

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MONDAY, JANUARY 4, 2016 – 9:00 AM
117 DICK STREET, 1ST FLOOR, ROOM 118
REGULAR MEETING MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Glenn Adams, Vice Chairman
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Jimmy Keefe
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
Jeffrey Brown, Infrastructure and Engineering Director
Joe Utley, Tax Administrator
Candice H. White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

ABSENT: Commissioner Charles Evans

Chairman Faircloth called the meeting to order.

INVOCATION AND PLEDGE OF ALLEGIANCE – Rev. S. Lee Downing, Pastor of Friendship Missionary Baptist Church, provided the invocation followed by the Pledge of Allegiance to the American Flag.

1. Approval of Agenda

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

2. Presentation of the FY 2015 Annual Audit by Ms. Linda Suggs, CPA, Cherry Bekaert, L.L.P. and Vicki Evans, Finance Director

BACKGROUND:

Ms. Linda Suggs, CPA of Cherry Bekaert, L.L.P., and Ms. Vicki Evans, Finance Director, will be making a presentation of the FY2015 annual audit results at the January 4, 2016 Board of Commissioners meeting.

RECOMMENDATION/PROPOSED ACTION:

Accept the Audited Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015.

Amy Cannon, County Manager, recognized Vicki Evans, Finance Director, and introduced Linda Suggs, CPA with Cherry Bekaert, L.L.P. Ms. Suggs stated generally accepted auditing standards require that an opinion be provided on whether the basic financial statements are presented fairly. Ms. Suggs stated for the record, the county received an unmodified or clean opinion which is the highest level of assurance a Certified Public Accountant can give.

Ms. Suggs stated when performing an audit of a governmental entity, a different set of auditing standards called Government Auditing Standards must be applied and these additional standards require that auditors issue a report on compliance and internal controls over financial reporting.

Ms. Suggs also stated the purpose of this report is to describe the scope and results of that testing and not to provide an opinion on internal controls over financial reporting or on compliance.

Ms. Suggs stated a single audit of federal and state grant expenditures was performed and the auditor is required to express an opinion on whether the government complied with the laws, regulations and provisions of contracts or grant agreements that could have a direct and material effect on each major federal or state program. Ms. Suggs stated for the record, the county again received an unmodified or clean opinion.

Ms. Suggs stated the Board of Commissioners received a letter known as the Statement of Auditing Standards Communication with Governing Boards that is required by generally accepted auditing standards. Ms. Suggs stated the letter discusses things such the audit firm’s responsibilities, the county’s significant accounting policies and the county’s accounting estimates. Ms. Suggs encouraged the Board of Commissioners to review the letter.

Ms. Evans reported the key financial results for the FY2015 General Fund as recorded below and stated the General Fund’s revenues and transfers in exceeded expenditures and transfers out by \$1.66 million in the current year, which reflects a gain. Ms. Evans further reported this gain when applied to the beginning Fund Balance of \$111.5 million results in an ending Fund Balance of \$113.1 million.

General Fund Summary
(County school fund included)

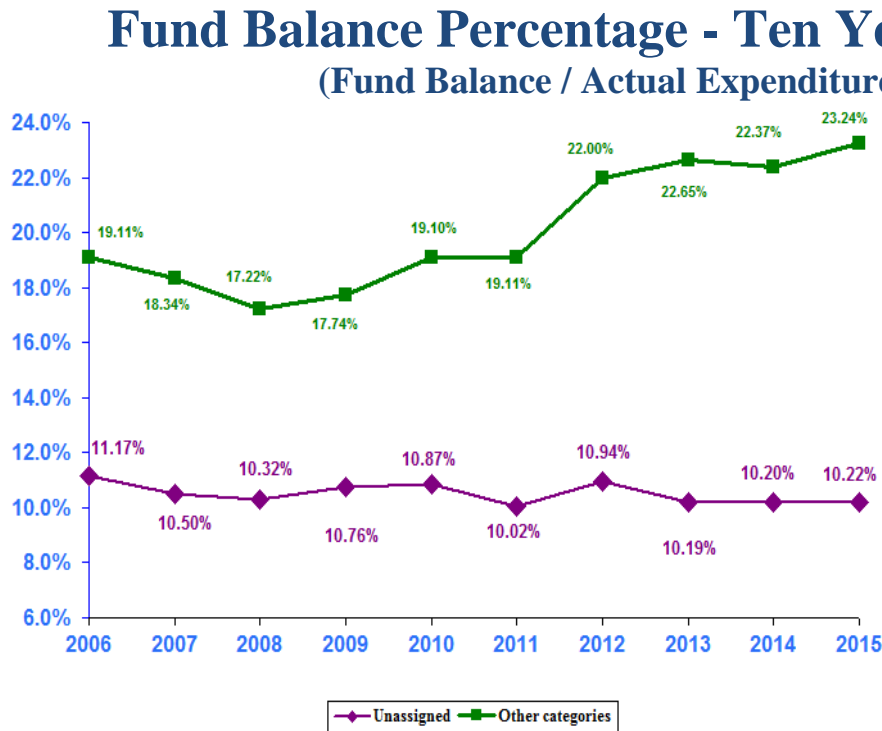
	Original Budget	Final Budget	Actual	Variance
Revenue & other financing sources	\$ 308,943,178	\$ 315,313,758	\$ 325,497,507	\$ 10,183,749
Expenditures & other financing uses	<u>327,320,138</u>	<u>345,001,015</u>	<u>323,833,687</u>	<u>21,167,328</u>
Revenue and other financing sources under expenditures and other financing uses	<u>(18,376,960)</u>	<u>(29,687,257)</u>	1,663,820	31,351,077
Fund balance appropriated	<u>18,376,960</u>	<u>29,687,257</u>		<u>(29,687,257)</u>
Total Revenue and other financing sources under total expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 1,663,820</u>
Fund balances:				
Beginning of year, July 1, 2014			111,512,652	
End of year, June 30, 2015			\$ 113,176,472	

Ms. Evans reported on the following and explained the nonspendable, restricted, committed and assigned/unassigned Fund Balance categories and reported \$31.8 million is unassigned and represents 10.22% of the current year’s expenditures. Ms. Evans also reported the total available Fund Balance which includes both assigned and unassigned fund balances is 23.24% and this amount exceeds the Board’s 15% minimum total available Fund Balance reserve.

General Fund - Fund Balance
(County school fund excluded)

Nonspendable	
Inventories	\$ 172,503
Prepays	2,381,625
Restricted:	
Stabilization by state statute	28,102,937
Register of deeds	754,325
Committed:	
Property revaluation	758,093
Assigned:	
Subsequently year's expenditures	14,523,875
Tax/finance software	4,500,000
Water & sewer industrial expansion	4,876,523
Economic development incentives	1,500,000
Mental health services	4,633,970
Renovations & maintenance	5,131,898
Special purposes	2,500,000
Technology Upgrades	2,500,000
Unassigned	31,823,417
Total fund balance	<u>\$ 104,159,166</u>
2015 expenditures	\$ 311,259,810
Unassigned fund balance as a percentage of the FY2015 expenditures	10.22%

Ms. Evans reviewed the trends below over the past ten years. Ms. Evans reported the unassigned Fund Balance for all years (purple line) remains very close to the 10% set by the Board and the other categories of Fund Balance (green line) have been above 22% for the past four years.



Ms. Evans reviewed the breakdown of FY15 General Fund actual revenues below and stated ad valorem tax revenues make up over one-half of General Fund revenues.

FY15 General Fund Actual Revenues

(County school fund excluded)

Ad Valorem Taxes	\$172,537,191	55.4%
Restricted Intergovernmental	59,707,107	19.2%
Sales Tax	39,752,574	12.8%
Sales & Services	10,622,917	3.4%
Unrestricted Intergovernmental	10,422,665	3.3%
Other Financing Sources	9,208,137	3.0%
Miscellaneous	4,791,074	1.5%
Licenses & Permits	2,263,956	.7%
Other Taxes	2,020,209	.6%
TOTAL	\$311,325,830	

Ms. Evans reviewed the breakdown of FY15 General Fund actual expenditures below and stated education is the highest percentage following by social services and public safety, the three of which make up over two-thirds of the total expenditures for the General Fund.

FY15 General Fund Actual Expenditures

Education	\$90,703,855	29.1%
Social services	66,083,997	21.2%
Public safety	52,911,062	17.0%
General government	25,668,164	8.2%
Debt	24,731,532	7.9%
Health	19,662,321	6.3%
Library	11,157,578	3.6%
Economic & Physical Development	6,166,096	2.0%
Mental Health	5,588,619	1.8%
Other Human Services	5,074,985	1.6%
Other Financing Uses	\$ 3,511,601	1.1%
TOTAL	\$311,259,810	

Ms. Evans concluded her presentation and recognized financial staff who participated in the audit with Cherry Bekaert, L.L.P.

MOTION: Commissioner Adams moved to accept the Audited Comprehensive Annual Financial Report for fiscal year ended June 30, 2015.
SECOND: Commissioner Council
VOTE: UNANIMOUS (6-0)

3. Consent Agenda

- A. Approval of minutes for the December 21, 2015 regular meeting
- B. Record Report of Destruction of Departmental Records for Administration, Finance and Tax Administration

BACKGROUND:

Pursuant to a resolution adopted by the Board of County Commissioners on February 4, 1985, County Manager Amy Cannon has authorized the destruction of County records as noted below. The destruction of these records is in accordance with the current Records Retention and Disposition Schedule issued by the North Carolina Division of Archives and History and adopted by the Board of County Commissioners.

County Administration Records (See request recorded below.)
Finance Department Records (See request recorded below.)
Tax Administration Records (See request recorded below.)

RECOMMENDATION/PROPOSED ACTION:

Record the report in the Board's official minutes.

COUNTY ADMINISTRATION RECORDS BACKGROUND:

Pursuant to a resolution adopted by the Board of County Commissioners on February 4, 1985, the County Manager has authorized destruction of certain County Administration and Governing Body records. I am asking for authorization of destruction of the following:

2010-2012 County Administration Correspondence
2010-2012 County Administration Memorandums
2010-2012 County Administration Administrative Material

The destruction of these records is in accordance with the current Records Retention and Disposition Schedule issued by the North Carolina Division of Archives and History and adopted by the Board of Commissioners.

FINANCE DEPARTMENT RECORDS BACKGROUND:

Pursuant to the resolution adopted by the Board of County Commissioners on February 4, 1985, authorization is requested to destroy Finance Department records noted below. The destruction of these records is in accordance with the Records Retention and Disposition Schedule issued by the North Carolina Division of Archives and History which was previously adopted by the Board of Commissioners.

- 1. Records with three-year retention requirement (dated prior to July 1, 2012):
 - a. Fiscal correspondence/memorandums
 - b. Bank statements, canceled checks. Deposit slips, and reconciliation file
 - c. Purchasing – request for proposals for purchase contracts, purchase orders, and requisitions
 - d. Cash receipt report files
 - e. Check registers
 - f. Investment records
 - g. Journal vouchers
 - h. LGC financial statements
 - i. Invoices
 - j. Employee Earnings Record File – Local government retirement system monthly reports

Payroll file – salaries paid and deductions file

2. Records with two-year retention requirement (dated prior to July 1, 2013):
 - a. Employee benefits register file
3. Records with one-year retention requirement (dated prior to July 1, 2014):
 - a. Daily journal and ledger printouts
 - b. Monthly detail reports, except June 30 which is permanent
4. Records that have been superseded or obsolete
 - a. Property and equipment inventory files

FINANCE DEPARTMENT RECORDS RECOMMENDATION/PROPOSED ACTION:
Accept the report on disposition of records and include same in minutes of the January 4, 2016 Commissioners' Meeting.

TAX ADMINISTRATION RECORDS BACKGROUND:

Pursuant to a resolution adopted by the Board of County Commissioners on February 4, 1985, authorization is requested to destroy the Tax Administration records as listed below:

Various DMV cycle reports from 2004-2007, 2013, 2014
Various Gross Receipts Returns from 2011
Daily Receipts from Tax Collections from 2010-2012
Business Personal Property files from 2002-2005
Collections scrolls from 1998
PTC files, board work from 1999-2006
No Discovery Records from 2007-2009
DMV Adjustments from 2003, 2004, 2010
Listing Abstracts from 2002

The destruction of these records is in accordance with the current Records Retention and Disposition Schedule and all amendments as issued by the North Carolina Division of Archives and History and adopted by the Board of Commissioners.

- C. Approval of Proclamation Recognizing Zeta Phi Beta Sorority, Inc. on the Occasion of Its 96th Anniversary

COUNTY OF CUMBERLAND

NORTH CAROLINA

PROCLAMATION

WHEREAS, Zeta Phi Beta Sorority, Inc. was founded January 16, 1920 at Howard University, Washington, D.C.; and

WHEREAS, it was within the environment of the Great Depression that five coeds envisioned a sorority which would directly affect positive change, chart a course of action for the 1920s and beyond, raise the consciousness of their people, encourage the highest standards of scholastic achievement and foster a greater sense of unity among its members; and

WHEREAS, Zeta Phi Beta Sorority, Inc. was the first National Pan-Hellenic Council organization to centralize its operations in a national headquarters, first to charter a chapter in Africa, first to form auxiliary groups and first to be constitutionally bound to a fraternity, Phi Beta Sigma Fraternity, Inc.; and

WHEREAS, Zeta Phi Beta Sorority, Inc. has chartered hundreds of chapters worldwide and has a membership of 100,000 plus; and

WHEREAS, Zeta Phi Beta Sorority, Inc. owes a debt of gratitude to it incorporators because from the beginning, Zeta members saw the necessity of ensuring the permanence of the organization; and

WHEREAS, Zeta Phi Beta Sorority, Inc. was first incorporated in Washington, D.C. on March 30, 1923 and was incorporated in the state of Illinois in 1939; and

WHEREAS, Zeta Phi Beta Sorority, Inc.'s international programs such as Z-HOPE (Zetas Helping Other People Excel) through Mind, Body and Spirit serve to empower people from all walks of life.

NOW, THEREFORE, BE IT PROCLAIMED, that the Cumberland County Board of Commissioners recognizes and celebrates the numerous contributions and public service provided to our citizens by Zeta Phi Beta Sorority, Inc. on the occasion of its 96th anniversary.

Adopted this the 4th day of January, 2016.

D. Approval of Payment of Prior Year Invoice to J & E Pest Control

BACKGROUND:

The Engineering and Infrastructure Department is requesting payment totaling \$100 payable to J&E Pest Control for annual termite inspection and renewal at 2823 Legion Road. The delay was caused by the invoice being incorrectly sent to Parks and Rec instead of to the County. Service delivery has been confirmed and payment is due to the vendor. The cost is able to be absorbed within the Engineering and Infrastructure current year budget.

RECOMMENDATION/PROPOSED ACTION:

Management is requesting approval to pay the prior year invoice in the amount of \$100.

E. Budget Revisions:

(1) Mid-Carolina Senior Transportation/General Government Other

Revision in the amount of \$6,667 to recognize the final allocation from the Home and Community Care Block Grant for Older Adults. This final allocation does require a match that will be provided from the General Fund. (B16-164 and B16-164A) **Funding Source – State and Fund Balance Appropriated**

(2) Library

Revision in the amount of \$17,774 to recognize the increase in State Aid. (B16-168) **Funding Source – State**

(3) Health

a. Health-Maternal Care Coordination Act revision in the amount of \$235,418 to budget additional Medicaid Case Management Fees allocated. (B16-170) **Funding Source – Federal**

b. NC Environmental Health revision to budget three FDA Grants received in the amount of \$26,000. (B16-171) **Funding Source – Federal**

c. NC Health Dental Clinic revision in the amount of \$16,000 to allocate State Funds to increase partnerships between local health departments, the state dental office, and local medical providers offering dental preventative services. (B16-173) **Funding Source – State**

(4) Central Maintenance/Landscaping

Revision in the amount of \$3,600 to allocate additional funds needed to buy the crew cab on state contract. (B16-174/174A) **Funding Source – Other**

(5) Central Maintenance/Social Services

Revision in the amount of \$11,924 to transfer the amount over to Social Service’s operating budget for fifty percent reimbursement from the state.
(B16-175/175A) **Funding Source – Other**

(6) Detention Center

Revision in the amount of \$55,000 to recognize additional revenue and to budget the additional expenses. (B16-176) **Funding Source – Revenue**

MOTION: Commissioner Lancaster moved to approve consent agenda Items 3.A. – 3.E.(6).
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (6-0)

ITEMS OF BUSINESS

4. Nominations to Boards and Committees

There were no nominations for this meeting.

5. Appointments to Boards and Committees

A. Human Relations Commission (1 Vacancy)

Nominee: Jose Rodriquez

MOTION: Commissioner Adams moved to appoint Jose Rodriquez to the Human Relations Commission.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (6-0)

B. Local Firefighters’ Relief Fund Boards (15 Vacancies)

Nominees:

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

MOTION: Commissioner Adams moved to appoint the nominees recorded above to their respective Local Firefighters' Relief Fund Boards for a term of two years with the exception of Mr. Woody Ray Adams who is to be appointed for a term of one year.
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (6-0)

C. North Carolina's Southeast (1 Vacancy)

Nominee: Ed Melvin (Reappointment)

D. Transportation Advisory Board (5 Vacancies)

Nominees: Urban Transit Provider Representative
James Roper (Reappointment)

Mid- Carolina Council of Governments Director or Designee
Carla Smith (Reappointment)

County DSS Director or Designee
Lisa Chance (Reappointment)

DSS Work First Representative
Angelita Marable (Reappointment)

Aging Programs Representative
Kenneth Dye

MOTION: Commissioner Adams moved to appoint Ed Melvin to North Carolina's Southeast; and to appoint James Roper, Carla Smith, Lisa Chance, Angelita Marable and Kenneth Dye to the Transportation Advisory in their respective positions.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (6-0)

6. Closed Session

There was no closed session.

MOTION: Commissioner Edge moved to adjourn.
SECOND: Commissioner Lancaster
VOTE: UNANIMOUS (6-0)

There being no further business, the meeting adjourned at 9:17 a.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board