

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MONDAY, OCTOBER 1, 2012 – 9:00 AM
117 DICK STREET, 1ST FLOOR, ROOM 118
REGULAR MEETING
MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Jimmy Keefe, Vice Chairman
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Charles Evans
Commissioner Billy King
Commissioner Ed Melvin
James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Rick Moorefield, County Attorney
Rob Hasty, Assistant County Attorney
Sally Shutt, Chief Public Information Officer
Hank Debnam, Cumberland County Mental Health Area Director
Ellen Holliman, Alliance Behavioral Healthcare Area Director
Lisa Childers, Cooperative Extension Director
Angela Shaver, 4-H Youth Development Extension Agent
Vivek Tandon, Tourism Development Authority Chair
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 – Pastor Mark Rowden, Savannah Missionary Baptist Church, provided the invocation followed by the Pledge of Allegiance to the American Flag led by Commissioner Melvin.

1. Approval of Agenda

MOTION: Commissioner King moved to approve the agenda.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (7-0)

2. Consent Agenda

Commissioner Keefe requested the removal of Item 2.G.(2) for separate discussion and action.

- A. Approval of minutes for the September 17, 2012 regular meeting and the September 18, 2012 special meeting with the Legislative Delegation

B. Approval of Memorandum of Understanding to Transfer Electronic Message Board to Cumberland County Emergency Services

BACKGROUND:

Wayne County has offered to transfer an Electronic Message Board to Cumberland County Emergency Services. The Message Boards are a part of a FY-2011 grant award from the North Carolina Department of Crime Control and Public Safety (NCDCCPS), to the North Carolina Domestic Preparedness Region (DPR-2) and received by Wayne County for distribution to counties within the Region.

The Electronic Message Board is valued at \$12,244, however, there is no cost to Cumberland County other than to maintain the equipment. This equipment will be recognized in the Fixed Asset Listing in the Emergency Services Department.

The Memorandum of Agreement below will transfer ownership of the Electronic Message Board from Mr. Mel Powers, Director of Emergency Services of Wayne County, North Carolina.

RECOMMENDATION/PROPOSED ACTION:

Approve the Memorandum of Agreement and the associated budget revision for accounting purposes only.

**MEMORANDUM OF AGREEMENT
BETWEEN THE
COUNTY OF WAYNE, NORTH CAROLINA
AND
COUNTY OF CUMBERLAND, NORTH CAROLINA**

This Memorandum of Agreement is made this __ day of __, 2012, by Wayne County, North Carolina, and Cumberland County, North Carolina.

WITNESSETH:

WHEREAS, Wayne County is the controlling agency for the Message Board Grant Funds; and

WHEREAS, pursuant to N.C.G.S. §160A-274, Wayne County desires to donate to Cumberland County certain equipment, designated more fully in Exhibit A attached hereto and incorporated herein by reference, purchased with funds from Wayne Counties FY 2007 Message Board funds; and

WHEREAS, Cumberland County agrees to accept the equipment purchased with Message Board funds in accordance with the terms indicated below.

NOW, THEREFORE, pursuant to N.C.G.S. §160A-274, the parties hereto do mutually agree as follows:

1. Wayne County received a grant for Message Boards from the North Carolina Department of Crime Control and Public Safety, Division of Emergency Management for the implementation of the State of North Carolina's goals and strategies of the State Homeland Security Strategy 2007-2009. Funds from this Message Board grant were used to purchase the equipment designated more fully in the document attached hereto and incorporated by reference as Exhibit A. The aforesaid Memorandum of Agreement between the North Carolina Department of Crime Control and Public Safety, Division of Emergency Management and Wayne County is attached hereto and incorporated by reference as Exhibit B.
2. Wayne County is donating the equipment in Exhibit A to Cumberland County for its use in implementing the State of North Carolina's goals and strategies of the State Homeland Security Strategy.
3. Cumberland County is bound by the terms and conditions of the aforesaid attached Memorandum of Agreement between the North Carolina Department of Crime Control and Public Safety, Division of Emergency Management and Wayne County in the use of the equipment described in Exhibit A.
4. Cumberland County shall hold the North Carolina Department of Crime Control and Public Safety, Division of Emergency Management and Wayne County harmless against all claims regardless of nature arising out of Cumberland County's use of the equipment donated under this Memorandum of Agreement.
5. This Memorandum of Agreement must be forwarded to the Division of Emergency Management and approval granted prior to its execution by Wayne County and Cumberland County.
6. Cumberland County agrees to maintain a complete and accurate inventory of the equipment and associated supplies and to maintain a documented list of location(s) of the equipment that can be produced upon request by an internal or external agency for the purpose of inspection, inventory, financial, or fiscal audits. Cumberland County further warrants that said equipment will be used for the purposes authorized under the Department of Homeland Security grant.
7. It is understood that Cumberland County will retain custody of the property listed in Exhibit A and will assume complete responsibility for the equipment including security, maintenance (preventative or otherwise), insurance, and any associated expenses for supplies (disposable or reusable), not already included in the original purchase, and Cumberland County agrees to maintain the listed property in proper working condition per manufacture recommendations and requirements.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Agreement in triplicate originals, the day and year indicated above.

C. Approval of and Clarification to Set a Minimum Fee of \$10 for the Adult Health Primary Care Clinic – Self-Pay Patients Only

BACKGROUND:

At the Board of Health meeting on November 15, 2011, the Board voted to set a minimum fee of \$10.00 for all SELF-PAY patients being seen at the Adult Health Primary Care Clinic effective July 2, 2012. Our memo requesting approval for this Consent Agenda Item did not specifically state SELF-PAY PATIENTS ONLY so the Commissioners approved a minimum fee of \$10.00 for ALL patients seen in the Adult Health Clinic. We sincerely apologize for this confusion.

At the Board of Health meeting on August 21, 2012, the Board voted to clarify that our request is to set a minimum fee of \$10.00 for SELF-PAY patients only who are seen in the Adult Health Clinic at the Cumberland County Department of Public Health. If approved, we will request a Public Service Announcement through the County’s Public Information Office and continue with signage throughout the agency.

RECOMMENDATION/PROPOSED ACTION:

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

SERVICE PROVIDED	CURRENT FEE	PROPOSED FEE
AH CLINIC MINIMUM FEE FOR SELF-PAY PATIENTS	\$0.00	\$10.00

D. Approval of Owner Redemption of Sale of Surplus County-Owned Real Property Acquired by Tax Foreclosure

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 48 R M SUBD SEC 1 (0.48AC); (LOCATED ON DUDLEY RD.)
PIN: 0471-37-9725; CEDAR CREEK TOWNSHIP

The amount owed on the foreclosure judgment plus interest and costs is \$1,248.36.

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 \$1,248.36 and have deposited the \$1,248.36 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.

RECOMMENDATIO/PROPOSED 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 \$1,248.36.

- E. Approval of a Resolution of Intent to Close a Portion of Wade-Stedman Road and Calling for a Public Hearing on November 19, 2012

BACKGROUND:

The N.C. Department of Transportation has notified the county that approximately 265' of Wade-Stedman Road (S.R 1826) where it formerly intersected with U.S. 13 has been abandoned by the N.C. Department of Transportation with at least of some of the pavement having been removed. Each of the owners of property adjoining the abandoned portion has petitioned the Board to close the abandoned portion. The petitions and DOT drawings are attached. The Fire Marshal and Planning Department do not object to this closure. Pursuant to G. S. 153A-241, if the Board determines to grant this request for closure, the Board must declare its intent to do so and call for a public hearing on the matter. The requisite resolution is attached. If the Board adopts the resolution, staff will provide appropriate notice required by the statute.

RECOMMENDATION/PROPOSED ACTION:

Adopt the resolution.

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

**BOARD OF COMMISSIONERS OF CUMBERLAND COUNTY
RESOLUTION OF INTENT TO CLOSE A PORTION OF WADE-STEDMAN
ROAD AND CALLING A PUBLIC HEARING ON THE QUESTION
PURSUANT TO G.S. 153A-241**

WHEREAS, Ali Alsaidi and Alfiah Alsaidi, Clarence Lee Tart, Jr., and Mary Lee B. Tart, and Joan W. Peacock have submitted petitions to the Cumberland County Board of Commissioners (the "Board") requesting the Board to close that portion of Wade-Stedman Road (S.R. 1826) consisting of approximately 265' in length at the terminus of its centerline with the boundary of U.S. Highway 13 and located in Black River Township, Cumberland County; and

WHEREAS, the County Attorney has been notified by the North Carolina Department of Transportation that this portion of Wade-Stedman Road has been removed from the State's secondary road system and is no longer under the control and supervision of the Department of Transportation; and

WHEREAS, it appears that the only property owners to be affected by the closure of this portion of Wade-Stedman Road are the property owners who have submitted the request; and

WHEREAS, it further appears that no person would be deprived of reasonable means of ingress and egress to his or her property by such closing; and

WHEREAS, it further appears that such closing would not be contrary to the public interest.

BE IT RESOLVED, that pursuant to the request of these property owners, the Board intends to close that portion of Wade-Stedman Road (S.R. 1826) as shown by the legal description submitted with this request and prepared by Moorman, Kizer & Reitzel, Inc., as attached hereto,

BE IT FURTHER RESOLVED, that the Board calls for and shall hold a public hearing on the question of the closing of this portion of such road on the 1st day of November, 2012 at 6:45 p.m., in the Commissioners Meeting Room (Room 118), First Floor, Courthouse, 117 Dick Street, Fayetteville, North Carolina, and the Board shall hear all interested persons who appear with respect to whether the closing would be detrimental to the public interest or to any individual's property rights.

BE IT FURTHER RESOLVED, notice of this public hearing shall be given in accordance with G.S. 153A-241.

Adopted in a regular meeting held the 1st day of October, 2012.

- F. Approval of a Proclamation Observing October 7-13, 2012 as "National 4-H Week" in Cumberland County

PROCLAMATION

WHEREAS: Cumberland County's 4-H members, volunteers, staff and families are observing National 4-H Week, October 7 – 13, 2012; and

WHEREAS: 4-H is an educational youth development program of North Carolina Cooperative Extension, North Carolina State University, North Carolina A&T State University, and the United States Department of Agriculture, and is supervised on the county level by the 4-H staff along with the help of local 4-H volunteers who are outstanding men and women in their communities; and

WHEREAS: 4-H youth are a living, breathing, culture-changing revolution for doing the right thing, breaking through obstacles and pushing our country forward by making a measurable difference right where they live; and

WHEREAS: 4-H members, performing educational learn-by-doing projects, put into practice new knowledge and skills as they strive “To Make the Best Better”; and

WHEREAS: The citizenship and leadership training which 4-H members receive in this program is a valuable asset to our democratic way of life; now

THEREFORE: We, the Board of County Commissioners of Cumberland County, do hereby proclaim October 7–13, 2012 as “NATIONAL 4-H WEEK” in Cumberland County, celebrating the uncommon commitment of 4-H’ers and recognizing the confidence, passion and practical skills that prepare them to step up to the challenges of our complex, changing world, urge all of our citizens to encourage and support the work of the 4-H Youth Development Program.

G. Budget Revisions:

(1) Eastover Sanitary Water Project – Phase II

Revision in the amount of \$26,584 to reallocate budgeted expenditures based on Change Order 2-7. (B13-109) Funding Source – Reallocation of Budgeted Expenditures

(2) REMOVED FOR SEPARATE DISCUSSION AND ACTION BELOW

(3) Health

a. Employee Clinic - Revision in the amount of \$5,000 to appropriate fund balance for contracted services. (B13-107) Funding Source – Fund Balance Appropriated

b. Care Coordination for Children - Revision in the amount of \$33,715 to budget state funding for the purpose of serving non-Medicaid eligible clients. (B13-108) Funding Source – State

(4) Community Development Supportive Housing

Supportive Housing - Revision in the amount of \$85,410 to carry forward FY12 funds for Supportive Housing Program (\$64,184) and appropriate fund balance of (\$21,226) for local projects. (B13-115) Funding Source – Federal and Fund Balance Appropriated

(5) Eastover Sanitary District/Water and Sewer

Revision in the amount of \$425,520 to transfer funds from the County Water and Sewer Fund fund balance to the Eastover Sanitary District Fund to participate in a joint venture to purchase

from PWC additional capacity. (B13-056 and B13-056A) Funding Source – Water and Sewer Fund Balance

(6) Tax Administration

Revision in the amount of \$130,475 to appropriate fund balance to fund tax audits conducted by County Tax Services Inc. (B13-116) Funding Source – Fund Balance Appropriated

MOTION: Commissioner King moved to approve consent Items 2.A. through 2.G.(6) with the exception of Item 2.G.(2).

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

2.G.(2) School Capital Outlay – Lottery/Special Sales Tax

Revision in the amount of \$1,849,860 to reallocate budgeted expenditures and revenues from special sales tax to lottery proceeds to fund school debt service. (B13-102 and B13-102A) Funding Source – Reallocation of Budgeted Expenditures and Revenues

Commissioner Keefe requested further information regarding the \$1,849,860 budget revision. Amy Cannon, Deputy County Manager, stated the county expects to receive \$3.6 million in current year lottery proceeds and each year when lottery proceeds are received, they are deposited into a state fund. Ms. Cannon stated in order to use the funds, the Board of Education fills out an application to draw down the funds for capital building purposes or for debt services. Ms. Cannon further stated the Board of Education had on deposit the \$1,849,860 that was received in prior years and is trying to utilize funds for capital purposes that were not used for debt service. Ms. Cannon responded to questions and stated in the last two years there has been a significant reduction in the percentage that can be used for capital purposes.

MOTION: Commissioner King moved to approve Item 2.G.(2).

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (7-0)

Chairman Faircloth recognized Rick Moorefield, County Attorney, who introduced Rob Hasty, Assistant County Attorney, and spoke briefly about his legal experience.

ITEMS OF BUSINESS

3. Presentation by Ms. Ellen Holliman, Area Director, Alliance Behavioral Healthcare, Regarding Mental Health Services and Consideration of a Resolution Regarding Board Appointments

BACKGROUND:

At the October 1, 2012 Board of Commissioners meeting you will hear a presentation by Ms. Ellen Holliman, Area Director, Alliance Behavioral Healthcare, regarding Mental Health services proposed to be provided by the Alliance effective January 1, 2013 in Cumberland County. Ms. Holliman will also request unanimous approval of a resolution regarding the appointment, by the Alliance Behavioral Healthcare Area Board, of one (1) representative from Cumberland County.

James Martin, County Manager, introduced Ellen Holliman, Alliance Behavioral Healthcare Area Director. Ms. Holliman who recognized her colleague, Don Willis, and stated her goal was to provide a brief overview of mental health in North Carolina and how it impacts Cumberland County. Ms. Holliman began her presentation as follows:

Highlights of Legislative Changes

- 2001 – HB 381 – the start of MH Reform in NC required area mental health programs to divest services and become LMEs
- 2006 – HB 2077 - changes to Chapter 122-c governance requirements
- 2011 – HB 919 – required LMEs to transition into managed care organization
- 2012- SB 191 –changes to Chapter 122-c – including governance

Road to Managed Care

- April, 2011 – DHHS released RFA for LMEs to apply to become MCO
- Requirements-70,000 Medicaid covered lives, total divestiture of services, national accreditation.
- Durham applied successfully as Lead LME with Cumberland and Johnston LMEs
- Inter-local agreements approved
- Wake and Durham LMEs merged to become Alliance Behavioral Healthcare

Medicaid 1915 (b)/(c) Waivers

- request to CMS that provisions of the Medicaid Act be “waived”
 - State-wideness
 - Fee for service payment requirements
 - “Any willing and qualified provider”
- Waiver entity assumes risk in managing services. State assumes all financial risk.
- Modeled after successful pilot – PBH

Currently 11 LME/MCOs have been designated - 4 currently operating; 7 in process

Ms. Holliman stated the state changed the system again due to the success of PBH because PBH had been able to contain the costs within a system of care, and the state and the legislature wanted a predictable amount of Medicaid costs after the continued increase they had seen over the years.

Waiver Benefits

- Predictable Medicaid costs
- Maintains public infrastructure to manage MH/DD/SA services
- Ability to set rates and establish programs and benefit packages based on community need
- Savings can be reinvested back into services

Ms. Holliman emphasized that the savings can be reinvested back into services. Ms. Holliman said if MCOs across the state are not successful, then private companies will manage the services for county citizens.

What does this mean for Cumberland?

- Retain status as an Area Authority
- Maintain local presence
- Contracting to provide MCO functions
 - Care Coordination
 - System of Care
 - Provider Network
 - Community Relations

MCO Catchment Area

- Cumberland, Durham, Johnston and Wake
- Total population – 1.7 million people
- Medicaid covered lives – 186,000
- Total funding –between \$300- \$400 million

Timeline

- July 1, 2012 – Durham LME separated from the county and merged with Wake LME
- November 1, 2012 – contracts finalized with Cumberland and Johnston LMEs
- January 1, 2013 – “Go Live” with Medicaid Waiver

Ms. Holliman concluded her presentation and Chairman Faircloth opened the floor for questions. Commissioner Melvin asked whether it would be better for Cumberland County to be part of the Alliance so it could have more members on the Alliance Board of Directors. Ms. Holliman stated Durham County currently has eight seats and Wake County currently has six seats per their merger agreement. Ms. Holliman further stated a seat has been reserved for Cumberland County and a seat for Johnston County and there are five additional seats.

Commissioner Melvin asked about the advantages or disadvantages involved with the interlocal agreement. Ms. Holliman stated an advantage is that Cumberland County retains its Area Authority and becomes a part of the MCO.

Commissioner Edge asked what assurance the Board of Commissioners would have that the needs of clients in Cumberland County would be taken care of since the county would only have one seat on the Alliance Board of Directors. Ms. Holliman stated the Alliance is committed to managing the system and is sensitive to the needs in Cumberland County. Ms. Holliman stated the advantage of the MCO is that it can redirect dollars to develop services unique to different communities. Ms. Holliman stated there is no doubt that Cumberland County has a lot of needs due to its proximity to Ft. Bragg.

Commissioner Evans asked what the disadvantages would be to Cumberland County with only one seat on the Alliance Board of Directors. Ms. Holliman explained there has to be a supermajority of everyone on the board when it comes to major issues.

Commissioner Council asked whether Cumberland County was offered the opportunity to merge with Wake and Durham County. Ms. Holliman stated there is always an opportunity and it is up to the Board of Commissioners or the Area Authority to make the request. Ms. Holliman further stated it is always thought that larger is better in the world of managed care. Commissioner Council asked if Cumberland County had been given the opportunity to merge with Alliance Behavioral Healthcare. Ms. Holliman stated it was not brought up but the Alliance would have merged with Cumberland County. Commissioner Council asked whether the opportunity to merge was still available. Ms. Holliman responded in the affirmative. Commissioner Council asked how many Alliance board seats would be available were Cumberland County to merge. Ms. Holliman stated it would then be a new negotiation. Ms. Holliman further stated there are currently five seats available and the reason all twenty-one seats were not filled was to provide an opportunity for any county that wanted to merge to do so. Commissioner Council asked about the window of opportunity to merge. Ms. Holliman stated a merger would be possible at any time and there was not a set date.

At the request of Chairman Faircloth, Ms. Holliman reviewed the Alliance Behavioral Healthcare Area Board structure and explained the Board of Commissioners is not able to make appointments to the Alliance board because the state wants a clear distinction between management/authorization of services and service provision.

In response to a question from Commissioner Keefe, Ms. Holliman stated Alliance Behavioral Healthcare is a multi-county Area Authority that is responsible to its Area Board that is appointed by Durham and Wake County Commissioners. Commissioner Keefe asked about the term of the contract with Cumberland County. Mr. Martin advised there was not yet a contract. Ms. Holliman stated contracts would be for one year.

Commissioner Keefe asked Mr. Debnam why he did not pursue merger. Mr. Debnam stated when the Request for Application (RFA) was put out, it was the decision of the Cumberland County Area Board and the other counties that Cumberland County would not merge but enter into an interlocal agreement. Mr. Debnam responded to additional questions.

In response to a question from Commissioner King, Ms. Holliman stated the Alliance has to have its proposal approved before December 1, 2012, and if Cumberland County decided to merge, it would not have to do so by that time. Ms. Holliman explained the Alliance board seats would have to be renegotiated as a result of the merger. Commissioner King inquired regarding the future of local providers. Ms. Holliman stated providers will have to meet certain benchmarks and the bar will need to be high. Ms. Holliman further stated if Alliance Behavioral Healthcare fails, national for-profit corporations will step in as the managed care organizations.

Commissioner Edge asked what would happen to Cumberland County's mental health system if the Board of Commissioners did not unanimously approve the resolution. Ms. Holliman stated the Cumberland County Area Authority would still be able to contact with the Alliance and have one seat on the Alliance board; however, all the prior work would have to be renegotiated. Rick Moorefield, County Attorney, advised the resolution is an administrative matter between Alliance Behavioral Healthcare and the Cumberland

and Johnston County Mental Health Authorities and the Board of Commissioners was not being asked to approve the contract.

Commissioner Council asked what recourse Cumberland County would have if it was not pleased with its representation on the Alliance board and the services Cumberland County received. Ms. Holliman stated appointments by law were three year terms and the Alliance would vet the appointments through the Cumberland County Board of Commissioners and the Area Authority. Commissioner Council asked about funds to operate the Area Authority. Mr. Martin stated the Area Authority would need local funds to operate.

Commissioner Keefe expressed concerns regarding liability. Ms. Holliman stated the Alliance board has professional liability insurance and the state is assuming the financial risk of any overruns. Commissioner Keefe asked whether there was a downside to Cumberland County being a partner to the Alliance. Ms. Holliman stated the Board of Commissioners would still have a say on the administrative side through Mr. Debnam and county staff. Ms. Holliman stated no decisions will be made about Cumberland County without Cumberland County being there.

Chairman Faircloth advised the Board was not ready to move forward with a unanimous resolution at this meeting and needed some additional time.

MOTION: Commissioner Keefe moved to table the decision and ask the county manager to bring the matter back to the Board at its first meeting in November with a recommendation to include the possibility of merger and the agreement, with input from Mr. Debnam and the county attorney.
SECOND: Commissioner Council
VOTE: UNANIMOUS (7-0)

4. Presentation of the Tourism Development Authority (TDA) Fiscal Year 2011-2012 Annual Status Report by Mr. Vivek Tandon, TDA Chairman

Chairman Faircloth called on Vivek Tandon, TDA Chairman, who provided the following report for fiscal year 2011-2012:

Mr. Tandon stated during the fiscal year ended June 30, 2012, the Occupancy Tax netted \$4,907,404.61 in revenue.

These funds have been distributed as follows:

Cumberland County Crown Coliseum	\$ 1,226,851.10
Arts Council of Fayetteville	1,226,851.18
Fayetteville Area Visitors and Convention Bureau	2,249,227.12
TDA Discretionary Funds	<u>204,475.21</u>
Total	\$ 4,907,404.61

TDA Discretionary

Funds:

Balance July 1, 2011 (unobligated)	\$ 732,273.35
Funds received for the fiscal year	204,475.21
Funds returned to TDA by recipient	-
Less obligations during the fiscal year	(251,422.00)
Less minimum balance	<u>(100,000.00)</u>
Balance June 30, 2012 (unobligated)	\$ 585,326.56

During the year, the TDA obligated funds for the following projects:

CVB Joint Marketing Plan (D'Town Devel, ASOM and Vet Park)	\$ 75,000.00
Fayetteville Dogwood Festival	25,000.00
Junior League of Fayetteville - Holly Day Fair	25,000.00
Greater Spring Lake Chamber of Commerce	15,744.35
Fayetteville Duck Derby	<u>12,400.00</u>
Total	\$ 153,144.35

During the year, the TDA paid obligations from previous fiscal years for the following projects:

Fayetteville State University Foundation	\$ 25,000.00
NC Civil War Trails / FAVCB	<u>2,000.00</u>
Total	\$ 27,000.00

As of June 30, 2012 the TDA had the following outstanding obligations:

NC Civil War Trails / FAVCB	\$ 6,100.00
Cape Fear Botanical Garden	13,500.00
Town of Hope Mills	18,000.00
Greater Spring Lake Chamber of Commerce	9,255.65
The Heroes Crusade: An Athletes Campaign	<u>24,422.00</u>
Total	\$ 71,277.65

Note: some of the obligations mentioned above span more than one fiscal year.

Mr. Tandon responded to questions and explained the purpose of and guidelines for the award of TDA funds.

MOTION: Commissioner King moved to accept the report.
 SECOND: Commissioner Council
 VOTE: UNANIMOUS (7-0)

5. Consideration of Mental Health Funding for Services through December 31, 2012
 - A. Revision to the Operating Budget through 12/31/2012

BACKGROUND:

It was the intent of the county manager and staff to present a recommended budget that maintained mental health services to clients through the six month period ending December 31, 2012. More specifically, our goal was to maintain service levels by budgeting the portion of local funding needed to maintain service levels until the transition to the managed care organization (MCO) January 1, 2013. Management has believed that in fact adequate local funding was appropriated based upon the amount requested by mental health, until some questions were raised in the public comment period at the last Board meeting.

Based upon the issues raised at that meeting, management met with the mental health director and other staff members to discuss the local funding issue. In their requested budget, mental health requested \$374,716 in local funds for "fee for services contracts", which was the amount for a six month period. This particular item was budgeted for six months while other items, such as LME staffing in the requested budget, were included for an entire year.

In the development of the manager's recommended budget, all LME budget requests were reduced from a 12 month request to a 6 month amount. The \$374,716 was incorrectly identified as a full year amount and was reduced to \$174,358, which actually only represents the projected amount needed for these provider contracts for a three month period.

In keeping with the original intent of maintaining the LME functions for the six month period until the MCO begins January 1st, an additional \$174,358 needs to be appropriated for the fee for service provider contracts.

RECOMMENDATION/PROPOSED ACTION:

Appropriate \$174,358 from fund balance to fully fund the projected fee for service contracts for the period of July 1, 2012 through December 31, 2012.

Mr. Martin reviewed the background information as provided above and advised the dollar amount of \$374,716 should actually be reflected as \$348,716. Mr. Martin explained it had been his understanding that what had been recommended and what had been funded was for six months of mental health services. Mr. Martin explained the \$374,716 was incorrectly identified at that time as a full year amount and was reduced to \$174,358, which actually only represented the projected amount needed for a three month period. Mr. Martin stated the revision of \$174,358 would get the funding to the prior year level for six months through December 31, 2012, and should now cover all services.

Commissioner King stated he did not want to have additional dollars requested between now and December 31, 2012 for current mental health programs. Mr. Martin referenced the revision to restore state and federal budget reductions in item 5.B. and stated those

revisions would affect fee for service agencies and get them through December 31, 2012 as well.

Commissioner Evans asked the amount of the mental health fund balance. Ms. Cannon stated staff are working on the end of the year audit and it depends on how many encumbrances roll forward next year; however, there is an average of about \$15 million. Commissioner Evans asked whether mental had access to the fund balance. Ms. Cannon stated mental health does not have direct access because that fund balance at the end of each year is combined into the general fund, and in order for any of the fund balance funds to be utilized, a budget revision would have to be approved by the Board of Commissioners. Commissioner Evans asked whether the Board of Commissioners could recommend that the fund balance be returned to mental health. Ms. Cannon stated the county cannot simply turn the funds over to mental health because it would have to prepare a budget revision and directly identify how those funds would be utilized. Commissioner Evans asked whether the Board of Commissioners could give mental health access to the fund balance and let mental health disperse the monies for different projects. Ms. Cannon explained according to the North Carolina General Statutes, line items or budget appropriations cannot be overspent which means the fund balance cannot simply be handed over to mental health because there has to be a corresponding expenditure to go along with the appropriation. Ms. Cannon further explained it is against the general statutes to overspend a line item for which there is no revenue to offset it.

Ms. Cannon stated the fund balance cannot just be given to mental health and the budget revisions as presented to the Board are mental health's best estimate to county management based on a meeting they had together the prior week. Ms. Cannon further stated mental health will have to monitor the units of service that they allocate per month so that they can live within the remaining state appropriations and the additional funds the Board of Commissioners is considering appropriating in the budget revisions.

Commissioner King expressed concern that mental health was undergoing greater scrutiny because budget revisions were typically placed on the consent agenda. Mr. Martin stated he placed the budget revision on the agenda as an item of business because he felt obligated to give the Board an explanation about the error in mental health funding and also to give the Board an opportunity to pose questions. Mr. Martin further stated mental health sent letters to 150 service providers and clients telling them their services would be cut and he wanted an opportunity to clarify matters for the Board.

MOTION: Commissioner Council moved to appropriate \$174,358 from fund balance to fully fund the projected fee for service contracts for the period of July 1, 2012 through December 31, 2012.

SECOND: Commissioner King

DISCUSSION: Commissioner Evans whether the funding in the budget revision covers mental health until funding is approved by whatever is coming down the pipe. Mr. Martin stated it is believed that the budget revision is the best understanding right now of what will fund mental health with local funds and cover a state cut through December 31, 2012.

VOTE: PASSED (6-1) (Commissioners King, Keefe, Faircloth, Council, Melvin and Edge voted in favor; Commissioner Evans voted in opposition)

B. Revision to Restore State / Federal Budget Reductions

BACKGROUND:

Fiscal Year 2013 State and Federal allocations for Mental Health services have been reduced \$19,076 and \$267,012 respectively from FY2012 allocations. The allocation for Developmentally Disabled Children was reduced \$20,795; Developmentally Disabled Adults (DDA) \$149,968; Majors program \$94,999; training \$1,250; and various single-stream state funded programs \$19,076 for a total of \$286,088. Subsequently, the NC DHHS Division of Mental Health, restored on a one-time basis \$65,869 to the Developmentally Disabled Adult program resulting in a net reduction of \$84,099 for the DDA program for a total reduction of \$220,219. All of the previous allocations are based on a full year of service. It is the intent of the county manager and staff to maintain mental health services at the fiscal year 2012 level through the six month period ending December 31, 2012. More specifically, our goal was to maintain service levels by budgeting local dollars to maintain service levels until the transition to the managed care organization (MCO) January 1, 2013.

In addition to the above funding, local dollars in the amount of \$77,500 is recommended to continue the Majors program for the period January 1, 2013 through June 30, 2013 as State funding will cease December 31, 2012. The Majors program provides funding to assist the Court System in providing youth substance abuse assessments and related intensive outpatient services to juveniles while they are under the supervision of the courts.

In keeping with the original intent of maintaining the LME functions for the six month period until the MCO begins January 1st, an additional \$110,089 needs to be appropriated as well as an additional fund balance appropriation of \$77,500 is required to continue the Majors program through June 30, 2013.

RECOMMENDATION/PROPOSED ACTION:

Appropriate \$110,089 from fund balance to fully fund the reduction in State and Federal funding through December 31, 2012 and to appropriate an additional \$77,500 to fund the Majors program through June 30, 2013 for a total fund balance appropriation of \$187,589.

Mr. Martin reviewed the background information as provided above and stated the budget revision relates to cuts in state and federal funds. Mr. Martin further stated normally county administration would not come with a request to fund state and federal cuts in programs, but because of issues that arose at the previous meeting with a number of mental health service agencies, county administration believes it is prudent to do so in this case.

MOTION: Commissioner Edge moved to appropriate \$110,089 from fund balance to fully fund the reduction in State and Federal funding through December 31, 2012 and to appropriate an additional \$77,500 to fund the Majors program through June 30, 2013 for a total fund balance appropriation of \$187,589.

SECOND: Commissioner King

VOTE: UNANIMOUS (7-0)

6. Nominations to Boards and Committees

A. Air Quality Stakeholders' Committee (2 vacancies)

Commissioner Council nominated Janice Lucas and Richard Rice.

B. Juvenile Crime Prevention Council (1 Vacancy)

Commissioner Council nominated Shawn Withy-Allen.

C. Library Board of Trustees (3 Vacancies)

Commissioner Keefe nominated Daisy D. Maxwell, Mary E. Thomas and Sara VanderClute.

7. Appointments to Boards and Committees

A. Cumberland County Juvenile Crime Prevention Council (JCPC) (2 Vacancies)

Nominees: Vince Benbenek
Latoya Gordon

B. Transportation Advisory Board (1 Vacancy)

Nominee: Kena Farrington

There being an equal number of vacancies and nominees,

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

SECOND: Commissioner King

VOTE: UNANIMOUS (7-0)

8. Closed Session – A) Economic Development Matter(s)
Pursuant to NCGS 143-318.11(a)(4)

MOTION: Commissioner Keefe moved to go into closed session for economic development matters pursuant to NCGS 143-318.11(a)(4).
SECOND: Commissioner Council
VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Melvin moved to reconvene in open session.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (7-0)

Chairman Faircloth advised the Board also entered into an attorney-client matter pursuant to NCGS 143-318.11(a)(3) while in closed session.

MOTION: Commissioner King moved to adjourn.
SECOND: Commissioner Faircloth
VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 11:23 a.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board