

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MONDAY, DECEMBER 21, 2015 – 6:45 PM
117 DICK STREET, 1ST FLOOR, ROOM 118
REGULAR/REZONING MEETING
MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Glenn Adams, Vice Chairman
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Charles Evans
Commissioner Jimmy Keefe (arrived 6:55 p.m.)
Commissioner Larry Lancaster
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Rick Moorefield, County Attorney
Sally Shutt, Governmental Affairs Officer
Vicki Evans, Finance Director
Deborah Shaw, Budget Analyst
Tom Lloyd, Planning and Inspections Director
Jeffrey Brown, Engineering and Infrastructure Director
Randy Beeman, Emergency Services Director
Scott Walters, Code Enforcement Manager
Claudia Sievers, Graphic Design Information Specialist II
Candice H. White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

Chairman Faircloth called the meeting to order.

INVOCATION / PLEDGE OF ALLEGIANCE

Chairman Faircloth provided the invocation followed by the Pledge of Allegiance to the American flag led by Alexis Hester, first grade, Glendale Acres Elementary School.

PUBLIC COMMENT PERIOD (6:45 PM – 7:00 PM)

Amy Cannon, County Manager, read the public comment policy. Chairman Faircloth recognized the clerk to the board who advised there were no speakers.

Recognition of Outgoing Board Members:

Joseph Dykes - Board of Adjustment
Cristobal Berry-Caban - Animal Control Board

Outgoing board members Joseph Dykes and Cristobal Berry-Caban were unable to be present. On behalf of the Board of Commissioners, Chairman Faircloth recognized Joseph Dykes for his service on the Board of Adjustment and Cristobal Berry-Caban for his service on the Animal Control Board.

Recognition of Claudia Sievers, Graphic Design Information Specialist II, for receiving the Excellence in Communications Award for photography from the North Carolina Association of Government Information Officers

On behalf of the Board of Commissioners, Chairman Faircloth recognized Claudia Sievers, Graphic Design Information Specialist II, for receiving the Excellence in Communications Award for photography from the North Carolina Association of Government Information Officers. Chairman Faircloth stated Ms. Sievers accepted the Excellence in Communications Award November 19, 2015 at the William and Ida Friday Center in Chapel Hill. Chairman Faircloth stated Ms. Sievers won for a photograph taken during a full-scale hazardous materials exercise held jointly by Cumberland and Bladen counties at the Chemours Work Site off N.C. Highway 87 and the photographs were judged based on technical,

visual and aesthetic criteria, as well as content, timeliness and impact on the intended audience. Chairman Faircloth stated Ms. Sievers was a graphic designer with the library system before joining the Public Information Office in 2014.

Amy Cannon, County Manager, requested the addition to the agenda as Item 9.A. a closed session for Attorney/Client Matter(s) pursuant to NCGS 143-318.11(a)(3).

1. Approval of Agenda

MOTION: Commissioner Edge moved to approve the agenda to include the addition of a closed session for Attorney/Client Matter(s) pursuant to NCGS 143-318.11(a)(3).

SECOND: Commissioner Adams

VOTE: UNANIMOUS (6-0)

2. Consent Agenda

A. Approval of minutes for the December 3, 2015 Special Meeting and the December 7, 2015 regular meeting

B. Approval of Proposed Additions to the State Secondary Road System:

BACKGROUND:

The North Carolina Department of Transportation has received petitions requesting the following street be placed on the State Secondary Road System for maintenance:

Angelia M Street Extension

DOT has determined that the above street is eligible for addition to the state system.

RECOMMENDATION / PROPOSED ACTION:

NCDOT recommends that the above named street be added to the State Secondary Road System. County Management concurs. Approve the above listed street for addition to the State Secondary Road System.

C. Approval of Offer of Destiny Worship Center (NC), a North Carolina Non-Profit Corporation, to Purchase Certain Real Property Located at 316 McIver Street, Fayetteville

BACKGROUND:

The County and the City of Fayetteville acquired the real property with PIN 0437-23-6252 located at 316 McIver Street, Fayetteville, at a tax foreclosure sale in 2010 for a purchase price of \$7,395.26.

Based on GIS Mapping and the tax department, the property is a vacant residential lot with a tax value of \$17,255.00. The city quitclaimed its interest in the property to the County on December 4, 2015, by a deed recorded in Book 9766 at page 845.

An offer to purchase the property for \$7,395.26 was submitted by Destiny Worship Center (NC), a North Carolina non-profit corporation. If the Board proposes to accept this offer, the proposed sale must be advertised subject to the upset bid process of G. S. § 160A-269.

RECOMMENDATION/PROPOSED ACTION:

County attorney recommends the Board consider the offer of Destiny Worship Center (NC) and if the Board proposes to accept the offer, resolve that the described real property is not needed for governmental purposes and direct that it be advertised and sold pursuant to the upset bid process of G. S. § 160A-269.

D. Approval of Offer of Mark Anthony Scott to Purchase Certain Real Property Located at 1320 Ramsey Street, Fayetteville, and Being Lot 30, Plat Book 11 at Page 68

BACKGROUND:

The County and the City of Fayetteville acquired the real property with PIN 0438-52-6763 located at 1320 Ramsey Street, Fayetteville, at a tax foreclosure sale in 2012 for a purchase price of \$7,205.97.

Based on GIS Mapping and the tax records, the property is a vacant lot with O&I zoning and a tax value of \$31,144.00. The City quitclaimed its interest in the property to the County on December 4, 2015, by a deed recorded in Book 9766 at page 845.

Mark Anthony Scott has made an offer to purchase the property for \$7,205.97. If the Board proposes to accept this offer, the proposed sale must be advertised subject to the upset bid process of G. S. § 160A-269.

RECOMMENDATION/PROPOSED ACTION:

County attorney recommends the Board consider the offer of Mark Anthony Scott and if the Board proposes to accept the offer, resolve that the described real property is not needed for governmental purposes and direct that it be advertised and sold pursuant to the upset bid process of G. S. § 160A-269.

- E. Approval of Offer to Purchase Five Lots I the Beaverdam Acres Subdivision, Section 4, Near Autryville

BACKGROUND:

The County and the City of Fayetteville acquired the five lots described below by a single tax foreclosure in 2013. This property is not in the City of Fayetteville and it is unknown why the commissioner’s deed in the foreclosure was made to the parties jointly. The City quit-claimed its interest to the County on December 4, 2015, by a deed recorded in Book 9766 at page 845.

The amount of the foreclosure judgment has been prorated to each of the lots. All the lots are vacant. Javier Smith has made an offer to purchase each of the lots as described below.

PIN	Description: PB 67-32	Zoning –A1	Tax Value	Foreclosure Judgment	Offer
1423-12-5843	Lot 8 Beaver Dam Sec 4	Rural Lot	\$6,750	\$804.65	\$804.65
1423-12-5973	Lot 7 Beaver Dam Sec 4	Rural Lot	\$6,750	\$804.65	\$804.65
1423-13-5092	Lot 6 Beaver Dam Sec 4	Rural Lot	\$6,750	\$804.65	\$804.65
1423-13-6112	Lot 5 Beaver Dam Sec 4	Rural Lot	\$6,750	\$804.65	\$804.65
1423-13-6233	Lot 4 Beaver Dam Sec 4	Rural Lot	\$9,000	\$1,058.75	\$1,058.75

If the Board proposes to accept this offer, the proposed sale must be advertised subject to the upset bid process of G. S. § 160A-269.

RECOMMENDATION/PROPOSED ACTION:

County attorney recommends the Board consider the offer of Javier Smith and if the Board proposes to accept the offer, resolve that the described real property is not needed for governmental purposes and direct that it be advertised and sold pursuant to the upset bid process of G. S. § 160A-269.

- F. Approval of Resolution in Support of Petition for Contested Case Hearing Regarding Interbasin Transfer Certificate

BACKGROUND:

The Public Works Commission of the City of Fayetteville has filed a Petition For Contested Case Hearing with the North Carolina Office of Administrative Hearings (OAH) to contest the March 12, 2015, decision by the North Carolina Environmental Management Commission (EMC) to issue an Inter-Basin Transfer (IBT) Certificate Authorizing the Towns of Cary, Apex, and Morrisville and Wake County to Transfer Water From the Haw River Basin to the Neuse and Cape Fear River Basins. PWC's petition will be heard by an OAH Administrative Law Judge.

The resolution recorded below opposes the EMC's decision and supports PWC's Petition for Contested Case Hearing.

The EMC's decision allows large volumes of water to be taken from the Cape Fear River Basin and discharge it into the Neuse River Basin when the water could be returned to the Cape Fear Basin without unreasonable costs to prevent harm to downstream users. The Towns of Cary, Apex, and Morrisville and Wake County (the Certificate Holders) would be allowed to transfer water from the Haw River basin to the Neuse River in the amount of 31 million gallons per day (MGD) and from the Haw River basin to the Cape Fear River basin in the amount of 2 MGD.

The EMC's decision increases the previously-allowed transfer of up to 24 MGD from the Haw River basin to the Neuse River basin as set forth in a 2001 EMC IBT Certificate held jointly by the Certificate Holders. The approved IBT increase is effectively more than a 9 MGD increase, because the previous 24 MGD IBT limit was a maximum day value -- whereas the new 33 MGD value is calculated as the daily average over a maximum month. (The prior 24 MGD limit was equivalent to a 22 MGD limit under the new IBT metric, so the increase could effectively be as much as 11 MGD.)

In issuing the IBT Certificate, PWC believes the EMC failed to correctly and properly consider and determine the criteria and standards required by N.C. Gen. Stat. § 143-215.22L(k)(1) - (9).

Among other concerns, PWC believes the EMC should have required the Certificate Holders to avoid the IBT by sending additional untreated wastewater to the Western Wake Regional Water Reclamation Facility (WWRWRF) or to impose conditions in the new IBT Certificate requiring the return a specified percentage of the water to the Cape Fear River Basin. This is necessary to protect Fayetteville's vital Cape Fear River water supply.

A condition in the 2001 Certificate required the certificate holders to return 80% of water used in excess of 16 MGD in the Neuse River Basin to either the Haw or the Cape Fear Basins. The WWRWRF was built to meet this requirement and PWC believes the EMC should have included the same requirement in the 2015 Certificate. The new IBT Certificate should be at least as stringent as the prior one, not less.

PWC disagrees with the EMC's conclusion that the hydrologic modeling results relied upon show the water supply needs of all downstream users, including Fayetteville, are met 100 percent of the time. The modeling results show substantial decreases in minimum flows. Hence, a guaranteed return of flow to the Cape Fear is crucial to protect the future water supplies of downstream users.

PWC believes the EMC erred by not waiting to make this important IBT decision until the Cape Fear Basin Water Supply Plan and the Jordan Lake Round Four Allocation process were completed. The Water Supply plan considers the future uses and needs of all major water users in the Basin and the IBT is dependent on the Allocation process.

RECOMMENDATION/PROPOSED ACTION:

Approve the resolution recorded below supporting the petition for Contested Case Hearing with the North Carolina Office of Administrative Hearings by the Public Works Commission of the City of Fayetteville.

**RESOLUTION IN SUPPORT OF PETITION FOR CONTESTED CASE HEARING
REGARDING INTERBASIN TRANSFER CERTIFICATE**

WHEREAS, the North Carolina Environmental Management Commission on March 12, 2015, issued a decision authorizing the Towns of Cary, Apex and Morrisville and the County of Wake to transfer large volumes of water from the Cape Fear River Basin and discharge it into the Neuse River Basin when the water could be returned to the Cape Fear Basin without unreasonable costs to prevent harm to downstream users; and

WHEREAS, the Cape Fear River is a tremendous natural resource for the Cape Fear Region, including the County of Cumberland; and

WHEREAS, the permanent diversion of large amounts of water from the Cape Fear River Basin to the proposed recipients would have significant, harmful economic and environmental impacts on Cumberland County and the Cape Fear Region; and

WHEREAS, the Public Works Commission of the City of Fayetteville has filed a Petition for Contested Case Hearing with the North Carolina Office of Administrative Hearings (OAH) to contest the decision of the North Carolina Environmental Management Commission; and

WHEREAS, the Cumberland County Board of Commissioners has determined it is in the public interest of the citizens of Cumberland County as well as the citizens of all communities benefited by the Cape Fear River and its waters to oppose any permanent transfer of water from the Cape Fear River to other river basins; and

NOW, THEREFORE, BE IT RESOLVED THAT: The County of Cumberland opposes the decision of the North Carolina Environmental Management Commission authorizing the Towns of Cary, Apex and Morrisville and the County of Wake to transfer large volumes of water from the Cape Fear River Basin and discharge it into the Neuse River Basin when the water could be required to be returned to the Cape Fear Basin to prevent harm to downstream users and the board supports the petition for Contested Case Hearing with the North Carolina Office of Administrative Hearings by the Public Works Commission of the City of Fayetteville.

PASSED AND APPROVED BY THE CUMBERLAND COUNTY BOARD OF COMMISSIONERS, on this, the 21st day of December, 2015; such meeting was held in compliance with the Open Meetings Act, at which meeting a quorum was present and voting.

G. Approval of Declaration of Surplus County Property and Authorization to Accept Insurance Settlement

BACKGROUND:

DATE OF ACCIDENT:	December 6, 2015
VEHICLE:	2014 Ford Taurus
VIN:	1FAHP2MK1EG145462
FLEET#:	FL531
DEPARTMENT:	Sheriff's Office
SETTLEMENT OFFER:	\$17,689.35
INSURANCE COMPANY:	Travelers Property Casualty Company

This is a total loss settlement offer.

RECOMMENDATION/PROPOSED ACTION:

Management recommends that the Board of Commissioners:

1. declares the vehicle described above as surplus
2. authorizes the Risk Management Coordinator to accept \$17,689.35 as settlement
3. allows Travelers Property Casualty Company to take possession of the wrecked (surplus) vehicle

H. Approval of Payment of Prior Year Payroll and Benefit Charges for Six Department of Social Services Employees

BACKGROUND:

The Department of Social Services is requesting payment totaling \$38,756.36 payable in varying individual amounts to six employees of the DSS Family Violence Care Center. The prior year expense was discovered during a recent audit of the Department. Procedures have been put in place to minimize this type of reoccurrence.

RECOMMENDATION/PROPOSED ACTION:

Management is requesting approval to pay the prior year payroll and benefit charges to six employees totaling \$38,756.36 and the corresponding budget revision B16-165.

I. Budget Revisions:

(1) Social Services

Revision in the amount of \$146,116 to recognize additional funding. (B16-161) Funding Source – Federal

(2) General Litigation Fund/General Government Other

Revision in the amount of \$45,000 to cover the cost of the agreement per the approval of the Cumberland County Board of Commissioner's meeting on December 7, 2015. (B16-162/B16-162A) Funding Source – Fund Balance Appropriated

(3) Kelly Hills/General Fund

Revision in the amount of \$93,107 to correct budget revision M16-129 that was posted to the Fund Balance Appropriated-General Fund instead of Fund 255 Kelly Hills Fund Balance Appropriated. (B16-159/159A) Funding Source – Fund Balance Appropriated

MOTION: Commissioner Adams moved to approve consent agenda Items 2.A. – 2.I.(3).

SECOND: Commissioner Evans

VOTE: UNANIMOUS (6-0)

3. Public Hearings

Ms. Cannon explained the Board of Commissioners' procedures for public hearings.

Uncontested Rezoning Cases

Tom Lloyd, Planning and Inspections Director, stated there were no speakers signed up in opposition to Case P15-39 or Case P15-58 and the Planning Board unanimously recommended approval of Case P15-39 and Case P15-58.

- A. Case P15-39: Rezoning of 4.26+/- acres from A1 Agricultural to R40 Residential, or to a more restrictive zoning district, located at 823 Carl Freeman Road; submitted by Andrew G. and Reeshemah T. Johnson (owners) and Michael J. Adams, PLS

Staff Recommendation:

1st motion for Case P15-39: Move to find the request for rezoning consistent with the 2030 Growth Vision Plan, and any other applicable land use plan, reasonable and in the public interest for the reasons stated in the recommendations of the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

2nd motion for Case P15-39: Move to approve the request for R40 Residential district as recommended by the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

Planning Board Recommendation: Approve the staff recommendation

Chairman Faircloth opened the public hearing for Case P15-39.

The clerk to the board advised there were no speakers for Case P15-39.

Chairman Faircloth closed the public hearing for Case P15-39.

MOTION: Commissioner Council moved in Case P15-39 to find the request for rezoning consistent with the 2030 Growth Vision Plan, and any other applicable land use plan, reasonable and in the public interest for the reasons stated in the recommendations of the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Lancaster moved in Case P15-39 to approve the request for R40 Residential district as recommended by the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

- B. Case P15-58: Rezoning of 1.37+/- acres from R20 Residential to C2(P) Planned Service and Retail/CZ Conditional Zoning for a trade contractor, or to a more restrictive zoning district, located at 725 and 729 Snow Hill Road, submitted by Huxley A. and Ahuilda J. Jones (owners), Jimmy Cruz and Timothy B. Evans. (Pgs. 33-44)

Staff Recommendation:

1st motion for Case P15-58: Move to find the request for rezoning consistent with the 2030 Growth Vision Plan, and any other applicable land use plan, reasonable and in the public interest for the reasons stated in the recommendations of the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

2nd motion for Case P15-58: Move to approve the request for C2(P) Planned Service and Retail/CZ Conditional Zoning for a trade contractor as recommended by the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

Planning Board Recommendation: Approve the staff recommendation

Chairman Faircloth opened the public hearing for Case P15-58.

The clerk to the board advised there were no speakers for Case P15-58.

Chairman Faircloth closed the public hearing for Case P15-58.

MOTION: Commissioner Edge moved in Case P15-58 to find the request for rezoning consistent with the 2030 Growth Vision Plan, and any other applicable land use plan, reasonable and in the public interest for the reasons stated in the recommendations of the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Evans moved in Case P15-58 to approve the request for C2(P) Planned Service and Retail/CZ Conditional Zoning for a trade contractor as recommended by the Planning Staff included in the agenda package and as reflected in the minutes of the Planning Board's consideration of this case, which minutes are to be fully incorporated herein by reference.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

Other Public Hearings - Minimum Housing Code Enforcement

The clerk to the board administered an oath to Scott Walters, Code Enforcement Manager.

- C. Case Number: MH 1224-2015
- Property Owner: Barbara M. Johnson
- Property Location: 6821 Camden Road, Fayetteville, NC
- Parcel Identification Number: 0404-04-8665

**AFFIDAVIT OF THE HOUSING INSPECTOR'S REPORT
BEFORE THE BOARD OF CUMBERLAND COUNTY COMMISSIONERS**

I, Joan Fenley, Inspector for the County of Cumberland Inspection Department, acting in my official capacity, being duly sworn, depose and say:

BACKGROUND: That the following is a report on Minimum Housing case number MH 1224-2015.

Property Owner: Barbara M. Johnson
 Property Address: 6821 Camden Rd.; Fayetteville, NC
 Tax Parcel Identification Number: 0404-04-8665

SYNOPSIS: This property was inspected on 9/15/2015. The property owners and parties of interest were legally served with Notice of Violations and were afforded a Hearing on 10/12/2015. Barbara M. Johnson & Steve Johnson attended the Hearing. It was ordered that the structure be repaired to a minimum standard for human habitation, or be demolished and the debris removed from the premises by a date not later than 11/12/2015. The property owners and parties of interest were notified of the appeal procedures when they were served with the Findings of Fact and Order. No appeal was filed. Upon my visit to the property on 12/10/2015, no corrective action has been made to the structure. The structure is presently vacant and unsecured. In its present state, this structure constitutes a fire, health, and safety hazard.

The estimated cost to repair the structure to a minimum standard for human habitation is \$49,392.00. The Assessor for Cumberland County has the structure presently valued at \$590.00.

RECOMMENDATION: IT IS THE RECOMMENDATION OF THE PLANNING & INSPECTION DEPARTMENT THAT THE STRUCTURE BE DEMOLISHED, AND THE DEBRIS REMOVED FROM THE LOT.

Mr. Walters stated the structure is dilapidated and poses a fire and health risk. Mr. Walter stated the windows are broken out, the steps are broken off and there is a lot of debris on the property. Mr. Walters also stated both doors of the structure are open.

This is the duly advertised/noticed public hearing set for this date and time.

Chairman Faircloth opened the public hearing.

The clerk to the board advised there were no speakers.

Chairman Faircloth closed the public hearing.

MOTION: Commissioner Council moved to adopt the order and report of the Minimum Housing Inspector as the true facts in this case; to order the property owner to remove or demolish the dwelling within 30 days; to order the Inspector to remove or demolish the dwelling if the owner fails to do so and impose a lien on the real property for the cost of such action; and to direct the clerk to incorporate the foregoing findings and orders in an ordinance certified by the Chairman and record the same in the Register of Deeds.

SECOND: Commissioner Edge

VOTE: UNANIMOUS (7-0)

Items of Business

- 4. Consideration of Approval of Funding for the Fayetteville/Cumberland Economic Development Corporation for the Period of January 1, 2016 through June 30, 2016 In Accordance With the Interlocal Agreement Between the County and the City of Fayetteville

BACKGROUND:

An Interlocal Agreement was approved in September by the County and City of Fayetteville to jointly fund economic development activities. This agreement directed that a new non-profit entity would be developed with its Board members being appointed by the County, City of Fayetteville and the Alliance Foundation. These steps have been accomplished and the new Board has met to begin developing policies and procedures and addressing organizational issues, such as adoption of bylaws for the new entity. For continued operations on January 1, 2016, funding for the remaining six months needs to be approved. The budget revision recognizes the shared funding from the County, City of Fayetteville and the Alliance Foundation and establishes a separate fund to properly account for these activities. The county, through the Interlocal Agreement, will serve as the fiscal agent for the newly organized entity.

The City Council approved funding in the amount of \$207,500, at their December 14, 2015 meeting, for the remaining six months of FY2016.

RECOMMENDATION/PROPOSED ACTION:

Approve budget revision B16-163 and B16-163A which sets forth the funds for the period of January 1, 2016 through June 30, 2016 which establishes a separate fund for economic development activities.

Amy Cannon, County Manager, reviewed the background information as recorded above and explained at budget time, half of the funding was moved to General Government Other as a placeholder until decisions could be made regarding the new economic development entity.

MOTION: Commissioner Edge moved to approve budget revision B16-163 and B16-163A which sets forth funds for January 1, 2016 through June 30, 2016 which establishes a separate fund for economic development activities.

SECOND: Commissioner Council

VOTE: UNANUMOUS (7-0)

- 5. Consideration of Approval of Lease of Office Space for Fayetteville/Cumberland Economic Development Corporation

BACKGROUND:

FTCC has agreed to lease 1500 square feet of office space in its Center for Business and Industry to the county for use as offices for the new economic development corporation established by the city and the county. The rent will be \$12 per square foot annually with utilities and housekeeping included. The term is for three years commencing February 1, 2016. The lease

does not include an early termination provision. The lease does not address leasehold improvements. These improvements will consist of partitioning the leased space for offices.

RECOMMENDATION/PROPOSED ACTION:

County attorney recommends the Board approve this lease.

NORTH CAROLINA
CUMBERLAND COUNTY

LEASE

THIS LEASE AGREEMENT, made as of the ____ day of January, 2016 by and between THE TRUSTEES OF FAYETTEVILLE TECHNICAL COMMUNITY COLLEGE, a body corporate having its principal offices at 2201 Hull Road, Fayetteville, Cumberland County, North Carolina (hereinafter called "LESSOR") and CUMBERLAND COUNTY, a body politic and corporate having its principal offices at 117 Dick Street, Fayetteville, Cumberland County, North Carolina 28301 (hereinafter called "LESSEE");

1. **PREMISES.** In accordance with the terms and conditions delineated below, LESSOR hereby leases to LESSEE approximately 1,500 square feet of office space (hereinafter "Premises") as depicted in Attachment A as rooms 108 and 108A and located in LESSOR's "Center for Business and Industry" building located on Fort Bragg Road in Fayetteville, North Carolina. In addition to the Premises, LESSEE shall be granted access to hallways, restrooms, breakrooms, the parking lot associated with LESSOR's Center for Business and Industry building, and similar common areas during the Lease Period. Premises shall not include any classrooms, offices, or conference rooms not designated as rooms 108 and 108A in Attachment A.
2. **TERM.** The term of this Lease shall be for a period commencing on February 1, 2015 and expiring at midnight on January 31, 2018 (hereinafter "Lease Term").
3. **RENTAL AMOUNT.** During the period of the lease, LESSEE shall pay LESSOR eighteen thousand dollars (\$18,000.00) per annum, payable in 12 equal monthly installments of one thousand five hundred dollars (\$1,500.00). Each monthly installment shall be due and payable no later than the tenth (10th) day of the month and shall be paid to LESSOR's Vice President for Business and Finance, P.O. Box 35236, Fayetteville, NC, 28303.
4. **UTILITIES.** Electricity, water, and sewer (hereinafter "Utilities") shall be made available to LESSEE at no additional charge to LESSEE, but LESSEE agrees to use Utilities only for reasonable purposes associated with the use of the Premises as office space. LESSEE shall notify LESSOR if LESSEE needs to make some extraordinary use of utilities and any such use of Utilities shall be governed by a separate written agreement.
5. **HOUSEKEEPING.** LESSOR shall provide housekeeping services to LESSEE in a manner and quality similar to that provided to other offices located in LESSOR's Center for Business and Industry. LESSEE shall provide LESSOR with reasonable access to Premises to provide these services.
6. **KEYS.** LESSOR shall provide LESSEE with keys to locks associated with the Premises. LESSEE shall be responsible to returning said keys to LESSOR upon expiration of this lease. In the event any such key is misplaced, stolen, or otherwise lost, LESSEE shall pay LESSOR the actual cost associated with obtaining a replacement key or changing any locks.
7. **MAINTENANCE AND REPAIR.** LESSEE shall keep and maintain the Premises in a clean and sanitary condition and shall make no repairs or renovations to the Premises except upon the approval of LESSOR, said approval shall not be unreasonably withheld.
8. **FIRE AND CASUALTY INSURANCE.** LESSOR shall maintain insurance coverage on its facilities as it believes is reasonably necessary for its operations. In the event the Premises is substantially damaged or destroyed by fire or other casualty, either party may terminate this lease upon written notice to the non-terminating party. LESSOR shall have no duty or obligation to insure, protect, or save from harm any or all of LESSEE's personal property stored or otherwise placed in Premises. To the extent permitted by law, LESSEE shall indemnify and hold LESSOR harmless for any losses associated with

the destruction, damage, theft, or other loss to LESSEE's personal property, except those losses caused by LESSOR's gross negligence.

9. COMPLIANCE WITH THE LAW. LESSEE shall, at its own cost and expense, comply with all laws, rules, ordinances and regulations of any municipal, State or Federal departments and agencies, now in force or hereafter enacted, which may affect the Premises. LESSEE shall make no unlawful, offensive or immoral use of the Premises, nor allow the same to become a nuisance in law. Additionally, LESSEE's use of Premises shall not unreasonably interfere with LESSOR's normal operations.

10. ASSIGNMENT AND SUBLETTING. Without the previous written consent of LESSOR, neither LESSEE nor its successors in interest by operation of law or otherwise, shall assign or mortgage this lease, or sublet the whole or any part of the Premises or permit the Premises of any part thereof to be used by others except as stated in this Section 10. Lessee has informed Lessor that, without subletting the premises, Lessee intends to use the leased premises as offices for the conduct of economic development activities on behalf of Cumberland County and the City of Fayetteville. These activities will be conducted by a non-profit corporation created for that purpose pursuant to an interlocal agreement between the City of Fayetteville and Cumberland County. Lessor consents to this use on these terms.

11. INSPECTION. LESSOR, or its agents, shall have the right to enter the Premises at all reasonable hours for the purpose of inspecting the Premises.

12. DEFAULT. Each of the following shall be deemed a default by LESSEE:
(a) A default in the payment of rentals herein reserved for a period of ten (10) days after the date said payment is due and payable to LESSOR;
(b) A default in the performance of any other covenant or condition of this lease on the part of LESSEE for a period of thirty (30) days after written notice thereof by LESSOR to LESSEE.

For the purpose of subdivision (b) hereof, no default on the part of the LESSEE in the performance of work required to be performed, or acts to be done, or conditions to be modified, shall be deemed to exist if steps have in good faith been commenced promptly by LESSEE to rectify the same and shall be prosecuted to completion with diligence and continuity.

13. EVENT OF DEFAULT. In the event of any Default as defined by this Lease, LESSOR may serve written notice on LESSEE that LESSOR elects to terminate this Lease upon a specified date not less than thirty (30) days after the date of servicing such notice, and this Lease shall then expire on the date so specified. No defaults shall be deemed waived unless in writing and signed by LESSOR, except that a default under subdivision (2) hereof shall be deemed waived if such default is made cured before notice of termination of this Lease is served on LESSEE. No default, except the non-payment of rentals, shall be deemed to continue if so long as LESSEE shall be delayed in or prevented from remedying the same by (a) strikes or other labor disputes, or (b) by act of God or of the public enemy, or (c) by order, direction or other interference by any municipal, State, Federal or other governmental authority or agency, or (d) by any other cause beyond LESSEE's control.

In the event that this Lease shall be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the Premises, or any part thereof, shall be abandoned by LESSEE, or shall become vacant during the term, LESSOR, or its representative may reenter and resume possession of the Premises, and remove all persons and property therefrom, either by summary dispossession proceedings or by a suitable action or proceeding at law, or by force or otherwise, without being liable for any damages therefore. No reentry by LESSOR shall be deemed an acceptance of a surrender of this Lease.

14. WAIVER. The failure of either party to insist upon the strict performance of any of the terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that the respective party may have against the other, shall not be deemed a waiver of any subsequent breach or default in any such terms, covenants and conditions.

15. QUIET ENJOYMENT. LESSOR covenants that LESSEE, its successors and assigns, shall and may peaceably and quietly have, hold and enjoy the Premises for the term hereby granted, subject to the terms of this Lease, free from disturbance, molestation or claim from any person whomsoever, as long as LESSEE shall faithfully perform the terms, covenants and conditions of this Lease.

16. NOTICIES. Any notice that is required or may be required to be given or served shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed to the respective party at its last known address or at such other address as may from time to time be designated by notice given to the other.

17. SURRENDER AND HOLDING OVER. LESSEE shall yield up the Premises and all additions thereof at the termination of the tenancy in as good and tenantable condition as the same are at the Commencement Date, reasonable wear and tear, damage by fire and other casualties excepted (but not including in such exceptions deterioration due to failure of LESSEE to make repairs from time to time necessary or proper to keep the Premises in good condition and free from deterioration.) In the event LESSEE remains in possession of the Premises after the expiration of the term hereof without the execution of a new lease, LESSEE, as a result of such holding over, shall occupy the Premises as a tenant at will, subject to all conditions, provisions and obligations of this Lease insofar as the same shall then be applicable to such tenancy.

18. BENEFIT. This Lease and all of the covenants and provisions hereof shall inure to benefit of, and be binding upon, the parties hereto, their heirs, personal representatives, successors and assigns. Each provision hereof shall be deemed both a covenant and a condition.

19. SECURITY AND OTHER SERVICES. LESSEE may occasionally wish to use additional facilities of LESSOR. LESSOR may make other facilities available to LESSEE under the same terms and conditions as LESSOR permits others to use those facilities.

20. ENVIRONMENTAL INDEMNITY.

(a) Indemnity

(i) LESSEE hereby indemnifies, defends and holds harmless LESSOR from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorney's fees incurred by, claimed or assessed against LESSOR under any laws, rules, regulations including, without limitation, Applicable Laws (as hereinafter defined), in any way connected with any injury to any person or damage to any property or any loss to LESSOR occasioned in any way by Hazardous Substances (as hereinafter defined) placed on the Premises by the negligent or intentional activities of LESSEE before, during or after LESSEE's occupancy of the Premises.

(ii) This indemnity specifically includes the direct obligation of LESSEE to perform any remedial or other activities required, ordered, recommended or requested by any agency, government official or third party, or otherwise necessary to avoid or minimize injury or liability to any person, or to prevent the spread of pollution, however it came to be located thereon (hereafter the "Remedial Work"). LESSEE shall perform all such work in its own name in accordance with Applicable Law (as hereinafter defined).

(iii) Without waiving its right hereunder, LESSOR may, at its option, perform such remedial or removal work as described in clause (ii) above, and thereafter seek reimbursement for the cost thereof. LESSEE shall permit LESSOR access to the Premises to perform such remedial activities.

(iv) Whenever LESSOR has incurred costs described in this section, LESSEE shall, within 10 days of receipt of notice thereof, reimburse LESSOR for all such expenses together with interest from the date of expenditures at the "applicable federal rate" established by the Internal Revenue Service.

(b) Agency or Third Party Action

Without limiting its obligations under any other paragraph of this lease, LESSEE shall be solely and completely responsible for responding to and complying with any administrative notice, order, request or demand, or any third party claim or

demand relating to potential or actual contamination on the Premises. The responsibility conferred under this paragraph includes but is not limited to responding to such orders on behalf of LESSOR and defending against any assertion of LESSOR's financial responsibility or individual duty to perform under such orders. LESSEE shall assume, pursuant to paragraph (a) above, any liabilities or responsibilities which are assessed against LESSOR in any action described under this paragraph (b).

(c) Definitions

"Hazardous Substance(s)" shall mean any substance which at any time shall be listed as "hazardous" or "toxic" under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Sec. 9601 et seq., as amended and the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. Sec. 6901 et seq., as amended, or in the regulations implementing such statutes, or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under any other Applicable Laws (as hereinafter defined). The term "Hazardous Substances(s)" shall also include, without limitation, raw materials, building components, the products of any manufacturing or other activities on the Premises, wastes, petroleum products, or special nuclear or by-product material as defined by the Atomic Energy Act of 1954, 42 U.S.C. Sec. 3011, et seq., as amended.

"Applicable Laws" shall include, but shall not be limited to, CERCLA, RCRA, the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., the Clean Air Act, 42 U.S.C. Sec. 7401 et seq., as amended, and the regulations promulgated thereunder, and any other federal, state and/or local laws or regulations, whether currently in existence or hereafter enacted or promulgated, that govern or relate to:

- (a) The existence, cleanup and/or remedy of contamination of property;
- (b) The protection of the environment from spilled, deposited or otherwise emplaced contamination;
- (c) The control of hazardous or toxic substances or wastes; or
- (d) The use, generation, discharge, transportation, treatment, removal or recovery of hazardous or toxic substance or wastes, including building materials.

21. USE OF PREMISES. The Premises are to be used for the purposes of conducting LESSEE's normal office operations. LESSEE shall restrict its use to such purposes, and shall not use or permit the use of the Premises for any other purpose without the prior, express, and written consent of LESSOR, or LESSOR's authorized agent.

22. NONLIABILITY OF LESSOR FOR DAMAGES. Except as specifically stated in Paragraph 4 above, LESSOR shall not be liable for liability or damage claims for injury to person or property from any cause relating to the occupancy of the Premises by LESSEE, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the Premises during the term of this lease agreement or any extension of such term. LESSEE shall indemnify LESSOR from any and all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature.

23. LIABILITY INSURANCE. LESSEE assumes all risks of injury, loss, damage or death to any person or property arising out of or incurred in connection with its use of the Premises and to the fullest extent permitted by law, hereby agrees to indemnify LESSOR absolutely and in full against any loss, claim, demand, liability, damage or expense, including reasonable attorney's fees, sustained by LESSOR as a result thereof.

24. GOVERNING LAW. It is agreed that this lease agreement shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

25. ENTIRE AGREEMENT. This lease agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this lease agreement shall not be binding upon either party except to the extent incorporated in this lease agreement.

26. MODIFICATION OF AGREEMENT. Any modification of this lease agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidence in a writing signed by each party or an authorized representative of each party.

27. TIME OF THE ESSESENCE. It is specifically declared and agreed that time is of the essence of this lease agreement.

IN WITNESS WHEREOF, LESSOR and LESSEE have caused this instrument to be executed as of the day and year first above written.

Rick Moorefield, County Attorney, reviewed the background information as recorded above and stated he and FTCC Attorney David Sullivan worked out the terms of the lease with the understanding that the lease would commence on February 1, 2016 in accordance with the proposal from FTCC. Commissioner Edge stated the new economic development entity has sixty days remaining at its current location so the lease should commence March 1, 2016. Mr. Moorefield stated the lease could be amended accordingly. Mr. Moorefield responded to questions posed by Commissioner Keefe. Mr. Moorefield stated the \$12 per square foot is a common rental rate between governmental agencies and clarified that this lease would be outside of the County’s support of FTCC through its budget. Ms. Cannon stated the lease will be paid out of funding set aside for economic development and the City of Fayetteville is in agreement with the space at FTCC. Mr. Moorefield stated the agreement with the City of Fayetteville is that any contribution by either party in-kind will be credited in the budget analysis.

MOTION: Commissioner Lancaster moved to approve the lease with the term of the lease commencing on March 1, 2016.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

6. Presentation on Local Sales Tax Distribution Agreement

Amy Cannon, County Manager, stated because this is a community issue, she wanted to place on the agenda a presentation on the Local Sales Tax Distribution Agreement so the viewing public would have an opportunity to receive the information. Ms. Cannon further stated her recommendation up front is to seek long term extension of the current Local Sales Tax Distribution Agreement because it is in the best interest from a community wide perspective.

Ms. Cannon stated the state has given exclusive authority to counties to levy sales tax and as an arm of state government, counties are mandated to provide human services. Ms. Cannon stated her belief is that the state gave exclusive authority to counties to levy sales tax with the intent to provide them with additional revenue to provide those state mandated human services. Ms. Cannon reviewed the four local articles of sales below and stated the County is required to share the percentages under Articles 40 and 42 with the Board of Education. Ms. Cannon stated the Board of Education is limited as to how it can utilize the sales tax dollars but can use them for things such as construction, building maintenance and repair, to pay debt service and for capital outlay.

Sales Tax Articles

- Article 39 1 cent
- Article 40 ½ cent - 30% shared with schools
- Article 42 ½ cent - 60% shared with schools
- Article 46 ¼ cent

Ms. Cannon stated not only has the state given counties levying authority, the state has given counties the authority to choose the method for distributing sales tax proceeds within the County. Ms. Cannon reviewed the methods below and stated the per capita distribution to municipalities is based on their relative population and ad valorem distribution is based on the tax levy of all taxing districts within the community.

Sales Tax Distribution Methods

County Commissioners are authorized to choose between two methods to establish the distribution of sales tax proceeds between the county and its municipalities.

Per Capita Distribution Ad Valorem Distribution

County Commissioners may change the method of distribution annually in month of April.

Ms. Cannon provided the following historical perspective of sales tax distributions in Cumberland County:

Cumberland County Distributions

- Sales taxes in Cumberland County have historically been distributed using the per capita distribution method.
- Using the per capita distribution method, as Fayetteville and other municipal populations grew through annexation:
 - The County’s relative share of sales tax distribution declined.
 - The County’s responsibilities did not decline.
- Result: a shift in revenue from the County to the municipalities – most significantly to the City of Fayetteville.

Ms. Cannon stated in 2002, Cumberland County experienced a \$4 million annual loss in revenue as a result of annexation which began in 1995. Ms. Cannon stated as a result of the recurring annual loss, a Sales Tax and Annexation Working Group as outlined below was formed to develop a compromise solution which would balance the costs municipalities faced in extending services to their newly annexed areas with the County’s continued loss of annual funds to provide basic human services.

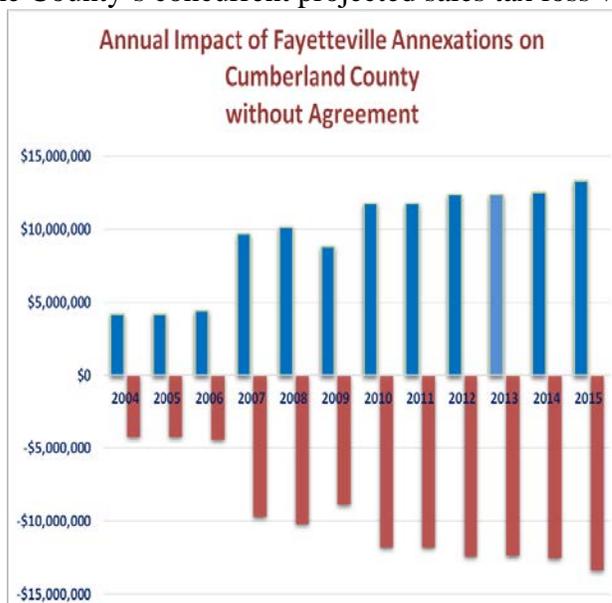
Sales Tax Working Group

- Sales tax/annexation working group formed in 2002
- Purpose – balance cost of extending services through annexation with the concurrent loss of sales tax revenue to the County
- Working group included representatives from each municipality, the Board of Education and the County

Ms. Cannon stated every local government in the community was represented in the Working Group and the working group was not just put together to deal with the County’s \$4 million annual losses prior to 2001, it was put together because the City of Fayetteville had additional annexations planned.

Ms. Cannon stated although there are many references to the City of Fayetteville in her presentation, it is not meant to impugn the City. Ms. Cannon stated she is just trying to provide factual historical information that builds the foundation for the original sales tax distribution agreement as well as the potential renewal of that agreement. Ms. Cannon stated over a ten year period, from 1995-2005, the City doubled its population through annexations which had a significant impact on the County’s sales tax revenue.

Ms. Cannon reviewed the chart below stating the blue bars represent the sales tax the City would gain without an agreement based on the planned annexations for 2003 and years ahead, and the red bars represent the County’s concurrent projected sales tax loss without any agreement.



Ms. Cannon stated the Working Group took the charge seriously but because there were competing interests around the table, the group decided to bring in a facilitator from the UNC School of Government in the early stages to help carve out the tenants of a successful agreement. Ms. Cannon reviewed the following:

Tenets of Successful Agreement

- School of Government facilitated work group’s creation of successful agreement tenants
- Address short (\$4 million already lost) and long-term impacts (future anticipated losses) of annexation on sales tax:
 - Equitable impact; each municipality should be represented and treated equally in the process
 - Protect and stabilize sufficient County revenue to continue to provide basic mandated services as an arm of state government
 - Acknowledge role and value of each jurisdiction and issues shared by all
- Solution or compromise should be agreed on and supported by ALL

Ms. Canon stated in March 2003, the Board of Commissioners voted to change the method of distribution from per capita to ad valorem and the Working Group worked with the municipalities and the County to develop the current distribution agreement:

Current Distribution Agreement

- Reimbursement per agreement:
 - A portion of losses prior to 2003 (the \$4 million loss)
 - Beginning 2003 - 50% of sales tax gains by cities and towns from annexations shared with or reimbursed to the County
- Represents a “win-win” for all jurisdictions:
 - Recognizes County’s undiminished obligations to provide basic human services, including education, which do not cease under annexation
 - Acknowledges financial responsibility of cities & towns due to annexation
 - Cities and towns retain 50% of sales tax gain

Ms. Cannon presented the following financial information that the sales tax distribution agreement put in place and explained FY 1995 was selected because that is the year the City of Fayetteville began its significant annexations.

County Sales Tax Loss to City of Fayetteville

	Cumulative
Sales tax loss (FY 1995 through FY 2015)	\$(116,910,759)
Reimbursed through agreements (FY 2004 – 15)	57,848,206
Net sales tax loss due to annexations	\$(59,062,553)

Ms. Cannon stated the County agreed to the planned net sales tax loss of \$59,062,553 in the compromise agreement so the cities and towns could keep 50% of their sales tax gain.

Ms. Cannon reviewed the following FY 2015 Actual figures stating they reflect revenues the City gained on an annual basis through annexations. Ms. Cannon pointed out that sales tax is not the only revenue gained through annexation because property tax revenues are also gained.

City of Fayetteville Annexation Gains

	FY 2015 Actual
Sales tax gain	\$13,343,469
Sales tax share 50% with County	(6,671,734)
Property tax gain	7,475,622
Total annexation revenue gain	\$14,147,357

Ms. Cannon reviewed the status of the current distribution agreement as follows:

Current Distribution Agreement

- Original agreement expired on June 30, 2013
- Agreement extended by all parties through the Mayors’ Coalition through June 30, 2016
- The County and all municipalities, except Fayetteville, agreed to extend the agreement through June 30, 2023.

Ms. Cannon referenced the newspaper’s reporting of the lack of negotiations between the City and the County and stated she wished to speak to that reporting. Ms. Cannon stated in discussions held with the Fayetteville City Manager while she served as the Interim County Manager, he stated he could no longer support the current sales tax distribution agreement but he would be willing to give the County credit for shared services. Ms. Cannon stated the credit did not equate to cash which would mean a loss of revenue against the services the County currently provides.

Ms. Cannon stated during discussions over the last sixty days, the City Manager reaffirmed his commitment to not recommend renewal of the agreement and provided two options: 1) a phase down from the roughly \$6 million reimbursement to \$3 million and, 2) a complete phase out of the agreement and reimbursement. Ms. Cannon stated the impasse as reported by the newspaper was likely created as she could not accept either of those scenarios because it was not financially prudent to agree to that type of decrease or complete phase out that equated to a \$3 million to \$6 million loss. Ms. Cannon stated either option would impair the County’s ability to provide countywide services to its citizens.

Ms. Cannon then reviewed the following financial impact if the agreement is not renewed:

Financial Impact of Current Agreement Expiration

	FY 2015 Per Capita Distribution (no agreement)	FY 2015 Per Capita Distribution (w/agreement)	Net Gain / (Loss)
Cumberland County	\$30,656,635	\$36,605,112	\$(5,948,477)
County Schools	9,458,762	10,542,503	(1,083,741)
Fayetteville	37,214,408	30,377,116	6,837,292

Ms. Cannon then provided the following comparison of mandated services set for by the North Carolina General Statutes. Ms. Cannon acknowledged that the City of Fayetteville and other municipalities provide much more than building code enforcement even though they are only mandated to provide that one service.

NC General Statutes Mandated Services

County	City
Law enforcement	Building code enforcement
Jails	
Medical examiner	
Courts	
Building code enforcement	
Public schools	
Social services	
Public health	
Deed registration	
Election administration	
Tax assessment	
Child support	
Community college – capital outlay	

Ms. Cannon emphasized that the County is statutorily mandated services to provide the above referenced services which make up 75% to 80% of the County’s budget. Ms. Cannon further emphasized that the County is statutorily mandated to provide these services to citizens, regardless of where they live in the County, even when cities annex the areas in which they live. Ms. Cannon reviewed the following:

County Services

- County service responsibility is not significantly reduced by annexation.
- County services are available to *all* citizens without regard to where they live within the county.
 - Schools, social services, child support, health, mental health, jail, public safety, Register of Deeds, Board of Elections

-County provides quality of life services: animal control, libraries, FTCC, veterans' services, cooperative extension

Ms. Cannon provided the statistical information below regarding the annual and monthly impact of County services to demonstrate the many lives in the community that are touched by County services. Ms. Cannon stated over the past five to six years, the Board of Commissioners has placed great emphasis on increasing the level of Animal Control services provided throughout the community; 24/7 coverage has been added and the number of animals being adopted has increased. Ms. Cannon also stated about six years ago, the state ceased funding Child Support for Cumberland County and as an unfunded mandate, the first year the County had to match federal and state dollars at about \$1 million to successfully provide this important service for children who live with custodial parents in this community. Ms. Cannon stated the County brings in over \$40 million on an annual basis for children and families which is infused into the local economy.

Ms. Cannon further stated the County does not receive any state or federal dollars to help the large population of veterans in the community navigate the system to them claim the benefits they are entitled to as a result of their service to our country. Ms. Cannon also elaborated on the impact the Department of Social Services' food and nutrition services have on families in the community, Medicaid services that are provided to citizens in the community, the 24/7 basic care programs the County is responsible for providing for foster children in the community and the County's responsibility for the administration of and matching funds for child care subsidies that allow parents to be gainfully employed outside of their homes. Ms. Cannon stated these services help the community's citizens become independent and move away from public assistance programs.

Annual Impact of County Services

Animal Control	
Calls	41,519
Animals entering shelter	12,115
Child Support	
Open cases	20,791
Total collections	\$40,217,084
Veterans Services	
Veterans seen to date for 2015	8,472

Monthly Impact of County Services

Department of Social Services:	
Food & Nutrition Services cases	34,114
Medicaid cases	77,515
Children in foster care	916 (as of 11/20/15)
Children receiving child care subsidy	3,741

Ms. Cannon stated all citizens in the County receive some services provided by the County's Public Health Department. Ms. Cannon then reviewed the annual impact of services provided by the Public Health Department and emphasized that the Public Health Department helps keep citizens out of the Emergency Department at the local hospital which is a much more costly solution. Ms. Cannon shared information about the quality of life services and well-attended programs provided by the County's award winning library to include extended services such as job fairs, resume building and interview skills development in order to assist citizens who are seeking employment.

Annual Impact of County Services

-Department of Public Health:	
Facilities inspected by Environmental Health – (restaurants, daycares, lodging, schools, pools, institutions, etc.)	2,244
Patients served (unduplicated)	17,594
-Public Library:	
Program attendance	101,243
Cardholders	191,658
Door count	1,345,163

Ms. Cannon reviewed the following options should the current agreement expire. Ms. Cannon stated the difficult question involved with the reduction of services is where to begin. Ms. Cannon stated there is no easy solution because County departments do not deliver services to citizens in the community in silos; the County’s services are dovetailed together and overlap and support each other. Ms. Cannon shared numerous examples of services delivered through the partnering of County departments.

Ms. Cannon stated another difficult option is a countywide tax increase that would put an increased burden on all property owners and a change in the sales tax distribution method which creates a shift of sales tax from the municipalities to the county and other taxing districts.

Ms. Cannon stated the final option is to change the sales tax distribution method from the historical per capita distribution method to the ad valorem distribution method.

Options – Current Agreement Expires

- Potential reduction to services
 - Libraries
 - Education
 - Animal Control
 - Veterans Services
- Potential tax increase to ALL county residents
 - Impact is potential 3-cent County tax increase
- Change sales tax distribution method
 - All municipalities lose revenue

Ms. Cannon then reviewed the following table which shows the net change for all taxing districts should the distribution method be changed to ad valorem. Ms. Cannon stated under the ad valorem distribution method, every taxing district that has a levy would be eligible to receive sales tax dollars.

Net Financial Impact of Distribution Change

	Per Capita Distribution	Ad Valorem Distribution	Impact of Distribution Change	Eliminate Agreement Payments	Net Impact of Distribution Change
Cumberland County	\$ 39,752,575	\$ 47,945,083	\$ 8,192,508	\$(5,948,478)	\$ 2,244,030
Schools	9,458,762	11,267,532	1,808,770	(1,083,740)	725,030
Fire districts	-	2,667,057	2,667,057	-	2,667,057
Recreation district	-	1,214,692	1,214,692	-	1,214,692
City of Fayetteville	37,214,408	25,793,775	(11,420,633)	6,673,107	(4,747,526)
All other municipalities	6,005,330	3,542,936	(2,462,394)	359,111	(2,103,283)

Ms. Cannon repeated that her recommendation at the beginning of her presentation was to seek to extend the current agreement on a long term basis which is in the best interest from a community-wide perspective. Ms. Cannon then reviewed the table below and stated although the dollar amounts for the smaller municipalities are less, they are equally significant.

Estimated Impact of Change in Distribution Method

Municipality	Projected Sales Tax Net Loss	Tax Increase Needed for Revenue Loss
Eastover	\$ (422,161)	0.16
Falcon	(52,159)	0.37
Godwin	(11,695)	0.09

Hope Mills	(1,118,044)	0.11
Linden	(17,178)	0.22
Spring Lake	(492,435)	0.11
Stedman	(84,010)	0.10
Wade	(69,790)	0.20

Ms. Cannon stated by asking to extend the current agreement, Cumberland County is not asking for any additional revenue but is asking to keep the same compromised solution. Ms. Cannon reviewed the following and stated this is a community issue as evidenced by the estimated impact to all local governments in the community if the distribution method is changed.

Community Issue

- This is a community issue.
 - It does not reside with the City of Fayetteville and Cumberland County alone.
 - This agreement directly impacts ALL residents, regardless of where they reside within the county.
- Maintaining the current agreement:
 - Minimizes budget implications for ALL jurisdictions in the county.
 - Maintains the “win-win” solution.

Ms. Cannon reviewed the following timeline:

Timeline

- Extension of current agreement signed by ALL jurisdictions no later than January 31, 2016
- Failure to have approved agreement by January 31, 2016:
 - February 4 committee/work session:
 - Discussion regarding budget impact
 - Discussion regarding alternatives
 - March 7 BOCC – consideration of sales tax distribution methods for FY 2016-17
 - Adequate budget planning

The Board of Commissioners thanked Ms. Cannon for sharing this important information with the community’s citizens. Comments and discussion followed.

Mr. Moorefield stated if the distribution method is to be changed, it must be done and the Department of Revenue notified in April because after April 30, 2016, the option to change will be lost.

Commissioner Adams noted after the Board of Commissioners voted to change to the ad valorem distribution method prior to the City of Fayetteville’s largest annexation, the City of Fayetteville came to the Board of Commissioners and asked them to change from the ad valorem method to the per capita method. Ms. Cannon stated the City of Fayetteville agreed to pay the County \$2.1 million for not changing the method, which was only half of the \$4 million loss the County incurred, and the County could have gained a significant amount of money by going with the ad valorem distribution method. Ms. Cannon stated most of the top ten large counties in North Carolina, other than Cumberland County, have made the transition to the ad valorem method. Ms. Cannon noted that one large county, Durham County, is still on the per capita method and has an agreement with the City of Durham. Additional comments followed.

7. Nominations to Boards and Committees
 - A. Human Relations Commission (1 Vacancy)

Commissioner Adams nominated Jose Rodriguez.

B. North Carolina’s Southeast (1 Vacancy)

Commissioner Lancaster nominated Ed Melvin.

C. Transportation Advisory Board (5 Vacancies)

Commissioner Adams nominated James Roper, Carla Smith, Lisa Chance, Angelita Marable and Kenneth Dye.

D. Local Firefighters’ Relief Fund Board (15 Vacancies)

BACKGROUND:

According to North Carolina General Statute § 58-84-30, for each county complying with and deriving benefits from the provisions of the Article, there shall be appointed a local board of trustees, known as the trustees of the Firefighters’ Relief Fund. The board of trustees shall be composed of five (5) members, two (2) of whom shall be elected by the members of the local fire department(s) who are qualified as beneficiaries of such fund, two (2) of whom shall be elected by the mayor and board of alderman or other local governing body, and one (1) of whom shall be named by the Commissioner of Insurance. Requests for the appointment of trustees to the Firefighters’ Relief Fund boards have been received.

RECOMMENDATION/PROPOSED ACTION:

Nominate one trustee to each of the local board of trustees for a term of two years. Please provide an exception for Godwin-Falcon Volunteer Fire Department. Two trustee appointments are vacant due to deaths during the year.

Commissioner Keefe nominated the following trustees:

Beaver Dam VFD	Mr. Dale Ackerman
Bethany Rural FD (Big Creek)	Mr. Doug Bullard
Cotton Volunteer FD	Mr. James A. McLean
Cumberland Road FD	Mr. Geoffrey G. Kieser
Eastover Volunteer FD (Flea Hill)	Mr. Ralph McLaurin
Gray's Creek VFD (G.C. Sherwood)	Mr. Raymond Lloyd
Godwin-Falcon FD	Mr. Keith Matthews
	Mr. Woody Ray Adams
Gray's Creek VFD	Mr. Scott Johnson
Pearce's Mill VFD	Mr. Billy Wise
Stedman Volunteer FD	Mr. Joseph Cashwell
Stoney Point FD	Mr. Plato Maxwell, Jr.
Vander Fire Dept. (Sunnyside)	Mr. David Chavis
Wade Community FD	Mr. Johnny Lanthorn
Westarea VFD	Ms. Rochelle Paster-Rhodall

8. Appointments to Boards and Committees

A. Civic Center Commission (5 Vacancies)

- Nominees: Mark Lynch (Reappointment)
 Judy Dawkins (Reappointment)
 Elizabeth Varnedoe (Reappointment)
 Robert C. Williams (Reappointment)
 Dineen Morton
 Sheba McNeill

Commissioner Evans withdrew his nomination of Sheba McNeill.

MOTION: Commissioner Adams moved to appoint Mark Lynch, Judy Dawkins, Elizabeth Varnedoe, Robert C. Williams and Dineen Morton.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

B. Joint Appearance Commission (1 Vacancy)

Nominee: George Quigley (Reappointment)

MOTION: Commissioner Adams moved to appoint George Quigley.
SECOND: Commissioner Council
VOTE: UNANIMOUS (7-0)

MOTION: Chairman Faircloth moved to recess the Cumberland County Board of Commissioners' meeting and convene the meeting of the Kelly Hills/Slocomb Road Water and Sewer District Governing Board.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (7-0)

Chairman Faircloth called the meeting of the Kelly Hills/Slocomb Road Water and Sewer District Governing Board to order.

1. Items of Business

- A. Approval of minutes for the May 18, 2015 special meeting
- B. Approval of a Budget Revision for Kelly Hills Water and Sewer Fund

Revision in the amount of \$93,107 to correct budget revision M16-129 that was posted to the Fund Balance Appropriated-General Fund instead of Fund 255 Kelly Hills Fund Balance Appropriated. (B16-159/159A) Funding Source – Fund Balance Appropriated

MOTION: Commissioner Lancaster moved to approve Items 1.A. and 1.B.
SECOND: Commissioner Council
VOTE: UNANIMOUS (7-0)

There being no further matters of business,

MOTION: Chairman Faircloth moved to adjourn the meeting of the Kelly Hills/Slocomb Road Water and Sewer District Governing Board and reconvene the meeting of the Cumberland County Board of Commissioners.
SECOND: Commissioner Council
VOTE: UNANIMOUS (7-0)

Chairman Faircloth called the meeting of the Cumberland County Board of Commissioners to order.

- 9. Closed Session
 - A. Attorney/Client Matter(s)
Pursuant to NCGS 143-318.11(a)(3)

MOTION: Commissioner Evans moved to go into closed session for Attorney/Client Matter(s) pursuant to NCGS 143-318.11(a)(3).
SECOND: Commissioner Council
VOTE: UNANIMOUS (7-0)

MOTION: Chairman Faircloth moved to reconvene in open session.
SECOND: Commissioner Adams
VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Adams moved to adjourn.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 8:25 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board