received an LSTA technology grant to expand the Cliffdale Regional Branch Library's computer lab. This project increases public access to computers by 45 percent.
- The library is expanding the computer lab and resources at the Hope Mills Branch Library.
- The library unveiled a new web site.
- The Animal Control web-site has been updated to include an online link for citizens for citizens to apply and submit payment for their pet privilege license; they then get the option to print their receipt.

Objective 2: Encourage citizen engagement and provide feedback opportunities through various outlets as it relates to service delivery

Action Steps:

- Citizens' Academy – Question and Answer sessions

- Comments cards for Employee Health Services

Objective 3: Implement staff development and training programs that include classroom and online delivery methods.

Action Steps:

- DSS Best Practice Award for Staff and Leadership Development “Scaling the Summit Leadership Development Training Program” for supervisors that involves mission/value building, coaching, expectations, accountability, creating and sustaining success.
- Training Connection --
  - Executive Academy
  - Supervisors Track
  - Employee Track
  - Personal Growth

Objective 4: Recognize employees for their achievements

Action Steps:

- Employee Recognition Program
- Press releases/Employee newsletter stories
  - Daniel Ortiz, Meg Smith, Sam Lucas, Finance Award

Objective 5: Explore competitive pay based on labor market analysis and update classification system.

Action Steps:

- Phase I of the classification and pay study was included in the FY2013 budget
- Phase II will look at positions that fall under the State Personnel Act

Ms. Shutt concluded her presentation.

7. Consideration of Authorizing Notice of Public Hearing and Adoption of Initial Resolution for FTCC Capital Improvement Financing

**BACKGROUND:**

As the Board may recall, the Board of Trustees from Fayetteville Technical Community College (FTCC) requested funding in the amount of \$3,500,000 for capital projects in their FY2012 budget request. These funds are needed to completely replace the aging mechanical systems for Lafayette Hall (\$2,500,000) and to replace the roofs on the YMCA building, Neil Currie Building, and the Library (\$1,000,000).

Their request was for the County to pursue options available to finance these capital costs. FTCC would then use their normal capital allocation for the principal and interest payments. We believe the most viable option is an installment financing agreement with a financial institution. Since these improvements will “attach” to real property, this financing must be approved by the Local Government Commission (LGC).

Attached you will find a resolution which authorizes the filing of an application to the LGC for this financing. The resolution also documents certain findings that are required

for the transaction under G.S. 159-151. Additionally, a notice of the public hearing on the proposed installment financing contract is provided for your review.

A request for proposal was sent to various financial institutions seeking their interest in this installment financing. We received responses from seven banks, with the lowest interest rate quoted from Bank of America (BOA). Their proposal included a 1.14% interest rate for the five-year financing. When the project was delayed, BOA agreed to hold the quoted rate, contingent upon a change (up or down) in the index tied to the rate. During this 60-day delay, the index decreased slightly and BOA reduced the quoted rate to 1.11%. An informal review was conducted of the rates quoted from the other institutions to validate that the BOA rate of 1.11% remained the lowest interest rate. Based upon the lowest rate quote from BOA and all other terms quoted being acceptable, management recommends that the installment financing agreement be awarded to Bank of America.

**RECOMMENDATION/PROPOSED ACTION:**

1. Approve the resolution approving the filing of an application to the LGC as well as the findings required by G.S. 159-151.
2. Call for a public hearing on the installment finance contract for November 19, 2012.
3. Award the installment financing agreement to Bank of America.

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE §160A-20 AND MAKING CERTAIN FINDINGS REQUIRED BY NORTH CAROLINA GENERAL STATUTE §159-151**

WHEREAS, the Board of Commissioners of the County of Cumberland, North Carolina (the “County”) desires to pursue the financing of the acquisition and construction of improvements (including roofing and HVAC replacements) to various buildings at Fayetteville Technical Community College in the County (the “Project”) pursuant to an installment financing agreement, as permitted under N.C.G.S. § 160A-20; and

WHEREAS, it is anticipated that the cost of the Project to be financed will be approximately \$3,600,000, including issuance expenses in connection with the financing; and

WHEREAS, financing of the Project pursuant to N.C.G.S § 160A-20 must be approved by the North Carolina Local Government Commission (the “LGC”) and will only be approved if the findings of N.C.G.S. § 159-151(b) have been made;

WHEREAS, pursuant to N.C.G.S §160A-20, since the Project involves improvements to real property, the County must hold a public hearing with respect to the financing;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “Board”) of the County, as follows:

1. After consideration, the Board has determined that the most advantageous manner of financing the Project is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended.

2. Pursuant to Section 160A-20, the County is authorized to finance the Project by entering into an installment contract and a security agreement or other security instrument that creates a security interest in some or all of the property financed to secure repayment of the financing.
3. The proposed financing is necessary or expedient because of the pressing need to acquire and construct the improvements for community college facilities in the County.
4. The proposed financing is preferable to general obligation bond financing for the same purposes because of the urgency of particular needs to be financed, the aggregate volume of financings to be accomplished and the desirability of having available the alternative financing structures and repayment provisions possible in the proposed structure.
5. The cost of the proposed undertaking exceeds the amount of funds that can be prudently raised from currently available appropriations, unappropriated fund balances, and non-voted general obligation bonds that could be issued by the County in the fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution. The Project is non-revenue producing so revenue bonds are not an option.
6. The cost of financing under the proposed financing will not be materially greater than the cost of issuing general obligation bonds.
7. The sums proposed to be provided under the financing are adequate and not excessive for the stated purposes of acquiring, constructing and equipping the Project.
8. The County's debt management procedures and policies are good and have been carried out in strict compliance with law and will henceforth be so carried out.
9. There will be no increase in taxes necessary to meet the sums to fall due under the proposed financing.
10. The County is not in default in any of its debt service obligations.
11. The attorney for the County will render an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
12. Each of the County Manager, the Finance Director and other appropriate officers of the County is hereby authorized and directed to proceed with the Project and to file an application with the LGC for its approval of such financing as described above for the Project in an amount of approximately \$3,600,000, and the actions of any of the Chairman, the Finance Director, the County Manager and other officers of the County in connection therewith are hereby approved and confirmed.
13. The County intends that the proceeds of the proposed financing be used to reimburse the County for expenditures with respect to the Project made on or after the date that is no more than 60 days prior to the date of this resolution. The County reasonably expects on the date hereof that it will reimburse the expenditures with the proceeds of the proposed financing or other debt. The County intends that the adoption of this resolution confirms its "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Code.
14. The County hereby calls for a public hearing to be held with respect to the financing at its meeting on November 19, 2012, and directs the appropriate officers of the County and bond counsel for the County to cause a notice of such public hearing to be published in The Fayetteville Observer not later than November 9, 2012.
15. All other acts of the Board and the officers of the County which are in conformity with the purposes and intent of this Resolution and in furtherance of the financing of the Project are hereby ratified, approved and confirmed.

16. This resolution shall take effect immediately.

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Amy Cannon, Deputy County Manager, reviewed the background information and recommendations as recorded above.

MOTION: Commissioner Keefe moved to approve the resolution approving the filing of an application to the LGC as well as the findings required by G.S. 159-151, call for a public hearing on the installment finance contract for November 19, 2012, and award the installment financing agreement to Bank of America.

SECOND: Commissioner King

VOTE: UNANIMOUS (7-0)

8. Nominations to Boards and Committees

A. Board of Health (1 Vacancy)

Commissioner Council nominated Vikki Andrews.

B. Farm Advisory Board (3 Vacancies)

Commissioner Council nominated Wayne Beard, Wayne Collier, Jr., and Vance Tyson.

9. Appointments to Boards and Committees

A. Cumberland County Home and Community Care Block Grant Committee (3 Vacancies)

Nominees:

Civic Representative Position: Robin Kivett

Aging Service Provider: Antoinette Hernandez

Older Consumer: Cassandra McMillion

B. Joint Senior Citizens Advisory Committee (1 Vacancy)

Nominee: Glenda Dye (Reappointment)

There being an equal number of vacancies and nominees,

MOTION: Commissioner Keefe moved to appoint all nominees by acclamation to their respective positions.

