

CUMBERLAND COUNTY BOARD OF COMMISSIONERS  
THURSDAY, MARCH 5, 2015 – 8:30 AM  
CUMBERLAND COUNTY COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
SPECIAL MEETING  
MINUTES

PRESENT: Commissioner Kenneth Edge, Chairman  
Commissioner Marshall Faircloth, Vice Chairman  
Commissioner Glenn Adams  
Commissioner Jeannette Council  
Commissioner Charles Evans (departed 10:30 a.m./returned 11:25 a.m.)  
Commissioner Jimmy Keefe (arrived 8:40 a.m.)  
Commissioner Larry Lancaster  
Amy Cannon, County Manager  
James Lawson, Deputy County Manager  
Melissa Cardinali, Assistant County Manager  
Rick Moorefield, County Attorney  
Sally Shutt, Governmental Affairs Officer  
Vicki Evans, Finance Director  
Kelly Autry, Budget and Management Analyst  
Jeffrey Brown, Engineering and Infrastructure Director  
Mark Browder, Mark III Employee Benefits  
Tracy McCarty, Mark III Employee Benefits  
Candice H. White, Clerk to the Board  
Kellie Beam, Deputy Clerk to the Board  
Press

Chairman Edge called the meeting to order. Commissioner Council provided the invocation.

1. Approval of Agenda

MOTION: Commissioner Evans moved to approve the agenda.  
SECOND: Commissioner Council  
VOTE: UNANIMOUS (6-0)

2. Health Insurance Plan

A) Medical Plan Update 2015-2016 by Mark Browder

Amy Cannon, County Manager, called on Mark Browder, Mark III Employee Benefits, to provide the county’s health plan expectations and recommendations.

Mr. Browder stated Cumberland County has a significantly higher risk than its peer group based on the health of the population and claims. Mr. Browder reviewed the table below.

	County of Cumberland		Industry
	Jul '12-Jun '13	Jul '13-Jun '14	
Retrospective Risk Score	1.98	2.02	1.49

Mr. Browder stated based on historical claims traffic and health of the population, Cumberland County has a higher than average risk score relative to other local governments and this has been a consistent theme for Cumberland County. Mr. Browder reviewed the following and stated based on the current health of the population and claims activity, Cumberland County has a higher risk of future high claims.

Key Findings - Most Recent Year	
Prospective Risk Score	1.97 ( Industry 1.46)

Mr. Browder compared the following Cumberland County health issues to those of the industry and the variances between the two. Mr. Browder stated efforts are being made to manage and change these health issues.

2013-2014 Health Issues Chronic Condition Cost and Prevalence Most Recent Year			
	Employee Prevalence		% Variance
	County of Cumberland	Industry	
Hypertension	44%	31%	13% pts. higher
Back & Joint Disorders	32%	27%	5% pts. higher
Hyperlipidemia	29%	23%	6% pts. higher
Diabetes	18%	13%	5% pts. higher
Obesity	17%	11%	6% pts. higher
Depression	11%	11%	similar
Asthma	8%	6%	2% pts. higher
Coronary Artery Disease	8%	4%	4% pts. higher
Migraine	5%	5%	similar
COPD	5%	2%	3% pts. higher

Mr. Browder stated the following top health risks contribute to the health and lifestyle issues of some Cumberland County employees.

- Weight
- 
- Cardiovascular Disease, Hypertension, Diabetes
- Cholesterol
- 
- Coronary Artery Disease, Stroke
- Blood Pressure
- 
- Heart Disease, Stroke, Heart Failure, Kidney Disease

Mr. Browder reviewed the top claims dollars paid as recorded below and stated they are drivers of the county’s health plan.

Top 15 Episodes\* - 2013 – 2014

Episode	Claimants	Allowed Amount	Allowed Amount/ Claimant	Allowed PMPM
Diabetes	481	\$1,066,490	\$2,217	\$23.74
Hypertension	1,287	\$985,133	\$765	\$21.93
Ischemic Heart Disease	169	\$868,797	\$5,141	\$19.34
Malignant Neoplasm - Breast	47	\$738,428	\$15,711	\$16.44
Joint Degeneration - Back	264	\$571,033	\$2,163	\$12.71
Septicemia	25	\$555,541	\$22,222	\$12.36
Chronic Renal Failure	68	\$550,144	\$8,090	\$12.24
Bacterial Lung Infection	37	\$458,315	\$12,387	\$10.20
Routine Exam	1,378	\$438,439	\$318	\$9.76
Joint Degeneration - Knee/Lower Leg	162	\$404,853	\$2,499	\$9.01
Adult Rheumatoid Arthritis	34	\$401,678	\$11,814	\$8.94

Non-Malignant Neoplasm - Female Genitourinary Tract	96	\$349,617	\$3,642	\$7.78
Obesity	428	\$345,810	\$808	\$7.70
Mood Disorder, Depressed	276	\$335,362	\$1,215	\$7.46
COPD	105	\$310,005	\$2,952	\$6.90

Mr. Browder outlined the renewal expectations/estimates as recorded below and stated claims are up an unexpected 20% for 2014-2015 and based on claims, Cumberland County is anticipating a 9% increase for FY 2015 – 2016 which equals \$1,857,678.56 of additional funding or almost \$1.9 million.

2015-2016 Renewal Estimates

Standard Renewal Calculations 2015 - 2016	
Current Plan Designs	Annual
Medical and Pharmacy Claims	\$17,027,122.92
Standard Trend 8%	\$18,956,295.95
PPACA - Fee for Comparative Effectiveness Research Agency - July 31, 2015	\$7,664.00
Copays Accumulate to Out of Pocket Maximum - .3%	\$51,081.37
PPACA - Transitional Reinsurance Fee - 2014 - 2016 - First Payment Due December, 2015 - \$44 per Member	\$164,727.95
Annual Employee Count	30,656
Fixed Cost	\$2,927,341.44
Pharmacy, Clinic, and Wellness	\$1,200,000.00
Renewal Calculation	\$23,361,329.76
County 2014 - 2015	\$21,503,651.20
2015 - 2016 Rate Action - Projection	108.64%
Dollar Change	\$1,857,678.56

Mr. Browder reviewed the dependent eligibility audit as recorded below and stated in discussions with county staff working at the benefits level, he is comfortable stating that some individuals on the county’s health insurance plan are really not eligible for the plan because the employee’s definition of a dependent or spouse may not line up with the definition under the county’s plan. Mr. Browder stated a dependent eligibility audit will give employees an opportunity to identify who they are including. Mr. Browder also stated spouses generate high claims traffic strategy to mitigate claims would be to revise spouse eligibility so that spouses who are able to obtain coverage through another source must take that coverage and no longer be eligible for Cumberland County’s medical coverage. Mr. Browder stated the firm of Impact Interactive/WeCare has performed successful dependent eligibility audits for other county clients and he has been told there have been significant savings derived from such audits to the benefit of customers and integrity of the plan.

Dependent Eligibility Audit

Reporting Period	Jan '14-Dec '14			Jan '13-Dec '13		
	Paid	Paid Column %	Claimants	Paid	Paid Column %	Claimants
Employee	\$14,285,749	81.1%	2,819	\$12,343,175	78.6%	2,761
Spouse	\$2,153,567	12.2%	478	\$2,318,912	14.8%	472
Dependent	\$1,180,854	6.7%	1,035	\$1,039,872	6.6%	1,039
Summary	\$17,620,169	100.0%	4,332	\$15,701,959	100.0%	4,272

Mr. Browder reviewed renewal options available to the county as recorded below and stated a renewal at a 9% increase would equal approximately \$1.8 million. Mr. Browder stated conducting just a dependent eligibility audit and changing the eligibility definition would involve a 6% increase or approximately \$1.3 million under Option 1. Mr. Browder stated under Option 2, benefit changes would increase deductibles from \$1,000 to \$1,5000, family maximum deductibles of \$3,000 to \$4,5000 and changes in pharmacy brand name medications which would increase steerage to the county’s pharmacy. Mr. Browder stated changes under Option 2,

which would include the audit, would mean no increase for the county, no additional funding and no premium increases for the employees. Mr. Browder stated Option 3 would involve changes to co-pays from \$30 to \$35, from \$60 to \$70 and all the other changes would remain in place; however, under Option 3, there would be no audit and no eligibility definition changes. Mr. Browder stated Option 3 would not involve an increase.

2015 – 2016 Renewal Options					
	BCBSNC 150k - 7/13 - 6/14	BCBSNC 150k - 7/15 - 6/16	BCBSNC 150k - 7/15 - 6/16	BCBSNC 150k - 7/15 - 6/16	BCBSNC 150k - 7/15 - 6/16
	Current	Renewal	Option 1	Option 2	Option 3
	In-Network	In-Network	In-Network	In-Network	In-Network
Primary Care Physician Visits	\$30	\$30	\$30	\$30	\$35
Specialist Physician Visits	\$60	\$60	\$60	\$60	\$70
Well Baby Care	100%	100%	100%	100%	100%
Immunizations/Injections	100%	100%	100%	100%	100%
Physical Exams	100%	100%	100%	100%	100%
Pap Smears/Mammograms	100%	100%	100%	100%	100%
Age 26 Adult Children	Yes	Yes	Yes	Yes	Yes
Deductible	\$1,000	\$1,000	\$1,000	\$1,500	\$1,500
Deductible - Family Maximum	\$3,000	\$3,000	\$3,000	\$4,500	\$4,500
Coinsurance Limit	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Coinsurance Limit - Family Max	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Hospital Services	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%
Emergency Room	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%
Pharmacy	\$10/\$45/\$60/25%	\$10/\$45/\$60/25%	\$10/\$45/\$60/25%	\$10/\$55/\$70/25%	\$10/\$55/\$70/25%
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Dependent Eligibility Change		No	Yes	Yes	No
Change	N/A	109%	106.0%	100.0%	100.0%
		\$1,857,678.56	\$1,287,609.68	\$0.00	\$0.00

Mr. Browder stated his recommendation is for Option 2, the changes in the deductibles are well in line with other clients and it is still a competitive plan. Questions and a brief discussion followed. Mr. Browder stated it takes time to move the needle on the employee population and there have been discussions around accountability standards or the thresholds employees need to make to receive a discounted premium which is at present meeting three out of four thresholds. Mr. Browder stated the most difficult threshold to meet is weight.

Chairman Edge stated the bottom line is that adjustments have to be made because the county cannot continue to find \$1.2 to \$1.8 million each year. Chairman Edge stated when the medical plan is reviewed next year, he would like to see what the efforts have saved the county and whether they have been worthwhile.

MOTION: Commissioner Council moved to accept Option 2.  
SECOND: Commissioner Faircloth  
VOTE: PASSED (6-1) (Commissioners Evans, Lancaster, Faircloth, Edge, Council and Keefe voted in favor; Commissioner Adams voted in opposition)

B) Wellness Services Update by Melissa Cardinali

BACKGROUND:  
In September 2014, the Board of Commissioners approved the reorganization and outsourcing of the County’s wellness program. This move achieved the following:

- Close the employee clinic as of October 1, 2014
- Enter into a contract with Novant Health to provide employee clinic services
- Move the employee clinic from the E. Newton Smith building to 226 Bradford Avenue
- Move the oversight for the wellness program, pharmacy and employee from the Health Department to the Assistant County Manager for Finance and Administrative Services

Since that time, maintenance and up fitting at the facility at 226 Bradford has occurred. Novant has been working diligently with the County to fill the positions at the clinic. At this time, the Medical Office Assistant and the Health Coach have been hired.

The search continues for a Nurse Practitioner or Physician Assistant. It is critical to provide the best fit in these positions to insure clinic utilization. Once this position is filled we will be able to move forward with re-launching the wellness clinic.

\*\*\*\*\*

Melissa Cardinali, Assistant County Manager, reviewed the wellness services update as recorded above. Ms. Cannon stated the health coaching piece and utilization of around seven to eight patients per day will be turned around when Novant Health provides employee clinic services. Ms. Cannon stated the reorganization and outsourcing of the County’s wellness program combined with the new Director of Internal Audit and Wellness Services will have a positive impact on the county’s health plan in the coming year. Questions followed.

3. Comprehensive Capital Improvement Plan (CIP) Update by Jeffery Brown

Ms. Cannon stated in the prior year’s budget presentation, emphasis was placed on county infrastructure because the county has been a reactive mode for years. Ms. Cannon stated an aggressive building program was begun in 1998 with the construction of the Social Services building, the Crown Coliseum, the jail, the Public Health building and the Animal Control facility so a lot of the county’s funding was applied to those projects and not to ongoing maintenance. Ms. Cannon stated the lack of ongoing maintenance has caught up with the county and in an attempt to develop a proactive program, Jeffrey Brown, Engineering and Infrastructure Director, released two Requests for Proposals (RFPs) on the parking lot and paving assessment and the roofing and exterior of buildings. Ms. Cannon stated the Capital Improvement Plan (CIP) presented is a work in process and a separate CIP document will be presented along with the budget presentation. Ms. Cannon stated the CIP will become an ongoing document every year to guide the county in allocating funding from a plan standpoint as opposed to a reactive standpoint.

Ms. Cannon called on Mr. Brown who provided an initial outline of his presentation:

- Current FY Projects
- Capital Improvement Project Thresholds
- Pavement Condition Survey
- CIP Categories and Examples
- County Building Utilization Review
  - List of County-Owned Facilities
  - Completely Vacant Facilities
  - Partially Vacant Facilities
  - Recommendations on Utilization

Current FY Projects

Mr. Brown reviewed the current fiscal year projects, budget and actual and percent completed as recorded below. Mr. Brown responded to questions and stated the actual figures represent money encumbered or paid for the work. Commissioner Keefe asked that the Facilities Committee address the handicap accessibility of the Cumberland County Courthouse. Chairman Edge inquired regarding ADA compliance in other county facilities. Mr. Brown spoke to the ADA that was put into law in 1999 and an update in 2010. Mr. Brown stated there a current assessment underway at the Crown Complex for all facilities, the results are expected in thirty days and it may be time to look at other areas.

General Fund FY 2015 Project	Budget	Actual	Percent Complete
Parking Lots - Pavement Lot Condition Survey	\$91,000	\$91,000	95%
Engineering Fees - LEC HVAC Upgrades	18,000	17,850	100%
DSS Window Project	700,000	559,160	75%
Repair Falling Bricks at HQ Library	150,000	76,760	100%
Repair Cooling Tower at HQ Library	30,000	18,726	100%
Upgrade Handicap Ramp – HQ Library	50,000		Under Design
Repair Sidewalk Tripping Hazards at HQ Library	10,000		Out to Bid

Sidewalk and Plaza at Bordeaux Library	7,700	5,300	100%
LEC Security Upgrade	200,000		Out to Bid
Replace Chiller at LEC	200,000		Out to Bid
Chiller Rebuild at Detention Center	90,000	83,470	100%
Construct Parking Lot at site of Legal Aid Bldg	60,000	50,123	45%
Automated Building Controls at DSS	80,000	80,000	100%
Roof & Building Exterior Assessments	145,810	145,810	35%
Wells House Roof Repairs	20,000		On Hold
Visitors Bureau Roof	<u>35,000</u>		Under Design
Total	\$1,887,510		

Capital Improvement Plan (CIP) Thresholds

Mr. Brown reviewed the CIP thresholds as outlined below.

- Capital expenditures over \$100,000
- Must align with Strategic Plan
- Includes impact on operating budget
  - Personnel
  - Utilities
  - Misc. Equipment & Furniture
  - Supplies
  - Vehicles
  - Training

Pavement Condition Survey

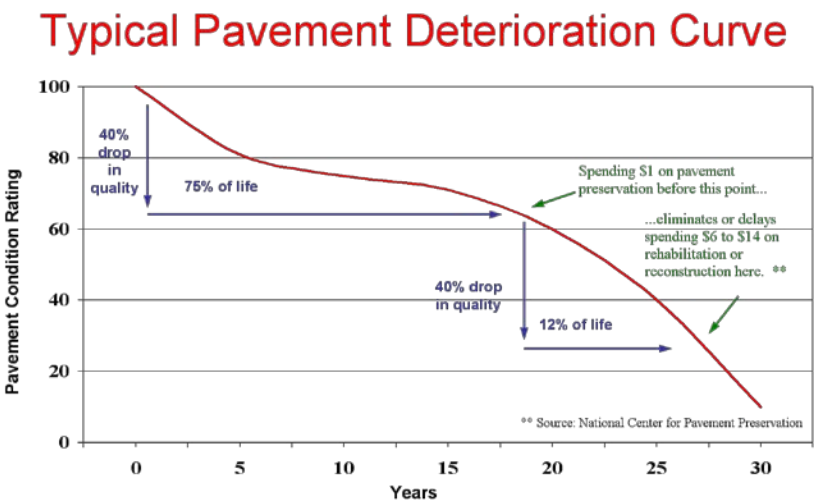
Mr. Brown introduced John D. Fersner, PEUS Infrastructure of Carolina, Inc., who stated his pavement condition survey assessed the following:

1. 37 Locations with Parking Lots including Crown Coliseum Complex
2. Asphalt Pavement was the Focus
3. 5 Locations with Concrete Pavement
4. Data Collection
  - 20 pavement surface distresses observed using ASTM standards
  - Condition of Striping in Parking Lots
  - Condition of Existing Sidewalks

Pavement Condition Index (PCI)

Mr. Fersner stated a PCI was developed for the 20 pavement surface distresses that were observed. Mr. Fersner explained the PCI as follows and stated new payment has a condition rating of 100 and the quantity of distress increases the closer the rating moves towards zero.

1. A numerical indicator that rates the surface condition of asphalt pavement
2. PCI is determined by:
  - Type of Distress – 20
  - Severity of Distress – low, medium, high
  - Quantity of Distress – amount identified



Mr. Fersner stated when considering the life cycle of pavement, its condition is acceptable up to about 15 years. Mr. Fersner stated when the rating reaches 60, distresses have become pretty bad and the pavement likely needs to be replaced. Mr. Fersner stated when repairs are conducted in a proactive manner, money is saved long range.

Field Procedures

Mr. Fersner provided the following snapshot of field procedures used in conducting the survey:

- 1. PCI Grid Plan – County aerial overlay
- 2. Reference Point and Sample Units
- 3. Random Sampling
- 4. Record Data

Mr. Fersner provided an aerial view of the Agricultural Expo office building PCI grid plan and tied the grid plan into the Agricultural Expo office building distress and PCI table he reviewed below. Mr. Fersner stated the overall average for the Agricultural Expo office building parking lot is 59 and recommendation is to rebuild the parking lot.

Sample Unit ID	Distress Code	Distress Description	Quantity	Quantity Units	SEVERITY	PCI
Agricultural Expo Office Building Parking Lot				Overall Average:		59
2B	20	WEATHERING	2,500	SqFt	M	70
2B	10	LONGITUDINAL/TRANSVERSE CRACKING	175	Ft	M	51
		LONGITUDINAL/TRANSVERSE CRACKING	15	Ft	H	
2C	1	ALLIGATOR CRACKING	40	SqFt	H	51
2C	10	LONGITUDINAL/TRANSVERSE CRACKING	130	Ft	M	
2C	3	BLOCK CRACKING	60	SqFt	M	51
2C	20	WEATHERING	2,500	SqFt	L	
6D	20	WEATHERING	1,250	SqFt	M	71
6D	10	LONGITUDINAL/TRANSVERSE CRACKING	130	Ft	M	71
		LONGITUDINAL/TRANSVERSE CRACKING	30	Ft	L	
6D	6	DEPRESSION	40	SqFt	L	46
7C	10	LONGITUDINAL/TRANSVERSE CRACKING	75	Ft	H	
7C	6	DEPRESSION	12	SqFt	L	46
7C	10	LONGITUDINAL/TRANSVERSE CRACKING	30	Ft	M	
7C	1	ALLIGATOR CRACKING	30	SqFt	H	46
7C	2	BLEEDING	40	SqFt	L	
7C	20	WEATHERING	2,500	SqFt	M	68
7E	20	WEATHERING	2,500	SqFt	M	
7E	10	LONGITUDINAL/TRANSVERSE CRACKING	150	Ft	M	68
		LONGITUDINAL/TRANSVERSE CRACKING	10	Ft	H	
8B	20	WEATHERING	1,250	SqFt	L	43
8B	10	BLOCK CRACKING	400	SqFt	M	43
		LONGITUDINAL/TRANSVERSE CRACKING	25	Ft	H	
8B	10	LONGITUDINAL/TRANSVERSE CRACKING	75	Ft	M	43
8B	1	ALLIGATOR CRACKING	50	SqFt	H	
8B	20	WEATHERING	1,250	SqFt	M	64
8F	10	LONGITUDINAL/TRANSVERSE CRACKING	25	Ft	L	
8F	10	LONGITUDINAL/TRANSVERSE CRACKING	75	Ft	M	64
		LONGITUDINAL/TRANSVERSE CRACKING	35	Ft	H	
8F	20	WEATHERING	2,500	SqFt	M	64

Mr. Fersner provided an aerial view of the Agricultural Expo office building maintenance plan areas and the Agricultural Expo cost estimate below. Mr. Fersner stated rebuilding and restriping the parking lot as part of the county’s CIP would total approximately \$102,565.32.

**PROJECT ESTIMATE FORM - PARKING LOT IMPROVEMENTS**  
LOCATION: AGRICULTURAL EXPO OFFICE  
BUILDING  
ENGINEER: US INFRASTRUCTURE OF CAROLINA,  
INC.

LINE NO.	DOT SEC	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
1	800	MOBILIZATION	1	LS	\$3,586.20	\$3,586.20
2	607	MILLING ASPHALT PAVEMENT, 2 INCH DEPTH	5,120	SY	\$5.00	\$25,600.00
3	610	ASPHALT CONCRETE SURFACE COURSE, TYPE S9.5B, 2 INCHES	5,120	SY	\$12.00	\$61,440.00
4	1205	PAINT PAVEMENT MARKING LINES, 4", WHITE (PARKING SPACE STRIPING)	1,880	LF	\$0.25	\$470.00
5	1205	PAINT PAVEMENT MARKING LINES, 4", WHITE (HANDICAP PARKING SPACE STRIPING)	1,260	LF	\$0.25	\$315.00
6	1205	PAINT PAVEMENT MARKING SYMBOLS, WHITE (HANDICAP SYMBOL)	18	EA	\$90.00	\$1,620.00
7	1205	PAINT PAVEMENT MARKING LINES, 4", YELLOW (NO PARKING AREAS)	840	LF	\$0.25	\$210.00
					SUBTOTAL:	\$93,241.20
						\$89,655.00
				CONTINGENCY ALLOWANCE AT 10%	LS	\$9,324.12
					TOTAL:	\$102,565.32

Unit Costs for Maintenance Activity

Mr. Fersner reviewed the maintenance activities and associated unit costs below. Mr. Fersner stated costs come to a little over \$100,000 for the Agricultural Expo office building parking lot.

ACTIVITY	COST
Crack Sealing	\$2.00 per LF
Fix Pothole	\$5.00 per SF
Removal of Concrete Pavement	\$25.00 per SY
Aggregate Base Course	\$35.00 per TON
Full Depth Patch	\$50.00 per SY
Fog Seal	\$1.00 per SY
BST Seal	\$2.50 per SY
Slurry Seal	\$4.00 per SY
Microsurfacing	\$5.00 per SY
Milling Asphalt Pavement, 2"	\$5.00 per SY
Asphalt Concrete Surface Course, 1"	\$6.00 per SY
Asphalt Concrete Surface Course, 1.5"	\$9.00 per SY
Asphalt Concrete Surface Course, 2"	\$12.00 per SY
Full Depth Reclamation (FDR)	\$25.00 per SY

Summary of Parking Lot Costs

Mr. Fersner stated parking lots were assessed at 37 locations and stated some of the parking lot locations were divided due to the disparity in the pavement conditions. Mr. Fersner cited the building maintenance and central maintenance location as an example. Mr. Fersner summarized

the parking lot costs below totaling \$2.9 million and stated this did not include the Crown Complex.

LOCATION	AREA (SF)	PAVEMENT CONDITION INDEX (PCI)	COST ESTIMATE
Landfill Administrative Building Parking Lot	33,270	12	\$156,613.60
Veterans Services	12,440	24	\$84,249.88
Central Maintenance Facility	64,060	26	\$139,103.25
E. Newton Smith Center	101,040	31	\$220,603.24
Sheriff's Annex	39,440	31	\$46,274.80
Landfill Lots and Drives	134,110	38	\$631,110.48
Wilkes Road Household HAZMAT Center	10,520	45	\$42,425.88
Law Enforcement Center Lot #5 (Parking Deck)	12,760	47	
Winding Creek Executive Place	70,780	47	\$155,851.41
Historic Courthouse	18,620	47	\$95,257.82
Old Wilmington Road Group Home	1,940	48	
Arnette Park Administrative Building	13,580	50	\$30,370.34
Wilkes Road Treatment and Processing Facility	48,970	51	\$134,322.12
Landfill Concrete Paving	60,810	54	
Landscaping Department	32,560	54	\$15,873.64
Sheriff Firing Range	19,560	56	
Alphin House	7,810	57	\$5,402.22
Agricultural Expo Office Building	46,067	59	\$102,565.32
Bordeaux Branch Library	30,810	59	\$67,996.50
Hope Mills Library	36,800	65	\$23,160.09
Convention and Visitors Bureau	12,550	65	\$28,036.58
HQ Library - East (public ) Parking Lot	19,110	66	\$17,643.53
Law Enforcement Center Lot #4	65,600	67	\$14,551.68
Spring Lake Branch Library/Family Resource Center	136,840	67	\$111,594.98
HQ Library - North (staff) Parking Lot	8,610	67	\$7,560.57
JP Riddle Stadium	308,270	68	\$588,541.29
East Regional Library	93,520	69	\$38,032.92
Building Maintenance Facility	12,400	70	\$1,633.38
Dorothy Spainhour School	19,740	70	\$4,661.16
Fuller Building (Sheriff's Office)	8,600	73	\$2,425.28
Courthouse Lot #2	24,150	75	\$7,355.92
Crisis Stabilization Center	19,780	76	\$16,904.51
Landfill Parking Lot	6,420	79	\$3,977.21
Cliffdale Branch Library	35,110	79	\$21,901.56
Arnette Park Maintenance Building	5,660	80	\$3,237.52
Community Corrections Center	21,860	82	\$13,991.91
North Regional Branch Library	93,080	83	\$50,618.85
Domestic Violence Center	11,250	85	\$6,123.26

Detention Center	82,260	87	\$5,747.61
Public Health Center	112,350	89	\$58,785.01
Bradford Place	49,100	89	\$4,072.64
Department of Social Services	362,190	91	\$8,648.64
Animal Services Center	34,700	91	\$1,653.08
Dick Street Parking Lot	66,860	93	\$0.00
Sheriff's Training Center Parking Lot	19,940	93	\$1,966.09
Courthouse Lot #1 (Person Street)	28,800	95	\$0.00
Courthouse Lot #3	79,200	95	\$0.00
Sheriff's Vehicle Training Track	156,050	95	\$0.00
Eastover Recreation Center	21,900	95	\$1,315.60
Wellness/Risk Management Building	13,920	95	\$865.15
TOTAL ASPHALT PAVEMENT =		2,631,017	
		TOTAL ESTIMATED COST =	\$2,973,026.52

Mr. Fersner provided an aerial view of the Crown Complex and stated the pavement was divided into several areas due to their having been constructed at different time. Mr. Fersner summarized the PCI and cost estimates for the Crown Complex parking lots below and stated the total cost estimate is \$1.4 million.

CROWN COLISEUM COMPLEX		Pavement Condition Index (PCI)	COST ESTIMATE
Parking Lot #1	78,750	52	\$172,441.98
Parking Lot #2	302,900	65	\$267,963.70
Parking Lot #3	43,850	55	\$95,468.80
Parking Lot #4	715,970	70	
Area 1			\$259,314.77
Area 2			\$122,733.34
Area 3			\$323,361.77
Area 4			\$9,037.60
Area 5			\$46,496.45
Coliseum Drive			\$24,564.54
Parking Lot #4 (Rear)	26,550	90	\$6,292.00
Parking Lot #4 (Rear - Concrete)	25,830	85	
Parking Lot #5	119,450	70	\$93,732.78
Parking Lot #6	54,980	63	\$33,201.74
TOTAL ASPHALT PAVEMENT =		1,342,450	
		TOTAL ESTIMATED COST =	\$1,454,609.47

Chairman Edge stated there has never been a parking charge for events at the Crown Complex and it was his understanding that at one time there was a \$1 surcharge on every ticket sold that was supposed to go to a repaving fund. Ms. Cannon stated she did not think the funds had been segregated and the surcharge has likely gone into general revenues to support the Crown Complex. Chairman Edge suggested the possibility of paid parking and/or allocating an additional \$1 on every ticket sold to help defray some of the costs.

Mr. Fersner stated an estimated \$4.5 million will make the necessary repairs to the parking lots and there will also be additional costs of about 25% to 40% to complete all of the work for things such as drainage improvements, administration costs, utility adjustments and work zone traffic control.

Mr. Fersner stated roadways/parking lots are an asset and briefly reviewed the values outlined below.

Parking Lot Assets

- AASHTO’s Rough Roads Ahead
  - USA Roadways - \$1.75 Trillion
  - 4,000,000 miles of roadways
  - \$437,500/mile
  - Assuming an average pavement width of 24’
    - Roadway Value ~ \$31/SY
  - County Parking Lots – 442,879 SY
  - Parking Lot assets – \$14 million

Mr. Fersner reviewed the following and responded to questions.

Maintenance Recommendations and Priorities

- Balancing Act
  - Preventive Maintenance and Structural Repair
  - Reconstruction

Priorities

- High Priority
  - Crack Sealing
  - Full-Depth Patching
  - Repair of alligator cracking and rutting

Mr. Brown stated after receiving the information provided by Mr. Fersner, the next step is to develop a CIP strategy for the county’s parking lots. Mr. Brown reviewed the following considerations in developing the strategy and the locations with PCI’s greater than 60 in the table recorded below. Mr. Brown stated priorities moving forward from a maintenance standpoint should be to keep the parking lots with a PCI greater than 60 in good shape.

CIP Strategy for Parking Lots

- Balance between maintenance and replacement
- Preventive maintenance (PM) measures must be taken early
- Focus PM initiatives on parking lots with Pavement Condition Index (PCI) > 60 (Industry Guidelines)
- Consider usage of parking lot

LOCATION	DESCRIPTION OF PREVENTIVE MAINTENANCE	PAVEMENT CONDITION INDEX (PCI)	COST ESTIMATE
Wellness/Risk Management	Striping and pavement markings	95	\$900
Eastover Recreation Center	Striping and Pavement Markings	95	\$1,400
Sheriff's Training Center	22 SY of full depth patching, striping and pavement markings	93	\$2,000
Department of Social Services	Crack sealing	91	\$8,700
Animal Services Center	Crack sealing, striping and pavement markings	91	\$1,700
Public Health	Milling and replacement of certain sections of asphalt, fog seal and striping and pavement markings	89	\$58,800
Bradford Place	Crack sealing	89	\$4,100
Detention Center	33 SY of full depth patching, crack sealing, striping and pavement markings	87	\$5,800
Domestic Violence Center	Slurry seal, striping and pavement markings	85	\$6,200
North Regional Library	Crack Sealing, slurry seal, striping and pavement markings	83	\$50,700
Community Corrections Bldg	29 SY of full depth patching, crack sealing, slurry seal, striping and pavement markings	82	\$14,000
Arnette Park Maintenance Bldg	Crack sealing, slurry seal and striping	80	\$3,300
Cliffdale Library	4 SY of full depth patching, crack sealing, slurry seal, striping and pavement markings	79	\$22,000
Crisis Stabilization Center (Roxie)	23 SY of full depth patching, crack sealing, microsurfacing, striping and pavement markings	76	\$17,000
New Courthouse (Lot #2)	Crack sealing	75	\$7,400
Fuller Building	Crack sealing and repair sidewalk	73	\$2,500
Building Maintenance Facility	6 SY of full depth patching and crack sealing	70	\$1,700
Dorothy Spainhour School	9 SY of full depth patching, crack sealing, striping and	70	\$4,700

	pavement markings		
East Regional Library	620 SY of full depth patching and crack sealing	69	\$38,100
Head Quarters Library - North	28 SY of full depth patching, crack sealing, microsurfacing and striping	67	\$7,600
Law Enforcement Center (Lot #4)	Crack sealing	67	\$14,600
Head Quarters Library - East	58 SY of full depth patching, crack sealing, microsurfacing, striping and pavement markings	66	\$17,700
Hope Mills Library	17 SY of full depth patching, crack sealing, slurry seal, striping and pavement markings	65	\$23,200
Total Estimated Cost =			\$314,100

Substantial Improvements – Resurfacing/Rebuild

Mr. Brown reviewed the parking lot locations below and stated the three locations with PCI’s greater than 60 are included because they are either mill/rebuild or their usage needs to be taken into consideration. Mr. Brown stated the Crown Complex and Solid Waste are Enterprise Funds and were therefore separated from the General Fund.

LOCATION	AREA (SF)	PAVEMENT CONDITION INDEX (PCI)	COST ESTIMATE
JP Riddle Stadium	308,270	68	\$588,541.29
Spring Lake Branch Library/Family Resource Center	136,840	67	\$111,594.98
Convention and Visitors Bureau	12,550	65	\$28,036.58
Agricultural Expo Office Building	46,067	59	\$102,565.32
Bordeaux Branch Library	30,810	59	\$67,996.50
Alphin House	7,810	57	5402.22
Landscaping	32,560	54	\$15,873.64
Arnette Park Administrative Building	13,580	50	\$30,370.34
Law Enforcement Center Lot #5 (Parking Deck)	12,760	47	Further Evaluation
Winding Creek Executive Place	70,780	47	\$155,851.41
Historic Courthouse	18,620	47	\$95,257.82
E. Newton Smith Center	101,040	31	\$220,603.24
Sheriff's Annex	39,440	31	\$46,274.80
Central Maintenance Facility	64,060	26	\$139,103.25
Veterans Services	12,440	24	\$84,249.88
TOTAL ESTIMATED COST =			\$1,691,721.27

Mr. Brown explained the following categories for capital projects and stated both major and minor building improvements should be identified so they can be budgeted as capital improvements and not included under operational costs.

Capital Project Categories

- Parking Lot Repair/Replacement
- Major Building Systems
- Minor Building Systems (< \$100,000)
- Major Building Exterior Improvements
- Minor Building Exterior Improvements (< \$100,000)
- Roof Repair/Replacement
- Building Additions/Renovations
- New Facilities
- Public Utilities
- Crown Complex
- Solid Waste

Mr. Brown provided a brief overview of a CIP form and stated the form will be completed for each project greater than \$100,000 or more minor projects to include a list of the systems/improvements associated with the project and their respective costs. Mr. Brown stated the form will also include the project’s alignment with the strategic plan.

Mr. Brown stated the county building utilization review would include the following:

- List of County-Owned Facilities
- Completely Vacant Facilities

- Partially Vacant Facilities
- Recommendations on Utilization

Mr. Brown called the Board’s attention to the comprehensive list of county that are either used by the county or leased out to other agencies and the vacant facility spaces as recorded below. Mr. Brown stated the highlighted locations are either leased or partially leased facilities. Mr. Brown responded to questions.

#	NAME	ADDRESS	OCCUPANTS
1	AG-OFFICE BLDG	301 E MOUNTAIN DR.	COOPERATIVE EXTENSION/SOIL CONSERVATION
2	ALPHIN HOUSE	2736 CEDAR CREEK RD.	FORT BRAGG REGIONAL ALLIANCE
3	AMES STREET PROPERTY (MULTIPLE BUILDINGS)	786 BLUE STRET	EMPLOYMENT SOURCE, INC.
4	ANIMAL SERVICES CENTER	4704 CORPORATION DR.	ANIMAL SERVICES
5	ANN ST LANDFILL (MULTIPLE BUILDINGS)	704 ANN ST.	SOLID WASTE
6	ARNETTE PARK ADMIN BUILDING	2165 WILMINGTON HWY	COMPLETELY VACANT
7	BORDEAUX LIBRARY	3711 VILLAGE DR.	LIBRARY SERVICES
8	BRADFORD PLACE	109 BRADFORD AVE.	CHILD ENFORCEMENT/COMMUNICARE
9	BUILDING MAINTENANCE FACILITY (BMF)	420 MAYVIEW ST.	FACILITES MANAGEMENT/PRINT SHOP/SIGN SHOP
10	CENTRAL MAINTENANCE FACILITY (CMF)	426 MAYVIEW ST.	VEHICLE MAINTENANCE
11	CLIFFDALE LIBRARY	6882 CLIFFDALE RD.	LIBRARY SERVICES
12	COMMUNITY CORRECTIONS CENTER (CS)	412 W RUSSELL ST.	PROBATION/TASC
13	CONVENTION & VISITORS BUREAU	245 PERSON ST.	CONVENTION & VISITORS BUREAU
14	CROWN ARENA & THEATER	US HIGHWAY 301 S	CROWN VENUE
15	CROWN COLISEUM	1960 COLISEUM DRIVE	CROWN ADMINISTRATION/VENUE
16	CROWN EXPO CENTER	EAST MOUNTAIN DRIVE	CROWN VENUE/OFFICES
17	DEPARTMENT OF SOCIAL SERVICES (DSS)	1225 RAMSEY ST.	DSS
18	DETENTION CENTER	204 GILLESPIE ST.	JAIL ADMINISTRATION
19	DOMESTIC VIOLENCE CENTER		
20	DORTHY SPAINHOUR SCHOOL	223 HULL ROAD	EASTER SEALS
21	E. NEWTON SMITH CENTER	227 FOUNTAINHEAD LN.	BOARD OF ELECTIONS/WELLNESS CLINIC/PHARMACY
22	EAST REGIONAL LIBRARY	4809 CLINTON RD.	LIBRARY SERVICES
23	EASTOVER REC CENTER	3637 PEMBROKE LN.	CITY/COUNTY RECREATION
24	GROUP HOME	800 OLD WILMINGTON ROAD	RHA MANAGEMENT SERVICES, INC.
25	HISTORIC COURTHOUSE	130 GILLESPIE ST.	PLANNING/INSPECTIONS/ENGINEERING
26	HOPE MILLS LIBRARY	3411 GOLFVIEW RD.	LIBRARY SERVICES
27	HQ LIBRARY	300 MAIDEN LN.	LIBRARY SERVICES/LIBRARY ADMINISTRATION
28	JP RIDDLE STADIUM (MULTIPLE BUILDINGS)	2823 LEGION ROAD	SWAMPDOGS - CITY/COUNTY RECREATION
29	LANDSCAPING	807 GROVE ST.	LANDSCAPING
30	LAW ENFORCEMENT CENTER	131 DICK ST.	SHERIFF'S OFFICE/LAW ENFORCEMENT
31	NEW COURTHOUSE	117 DICK ST.	COUNTY ADMIN/BCC/JUDICIAL SYSTEM
32	NORTH REGIONAL LIBRARY	855 MCHARTHUR RD	LIBRARY SERVICES
33	PUBLIC HEALTH (NEW)	1235 RAMSEY ST.	PUBLIC HEALTH
34	RIGHT TRACK GROUP HOME	162 SALLY HILL CIR.	DSS GROUP HOME
35	SAFE LANDING GROUP HOME	4675/4679 MCKINNON FARM RD.	DSS GROUP HOME
36	SHERIFF ANNEX	1515 S EASTERN BLVD.	LAW ENFORCEMENT
37	SHERIFF FIRING RANGE (CROWN)	3351 OWEN DRIVE	LAW ENFORCEMENT
38	SHERIFF TRAINING CNTR	4710 CORPORATION DR.	LAW ENFORCEMENT
39	SPRING LAKE LIBRARY	101 LAKETREE BLVD.	LIBRARY SERVICES
40	SPRING LAKE RESOURCE CENTER	103 LAKETREE BLVD.	DSS/WIC
41	VETERANS SERVICES	301 E RUSSELL ST.	VETERANS SERVICES
42	WELLNESS/RISK MANAGEMENT BUILDING	226 BRADFORD AVE.	WELLNESS/RISK MANAGEMENT
43	WELLS HOUSE	111 BRADFORD AVE.	COMPLETELY VACANT
44	WESTERN BRANCH LIBRARY	7469 CENTURY CIRCLE	LIBRARY SERVICES
45	WILKES ROAD LANDFILL	771 WILKES ROAD	SOLID WASTE
46	WINDING CREEK ANNEX	707 EXECUTIVE PL.	COMMUNITY DEVELOPMENT/SENIOR AIDES
47	WINDING CREEK EXECUTIVE PLACE	711 EXECUTIVE PL.	ALLIANCE BEHAVIORAL HEALTHCARE/CAPE FEAR VALLEY

NOTE: Highlighted facilities are leased. Buildings in red have vacant available space.

Vacant Facility Space – Completely Vacant Buildings

	Address	Available SF	Occupants
*ARNETTE PARK ADMIN BUILDING	2165 WILMINGTON HWY	2,990	VACANT
WELLS HOUSE	111 BRADFORD AVE.	3,398	VACANT

\*Operations Agreement for Parks & Recreation Consolidation

Mr. Brown displayed aerial views and photographs of the Wells House and provided a brief overview of interior and exterior damage to include the information below. Mr. Brown stated the Wells House would be difficult and costly to sub-divide and existing parking at 109 Bradford would have to be given up in order to provide to ample parking at the Wells House if it were to be placed on the market for sale. Mr. Brown stated the recommendation of staff is to demolish.

Wells House

- Facility constructed in 1926
- Currently vacant
- 3,398 Square Feet
- Most recently used by Auxiliary Services and Employee Assistance Program
- Located outside of Historic District

Wells House Recommendation

- Demolish structure and utilize space to expand parking

Commissioner Adams suggested sending the matter to the next meeting of the Facilities Committee for consideration. Ms. Cannon suggested Facilities Committee members may wish to tour the facility to observe the condition and needed repairs first hand.

Vacant Facility Space – Partially Vacant Buildings

Mr. Brown briefly reviewed vacant space in the following partially vacant facilities.

	Address	Available SF	Occupants
COMMUNITY CORRECTIONS CENTER (C5) – 7 offices and conference room vacant	412 W RUSSELL ST.	1,292	PROBATION/TASC/CRIME LAB
E. NEWTON SMITH CENTER – 2nd, 3rd, 4th floors vacant	227 FOUNTAINHEAD LN.	61,500	BOARD OF ELECTIONS/PHARMACY
SPRING LAKE RESOURCE CENTER – vacant office space	103 LAKETREE BLVD.	3,420	DSS/WIC/COOPERATIVE EXTENSION
WINDING CREEK EXECUTIVE PLACE – 4th floor space available	711 EXECUTIVE PL.	8,196	ALLIANCE BEHAVIORAL HEALTHCARE/CAPE FEAR VALLEY

Mr. Brown provided aerial views and a brief overview of the E. Newton Smith Center campus.

- Previous study completed by Gordon Johnson Architecture
- Potential location for County departments within the Courthouse
- Next steps
  - Engage architecture firm to update study
  - Include renovations to County Courthouse
  - Develop cost estimates

Mr. Brown recalled parking lots around the E. Newton Smith Center have a PCI of around 30 and responded to questions. A brief discussion followed regarding the previous study, updates to the study and the courts’ needs for additional space. Ms. Cannon noted renovations to the courthouse would have to be included in the cost estimates.

Mr. Brown provided aerial views and a brief overview of the Dorothy Spainhour School campus.

- Facility constructed in 1976
- Currently utilized by Easter Seals of NC
- 12,310 square feet
- Lot size = 2.9 acres

James Lawson, Deputy County Manager, provided a back brief on the use of the Dorothy Spainhour School during which Easter Seals paid the utilities and maintained the building. Mr. Lawson stated the impression was that this was an open ended agreement and the only document that can be located is the initial agreement between the Mental Health LME and Easter Seals. Mr. Lawson stated he contacted the senior director in Raleigh to discuss a contract with the county and suggested that Easter Seals consider purchasing the facility. Mr. Lawson stated Easter Seals is not in a position financially to purchase the facility but in order not to disrupt their services, are willing to enter into a lease with the county subject to the consent of the Board. Mr. Lawson stated the standard rate is \$16 per SF which usually includes janitorial, utilities and maintenance; the offer currently on the table is \$12 per SF with the understanding Easter Seals will continue to provide maintenance and utilities. Mr. Lawson stated the yield would be about \$148,000 per year in rental income. Consensus was to continue negotiations for a lease with the primary consideration being the benefit to the community versus the cost per SF.

Chairman Edge called for a five minutes break following which the meeting reconvened.

#### 4. Known Items Impacting Fiscal Year 2016 by Vicki Evans

Vicki Evans, Finance Director, stated departments have received their target budgets and have been asked to request items outside of their base budget, current year end projections have been completed and meetings have been scheduled with all departments during March and April to secure their input.

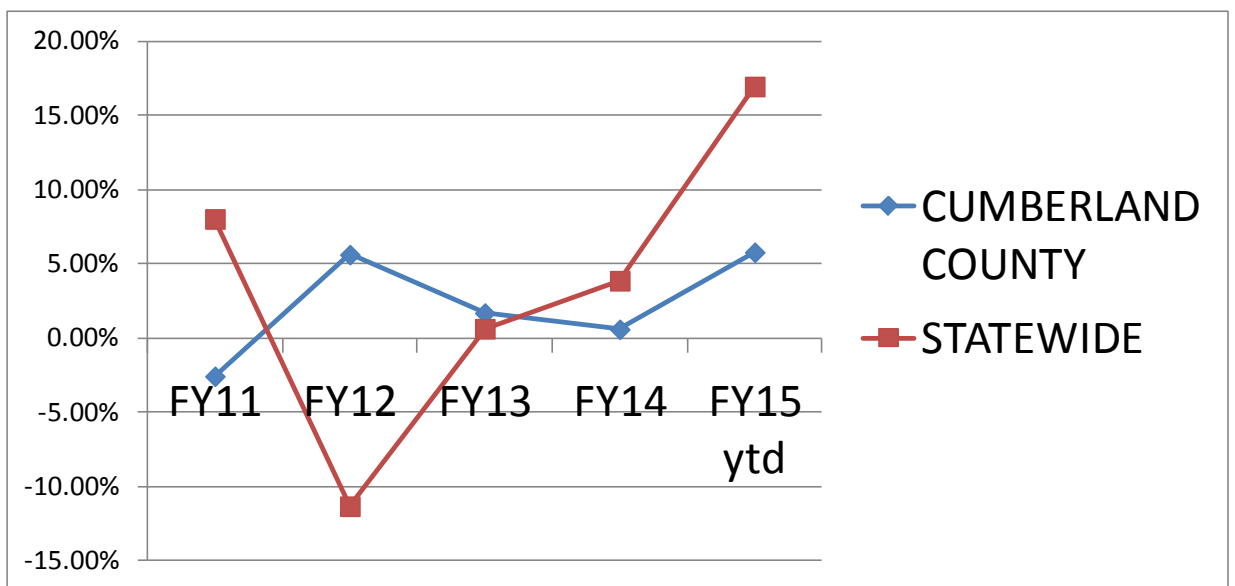
Ms. Evans provided the following financial report as of January 31, 2015:

##### ⊙ Ad valorem tax

- Collections strong for first half of year
- Collections very close to January 2014 – 94% of real/personal taxes collected
- First year tax and tag - motor vehicle taxes appearing strong – if collection rates continue as for first six months, possible to exceed budget by about 13% or \$1.8 million

##### Revenue Impact

##### ⊙ Comparison of % Change in Sales Tax



Ms. Evans referenced the chart above and stated the county is not on trend with the State. Ms. Evans stated however, the county's sales revenues year-to-date are up about 5% from this time during the prior fiscal year and the State is up about 15%. Ms. Evans pointed out the county has only collected four months sales revenue.

##### ⊙ Expenditures

- No red flags

Ms. Evans outlined the following items known to impact to fiscal year 2016.

##### Expenditure Impacts

##### ⊙ School funding formula

- \$0.3406 of ad valorem tax budget
- Settle-up adjustment
- Retirement decrease
- .4% decrease
- Savings of \$335,236

##### ⊙ Unfunded mandates

- Minimum salary being established for exempt status
- Potential impact to departments who pay overtime

Ms. Evans responded to questions about Federal Labor Standards Act (FLSA) changes to exempt status. Ms. Cannon explained the county's compensatory time for exempt and non-exempt employees and stated some departments have positions that work beyond forty hours and pay overtime.

##### ⊙ Workers compensation

- Claim Experience this year has improved
- Continue to recover from prior years' large claims
- Gradual increase in rates to replenish fund

Ms. Evans explained as of January 2015, the unobligated fund balance in the workers compensation fund was \$2 million and for fiscal year 2016 staff are recommending an increase over the prior year's budget amount to gradually replenish the fund. Ms. Evans stated the year-end projected claims are about \$1 million and the target for a recommended reserve is 2.55 of the annual fund.

Ms. Evans continued with her outline of items known to impact to fiscal year 2016 as follows:

- ⊙ Employee cost of living increase (COLA)
  - Net Cost of 1% including benefits = \$870,500
- ⊙ Technology needs
  - Telephones
    - VOIP - Last Phase \$400,000
      - Includes Sheriff, Detention Center, Reg. of Deeds  
Legal, Human Resources, Tax Office and Commissioners
  - Finance/HR software
    - 6 months maintenance contract \$120,000
- Technology needs
  - Hardware \$274,000
  - Other software \$72,000
  - Maintenance and Licenses \$29,000
- ⊙ Central Maintenance (Fleet)
  - Approximately 1/3 of vehicles 10+ years old
  - Over 36% >100,000 miles
  - Annual need - ~ \$100,000 (excluding Sheriff)
  - Propose establishing assigned fund balance from sales on Gov Deals to meet annual needs

In response to a question from Commissioner Keefe, Ms. Cannon stated VOIP has provided saving from a services standpoint; Information Services manages the phone system. Additional questions followed.

5. Closed Session – Attorney Client - Pursuant to NCGS 143.318.11(a)(3)

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

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

MOTION: Commissioner Adams moved to reconvene in open session.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Adams moved to adjourn.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 12:10 p.m.

Approved with/without revision:

Respectfully submitted,

---

Candice H. White  
Clerk to the Board