

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
CUMBERLAND COUNTY COURTHOUSE-117 DICK STREET-FAYETTEVILLE, NC
CONFERENCE ROOM 564 - 8:30 AM
MARCH 3, 2016
SPECIAL MEETING/WORK SESSION
MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Glenn Adams, Vice Chairman
Commissioner Jeannette Council (arrived at 8:42 a.m.)
Commissioner Kenneth Edge
Commissioner Charles Evans (departed at 9:35 a.m.)
Commissioner Larry Lancaster
Amy Cannon, County Manager
James Lawson, Deputy 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
Heather Harris, Budget Analyst
Tammy Gillis, Director of Internal Audit and Wellness Services
Jeffrey Brown, Engineering and Infrastructure Director
Brenda Jackson, Social Services Director
Julean Self, Human Resources Assistant 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

ABSENT: Commissioner Jimmy Keefe

Chairman Faircloth called the meeting to order.

1. Approval of Agenda

MOTION: Commissioner Lancaster moved to approve the agenda.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (5-0)

2. Introduction of Interim Solid Waste Director- Jim Blackwell, P.E.

Melissa Cardinali, Assistant County Manager, introduced Interim Solid Waste Director Jim Blackwell, P.E. who provided information about his background, credentials and experience in solid waste, engineering, technical and regulatory management and consulting. Chairman Faircloth welcomed Mr. Blackwell and thanked him for being of service to Cumberland County.

3. Consideration of Health Insurance Plan Recommendations

BACKGROUND:

At the February 4 work session, Mark Browder of Mark III Employee Benefits presented a detailed review of the health insurance plan. This review included health insurance claims experience, responses to the plan bid process, and a review of the renewal for fiscal year 2016-17. As a follow up to the February presentation, Mark Browder will discuss funding and plan design options to the County's health insurance for the upcoming fiscal year.

In addition, the budget staff has compiled comparative health insurance information and Cumberland County appears to be in line with other counties in regards to employer bi-weekly premiums paid. County employees appear to be paying less for bi-weekly premiums than most of the comparable counties.

RECOMMENDATION/PROPOSED ACTION:

Recommend approval of option 2 from the presentation by Mark Browder for Fiscal Year 2016-17.

Ms. Cardinali stated Tammy Gillis, Director of Internal Audit and Wellness Services, was engaged in putting together programs to address risk factors and was working on a Weight Watchers program for County employees; the twelve week program will begin in about three weeks and serve as a proactive measure to help employees address their weight which is the single largest problem across the population.

Ms. Cardinali reviewed the background information as recorded above and then recognized Mark Browder, Mark III Employee Benefits, who provided the following presentation. Mr. Browder stated his discussion points would include:

- Plan Bid Review
- Self-funding
- Health of the population, claims, and Health Care Reform (HCR) costs
- Initiatives
- County Comparison and Underwriting
- Criteria for the Recommendations
- Options and Recommendations

Mr. Browder stated as a reminder, the Medical Plan was bid for 2016 – 2017 and both fixed cost and vendor discounts through the various insurance payors were reviewed and categorized. The following payors responded:

- BCBSNC
- CIGNA
- First Carolina Care
- MedCost
- UnitedHealthcare

Mr. Browder provided the following comparison of the best responses and stated UnitedHealthcare provided the most competitive bid and ultimately saved the County almost \$1,200,000 from the initial BCBSNC renewal.

	BCBSNC 7/15 - 6/16	BCBSNC 7/16 - 6/17	BCBSNC 7/16 - 6/17	UnitedHealthcare 7/16 - 6/17
	Current	Renewal: Original	Renewal: Option 1	Option 2
Plan Administration Fee	\$28.56	\$29.00	\$22.00	\$18.00
Specific Stop-loss - \$150,000	\$66.93	\$70.28	\$48.03	\$49.25
Total Administration Fees (A)	\$95.49	\$99.28	\$70.03	\$67.25
Monthly Fixed Fees	\$249,324.39	\$259,220.08	\$182,848.33	\$175,589.75
Monthly Fixed Cost Savings		-\$9,895.69	\$66,476.06	\$73,734.64
		-\$118,748.28	\$797,712.72	\$884,815.68
Fixed Cost	\$2,991,892.68	\$3,110,640.96	\$2,194,179.96	\$2,107,077.00
2016 - 2017 Claims Expectation		\$20,801,180.30	\$20,801,180.30	\$20,801,180.30
PCORI		\$7,970.56	\$7,970.56	\$7,970.56
Reinsurance Fee		\$69,345.00	\$69,345.00	\$69,345.00
Clinic, Wellness, and Pharmacy		\$1,200,000.00	\$1,200,000.00	\$1,200,000.00
2 Month Fee Holiday				\$93,966.00
Wellness Dollars for 3 Years				\$100,000.00
Total Funding	\$20,140,923.90	\$25,189,136.82	\$24,272,675.82	\$23,991,606.86
Savings over the Initial Renewal from BCBSNC				\$1,197,529.96
Savings over BCBS				\$281,068.96
Change in Dollars		\$5,048,212.92	\$4,131,751.92	\$3,850,682.96
Change in Percentage		125.06%	120.51%	119.12%
Claims Discount		49%	49%	52%
Discount Guarantee			No	Yes
				\$200,000 At Risk Full Payment at 46%
				7 Nurses Assigned to the County
Administrative Fee Guarantee			3 Years if CPI is less than 5%	5 Years
Wellness Dollars for 3 Years			\$30,000 for BCBSNC Wellness Programs	\$100,000.00
CEO Satisfaction Guarantee				\$50,000.00

Mr. Browder outlined what it means to be self-funding and stated Cumberland County has a self-funded health plan.

- Why? Long-term, self-funding is the lowest cost strategy:
 - Lowest fixed cost – As of the bid, the fixed cost for the plan will be 8.76% of the total cost and is significantly more competitive than a fully insured arrangement, which can exceed 15%.
 - Self-funding avoids 2% NC State Premium Tax – \$496,798
 - Self-funding avoids 3% Federal Health Insurer Tax – \$620,997
 - Provides greater flexibility

Mr. Browder spoke to costs to the plan and top health risks for County employees:

- 91.24% of the costs are claims and Health Care Reform expenses.
- The driver for claims is the health of the population and changes in provider and pharmacy costs.
- Cumberland County, as a community, struggles with the health of its citizens.
- The County employee population closely reflects the health of the community.

Top Health Risks for 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 15 claims drivers for 2014-2015 and stated these top 15 episodes show the most expensive conditions for the group and the average cost of treating these conditions.

Top 15 Episodes: Claims Drivers for 2014 – 2015

Episode	Claimants	Allowed Amount	Allowed Amount/Claimant	Allowed PMPM
Ischemic Heart Disease	184	\$2,176,462	\$11,829	\$47.47
Diabetes	495	\$1,376,138	\$2,780	\$30.02
Hypertension	1,314	\$1,186,349	\$903	\$25.88
Malignant Neoplasm - Breast	46	\$668,192	\$14,526	\$14.57
Chronic Renal Failure	69	\$637,331	\$9,237	\$13.90
Joint Degeneration - Back	261	\$539,625	\$2,068	\$11.77
Septicemia	21	\$492,543	\$23,454	\$10.74
Obesity	510	\$484,098	\$949	\$10.56
Adult Rheumatoid Arthritis	34	\$471,960	\$13,881	\$10.29
Pregnancy with Delivery	27	\$452,159	\$16,747	\$9.86
Routine Exam	1,481	\$447,824	\$302	\$9.77
Other Minor Perinatal Disorder	21	\$400,243	\$19,059	\$8.73
Joint Degeneration - Knee/Lower Leg	176	\$391,746	\$2,226	\$8.54
Mood Disorder, Depressed	293	\$338,433	\$1,155	\$7.38
Malignant Neoplasm - Pulmonary	10	\$333,974	\$33,397	\$7.28

Mr. Browder stated the increase in claims is a result of:

- Increase in high claimants above \$150,000 by 37%. Some of these high claimant increases are outside of the Plan’s ability to influence.
- Of the 17% increase in claims in 2014 – 2015, 10% is attributable to high claimants.
- Said a different way, the trend would be 7% without high claims activity in 2014 – 2015.
- In the most recent year 47 claimants, representing 1.2% of the member population, incurred 27% of payments.
- Some health issues have been stabilized and other health challenges persist:

	Employee Health Prevalence		
	2012 - 2013	2014 - 2015	Change
Hypertension	49%	49%	0%
Back & Joint Disorders	31%	34%	10%
Hyperlipidemia	31%	24%	23%
Diabetes	19%	19%	0%
Obesity	14%	18%	29%
Coronary Artery Disease	8%	8%	0%
COPD	6%	6%	0%

Mr. Browder explained the prospective risk score is based on the health of the population and predicted claims risk. Mr. Browder stated the score of 1.86 means Cumberland County has a higher probability of significant claims activity and indicates there is still plenty of work to be done to improve the health of the population.

Key Findings - Most Recent Year	
Prospective Risk Score	1.86

- The benchmark for cities and counties is 1.31.
- The risk score has been high at Cumberland County and the claims have finally been realized.
- This has been a consistent theme at Cumberland County and has been a focus of County staff and Mark III.

Mr. Browder compared the primary and specialist costs and utilization below. Mr. Browder stated although provider reimbursement is competitive within the state, Cumberland County is 18% higher in frequency of visits to primary care physicians and 38% higher in frequency of visits to specialists compared to the state average.

Professional Office Cost and Utilization

	County of Cumberland			Industry	
	Jul '13- Jun '14	Jul '14- Jun '15	% Change	Jul '14- Jun '15	% Variance
Office Paid PMPM	\$78.12	\$82.28	5%	\$87.69	-6%
Primary Care					
Visits/Member	3.55	3.64	3%	3.09	18%
Allowed/Visit	\$149	\$153	3%	\$164	-7%
Specialist					
Visits/Member	4.70	4.72	0%	3.42	38%
Allowed/Visit	\$199	\$203	2%	\$221	-8%

Mr. Browder reviewed HCR costs that are significant to the plan and stated these are outside the plan's ability to control.

Unfunded Mandates

2015 - 2016 Plan Year - Health Care Reform Costs	
Dependent coverage for adult children up to age 26 - 2%	2.00%
100% coverage for preventive services in network - 2%	2.00%
No lifetime or annual coverage limits on essential benefits - 1.5%	1.50%
No pre-existing condition exclusion for children - .2%	0.20%
Women's Health Benefits - 1%	1.00%
Elimination of all pre-existing condition limitations in 2014 - .2%	0.20%
Fee for Comparative Effectiveness Research Agency - July 31, 2016 - \$2.08 per Member	0.02%
Transitional Reinsurance Fee - 2014 - 2016 - 3rd Payment Due - \$27 per Member	0.34%
Medical Copays Apply to Out of Pocket Maximum - 2014 - 2015	1.85%
Additional Cost Per Year	9.11%
Total Dollars	\$1,830,103.44

Mr. Browder reviewed what the County and Mark III have done to address 91.24% of the cost:

Long-Term Strategies Implemented

- 2010 – 2011: Employee Screenings by Cape Fear with a premium incentive
- 2011 – 2012: Employee Screenings/Premium Incentive, added County Pharmacy, and Clinic
- 2012 – 2013: Employee Screenings/Premium Incentive
- 2013 – 2014: Employee Screenings/Premium Incentive
- 2014 – 2015: Employee Screenings/Premium Incentive and implemented 2014 – 2015 Incentive Qualification
- 2015 – 2016: Clinic RFP and change to Novant, Employee Screenings changed to Novant, Performed Dependent Eligibility Audit, Spousal Eligibility Change, with a future potential savings of \$793,000.
- 2016 – 2017: Suggested Weight Incentive

Mr. Browder reviewed the employee health improvement initiative/weight incentive plan for 2016-2017 as follows:

Risk Factor	Moderate Control
Waist Circumference	Waist Measurement Set by Medical Community < 40" Male or 35" Female
<i>Alternative method to qualify</i>	<i>Or improve by 5%</i>

- If employees meet these criteria, they will receive the below incentive in 2017 – 2018:
 - \$250 in Cash or HAS plan
 - This is an earned incentive and a positive incentive.

Mr. Browder compared contribution strategies for regionally located groups and stated Cumberland County’s strategy is extremely competitive.

	Cumberland County	Dare County	Duplin County	Forsyth County	Gaston County
Employer Contribution	\$639.16	\$643.38 to \$1,333.26	\$700.00	\$676.52 to \$1,177.30	\$796.95 to \$1,448.58

	Cumberland County	Moore County	Onslow County	Robeson County
Employer Contribution	\$639.16	\$700.00	\$590.31	\$728.18

Mr. Browder explained underwriting compared to how Cumberland County’s plan has trended and stated while the County’s average trend of 3.54% is good over the time period, there have been significant fluctuations.

- We and others project cost based on assumptions in both claims trend and fixed cost.
- These underwriting factors are industry standards and expectations.
- What is consistent is a rising cost environment for health care and claims.

	Cumberland Claims Trend
2009 - 2010	N/A
2010 - 2011	-7%
2011 - 2012	11%
2012 - 2013	-7.25%
2013 - 2014	-2.60%
2014 - 2015	17%
2015 - 2016	11.32%
Average Trend	3.54%

Mr. Browder stated in reality, it is a small portion of the population that is driving 27% of the County’s costs and wellness cannot be expected to undo thirty years worth of personal activity. Mr. Browder also stated wellness will not have any impact on some of the high claimants but it has improved the health of the population.

Mr. Browder state the recommendations were developed based on what is in the best interest of the employees and County, with financial reality and employee disruption in mind. Mr. Browder reviewed the following:

- Cost:
 - UHC
 - BCBSNC
 - CIGNA
- Fixed cost most to least competitive is as follows:
 - UHC
 - BCBSNC
 - CIGNA
- Cost is not the only factor, employee disruption is also important in the evaluation.
- In 2007, the NCACC insurance risk pool transitioned from BCBSNC to CIGNA.
 - The transition from BCBSNC to CIGNA did not go well.
 - Employees were very dissatisfied with the overall experience.
 - Employees were dissatisfied some of their physicians were no longer in the network.
 - And, some of the drugs that their doctor prescribed were no longer available in the formulary, or at a higher cost.
- We think that CIGNA and UHC are excellent claims payors. We have business with and have recommended clients use them as their claims payors.

- However, we also know that there will be provider and pharmacy tier disruption if the County transitions to another payor.
- Will the “potential” claims savings be worth changing payors? We can’t guarantee that.
- Given plan design changes that are coming to the County, the additional stress of changing physicians and medications is not a change that we are recommending.
- Also, our cost estimates will remain essentially unchanged until the network discounts are proven.

Mr. Browder provided a summary of the options below and stated if the current plan is renewed with no changes, there will be a \$4.131 million funding need for 2016-2017.

	BCBSNC 150k - 7/15 - 6/16	BCBSNC 150k - 7/16 - 6/17	BCBSNC 150k - 7/16 - 6/17		BCBSNC 150k - 7/16 - 6/17	
	Current	Renewal	Option 1		Option 2	
	In-Network	In-Network	PPO	HSA	PPO	HSA
	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network
Primary Care Physician Visits	\$30	\$30	\$40	Deductible/20%	\$30	Deductible/20%
Specialist Physician Visits	\$60	\$60	\$80	Deductible/20%	Deductible/20%	Deductible/20%
Well Baby Care	100%	100%	100%	100%	100%	100%
Immunizations/Injections	100%	100%	100%	100%	100%	100%
Physical Exams	100%	100%	100%	100%	100%	100%
Pap Smears/Mammograms	100%	100%	100%	100%	100%	100%
Age 26 Adult Children	Yes	Yes	Yes	Yes	Yes	Yes
Health Savings Account	N/A	N/A	N/A	\$750	N/A	\$750
Deductible	\$1,500	\$1,500	\$2,000	\$1,500	\$2,000	\$1,500
Deductible - Family Maximum	\$4,500	\$4,500	\$6,000	\$3,000	\$6,000	\$3,000
Coinsurance Limit	\$2,000	\$2,000	\$3,000	\$2,000	\$3,000	\$2,000
Coinsurance Limit - Family Max	\$6,000	\$6,000	\$6,000	\$2,000	\$6,000	\$2,000
Hospital Services	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%
Emergency Room	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%	Deductible/20%
Pharmacy	\$10/\$55/\$70/25%	\$10/\$55/\$70/25%	\$150 Deductible \$10/\$55/\$70/25%	Deductible/20%	\$150 Deductible \$10/\$55/\$70/25%	Deductible/20%
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Dependent Eligibility Change	Yes	Yes	Yes	Yes	Yes	Yes
Percentage Change	N/A	120.5%	111.5%	111.5%	107.5%	107.5%
Dollar Change		\$4,131,751.92	\$2,319,068.77	\$2,319,068.77	\$1,513,431.81	\$1,513,431.81

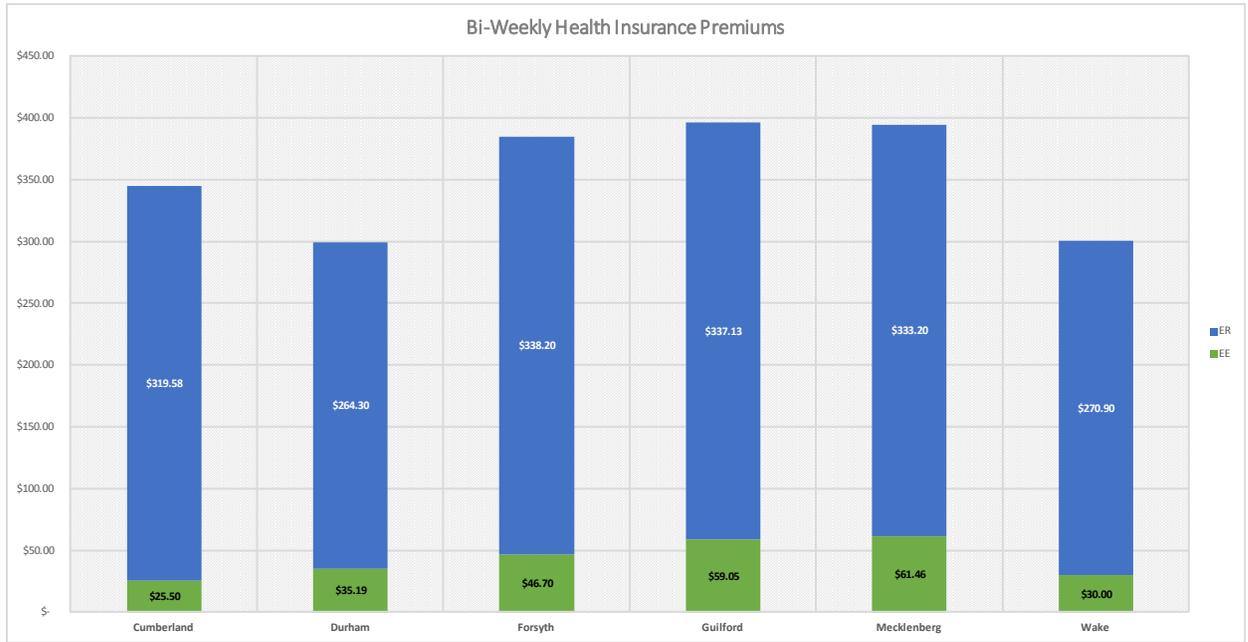
Mr. Browder reviewed the 2016-2017 recommendations below and stated the specialist and pharmacy under Option 2 will be a high pain-point for employees. Mr. Browder stated the recommendation for Option 2 as a plan design was not made lightly.

- Implement Option 2 for 2016 – 2017 with only a \$1.5 million increase
- Remain with BCBSNC to avoid provider/pharmacy disruption
- Implement the HSA in 2017 – 2018 for employee consumerism and personal savings for future health care cost
- Add a \$250 weight/waist incentive for health improvement
- Consider Premium Increase for Dependents in 2017 – 2018 for equitable cost share between the County and employees
- Consider elimination of retiree coverage for any new hires after June 30, 2016

Mr. Browder explained the HSA is like a medical IRA and stated the County can put money in on a nontaxable basis, participants can use the dollars for unreimbursed medical expenses today and when at retirement age, can continue to use the dollars for unreimbursed medical expenses or take out the dollars and be taxed on it at the assumed tax rate at that point; there is no forced distribution at age 70 ½.

Questions and discussion followed regarding retiree costs. Ms. Cannon reviewed the comparative health insurance information below:

Agency	MECKLENBURG	WAKE	GUILFORD	FORSYTH	DURHAM	CUMBERLAND
Population	1,013,199	985,310	512,273	364,248	292,191	332,553
Insurance provider:	Cigna	BCBS	United Healthcare	BCBS	BCBS	BCBS
Self-Funded?						
What % of increase have you experienced in current year claims:	8.40%	5%	Yes		7.11%	12%
Coverage for retirees?	Yes, if hired before 7/1/2010 No, if hired on or after 7/1/2010	Yes, if hired before 7/1/2011 No, if hired on or after 7/1/2011	Yes, up to 65	Yes, up to 65	Yes, hired before 7/1/2007 w/20 yrs or, hired after 7/1/2007 w/30 yrs	Yes, up to 65
Bi-weekly premiums (based on standard coverage):						
Individual	\$61.46/\$333.20	\$30.00/\$270.90	\$59.05/\$337.13	\$46.70/\$338.20	\$35.19/\$264.30	\$25.50/\$319.58
Individual + Spouse	\$182.96/\$333.20	\$190.00/\$375.77	\$160.79/\$507.00	\$109.00/\$421.00	\$208.43/\$397.25	\$120.50/\$319.58
Family	\$243.68/\$333.20	\$275.00/\$423.52	\$212.52/\$588.61	\$266.70/\$588.50	\$370.77/\$480.09	\$163.00/\$319.58
Offer a Wellness Program?	Yes	Yes	Currently in process of development	Yes	Yes	Yes
Health Discounts/Incentives:	Tobacco fee discounts	Discount prescription through CVS Caremark & free Employee Health Center (EHC)	Tobacco free discounts & Health Risk Assessment (HRA) discounts	HRA discount per pay period \$30; Spouse wellness discount \$20	Health Risk Assessment (HRA) discounts	Employee wellness discount per month \$30



Chairman Faircloth stated he did not want an unintended consequence to be that people are kept away from the doctor when they need to go due to out-of-pocket costs and then have it turn into a worst claim later. Chairman Faircloth also stated he felt at some point consideration should be given to increasing the premium and the incentive to get well. Mr. Browder stated although a significant burden, the effort is to balance financials against the benefits and the cost of the plan. In response to a question from Commissioner Edge, Mr. Browder stated it is difficult to quantify the case management and utilization management that exists within the current plan and with all payors that do it.

MOTION: Commissioner Edge moved to approve BCBSNC Option 2.

SECOND: Commissioner Council

DISCUSSION: Chairman Faircloth stated he stood by his comment about unintended consequences and also wanted discussion to begin about how to drive employees to the County’s pharmacy. Mr. Browder explained how the plan redesign will cause employees to reconsider their pharmacy needs. Ms. Cannon stated the \$150 deductible under Option 2 will not apply to the County’s pharmacy and the employees will have to be educated about the significant plan changes. Ms. Cannon stated open enrollment begins April 1 and once the Board makes a decision on the plan, there will only be a few weeks in which to work with the County workforce. Ms. Cannon stated employees will be notified today that changes will be made to the health insurance plan and dates will be provided for them to attend briefings. Mr. Browder stated the plan redesign will also encourage employees to look at the County’s clinic/Novant for medical services.

VOTE: PASSED (4-1) (Commissioners Edge, Council, Lancaster and Adams voted in favor; Chairman Faircloth voted in opposition)

4. Facilities Committee Agenda Items:

A. Consideration of Request to Lease Private Property Located at 727 McGilvery Street

BACKGROUND:

The FY 2015-16 Budget approval included funding to lease property to use as a Family Visitation Center for the purpose of creating a family-friendly setting for children in foster care. Due to the increased number of children in foster care, Social Services is unable to accommodate the vast number of court ordered visits within its building’s limited visitation space. All available county owned property was evaluated and it was determined none was suitable for this purpose. Private property has been located at 727 McGilvary Street. This location is the former site of the Kidsville Newspaper and has a family friendly atmosphere. The site will be staffed with employees of the Cumberland County Department of Social Services.

This item was brought before the January 7, 2016 Finance Committee who asked Social Services to provide the cost per square feet at 727 McGilvary Street and research any

available property through the school system. The property is 2050 square feet with a proposed annual lease amount of \$18,000 (\$1,500 per month) making the cost per square feet \$8.78. Tim Kinlaw, Associate Superintendent of Auxiliary Services with Cumberland County Schools, was contacted and the school system does not have any property suitable for a family visitation site.

RECOMMENDATION/PROPOSED ACTION:

The McGilvary Street site will provide a private, family like setting for foster children to have court ordered visits with their parents. The lease has been reviewed by County Legal. Request is for approval to enter into a lease agreement with Malzone Marketing Inc. in the amount of \$1,500 a month effective March 7, 2016. Upon approval, the March 2016 lease amount will be prorated.

Brenda Jackson, Social Services Director, reviewed the background information recorded above and stated in 2008 there were a little over 500 children in foster care and today there are over 900 children in foster care. Ms. Jackson provided additional information about supervised visitation and additional space that is already being utilized to accommodate the increase. Commissioner Adams inquired regarding the lease plan/end date and rate moving forward. Ms. Jackson stated her expectation is that the lease would be long term and that the lease would be reviewed for renewal options annually. Commissioner Adams stated a better rate might be negotiated for a longer term and the lease should contain an out clause.

MOTION: Commissioner Adams moved to go forward with the lease agreement for the McGilvary Street site with the proviso that the lease includes an out clause.

SECOND: Commissioner Council

VOTE: UNANIMOUS (5-0)

B. Consideration of Contract for Convention and Visitors Bureau Roof Replacement

BACKGROUND:

Informal bids were received on February 4, 2016 for the roof replacement at the Convention & Visitors Bureau located at 245 Person Street. The existing roof has reached the end of its useful life and the gutter system is failing which is leading to the deterioration of the wooden facial boards.

The certified bid tabulation from Fleming & Associates is recorded below. The lowest base bid was submitted by Curtis Construction Company, Inc. in the amount of \$103,869. In addition to the base bid, prices were also received on the following alternates:

Alternate #1	Higher grade shingle (longer life)	\$6,459.00
Alternate #2	Paint exterior of entire structure	\$34,500.00
Alternate #3	Complete tear off of flat roof	\$1,000.00

It is recommended that alternates #1 and #3 be awarded in conjunction with the base bid.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Board of Commissioners accept the bids for the Cumberland County Convention & Visitors Bureau Roof Replacement Project and award a contract to Curtis Construction Company, Inc. in the amount of \$111,328 for the base bid along with alternates #1 and #3.

Bid Tabulation Form

Convention & Visitors Bureau Roof Replacement

Cumberland County

Bid Date and Time: February 4, 2016 at 2pm

Engineer's Project Number: 15-14

Add.

Contractor	# 1	Base Bid	Add Alt. # 1	Add Alt. # 2	Add Alt. # 3
Curtis Construction Company, Inc.	Yes	103,869.00\$	6,459.00\$	34,500.00\$	1,000.00\$

Jacobs	Yes	147,955.00\$	2,858.00\$	9,400.00\$	4,800.00\$
Construction					
&					
Home Improvements					

I certify that the above bids were submitted properly and are accurate as received.

Stephen Fleming, PE, RRC Date

Boldface type indicates the apparent low bidder.

2/4/16

Jeffrey Brown, Engineering and Infrastructure Director, reviewed the background information as recorded above and responded to questions.

MOTION: Commissioner Lancaster moved to award a contract to Curtis Construction Company, Inc. in the amount of \$111,328 for the base bid along with alternates #1 and #3.

SECOND: Commissioner Council

VOTE: UNANIMOUS (5-0)

5. Report on Business Process Reviews Conducted by the Business Enterprise Division

BACKGROUND:

As a part of the Board of Commissioners approved Business Intelligence Initiative, the Enterprise Solutions Division within Information Services recently conducted two comprehensive business process reviews for the Veterans Services department and for the Jury process. Through these business process reviews, several opportunities for business process improvements were discovered.

A presentation will be provided to review the current processes, business process improvement opportunities, and recommended solutions to improve these business processes.

RECOMMENDATION/PROPOSED ACTION:

Report will be for informational purposes only. No further action required.

A. Veterans Services

Ms. Cannon call on Keith Todd, Information Services Director, who introduced staff of the Enterprise Solutions Division: Sabrina Patterson, Business Analyst; Jimmy Plater, Business Analyst; Lynn Smith, Business Analyst; and Kim Homan, Enterprise Solutions Manager. Mr. Todd stated the Business Intelligence initiative started in July 2015 and since that time the framework has been established, employees hired and by November 2015 there was a solid approach to Business Intelligence and business process reviews began.

Ms. Patterson provided the following presentation on the Veterans Services business processes review:

Agenda

- Veterans Services Organizational Structure
- Facts about Veterans Services
- Fact Findings
- Pain Points
- Opportunity Findings
- Recommendations
- Improvements Implemented
- Time Saved
- Recommended Cost
- Website Improvements
- Value Added Summary
- Supported Strategic Goals
- Future Enhancements

Veterans Services Organizational Structure

Staff Members:

- 5 – Veterans Services Officers (VSOs)
- 1 – Receptionist
- 3 – Part-Time Work Studies Students

Current Software Systems:

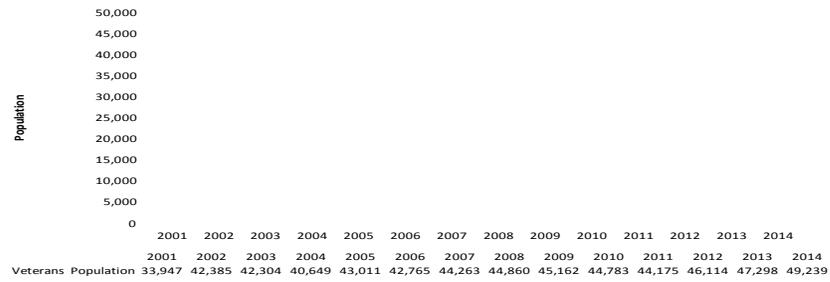
- Veterans Information Management System (VIMS)
- Veterans Benefit Network (VBN)
- Share
- Veterans Benefits Management System (VBMS)
- Virtual VA

Veterans Seen in 2015: 8,666

Veterans Ratio

Counties	County Population	Veterans Population	Percentage
Buncombe	206,330	19,973	9.68%
Cumberland	302,963	49,239	16.25%
Forsyth	306,067	25,724	8.40%
Guilford	421,048	33,329	7.92%
Mecklenburg	695,454	57,018	8.20%
Onslow	150,355	26,002	17.29%
Wake	627,846	58,436	9.31%

Cumberland County Veterans Population



Compensation and Pension Claims

Years	Compensation and Pension
2002	\$123,525
2003	\$140,628
2004	\$151,733
2005	\$164,361
2006	\$171,330
2007	\$187,045
2008	\$210,257
2009	\$247,764
2010	\$258,884
2011	\$316,839
2012	\$302,863
2013	\$361,732
2014	\$441,197

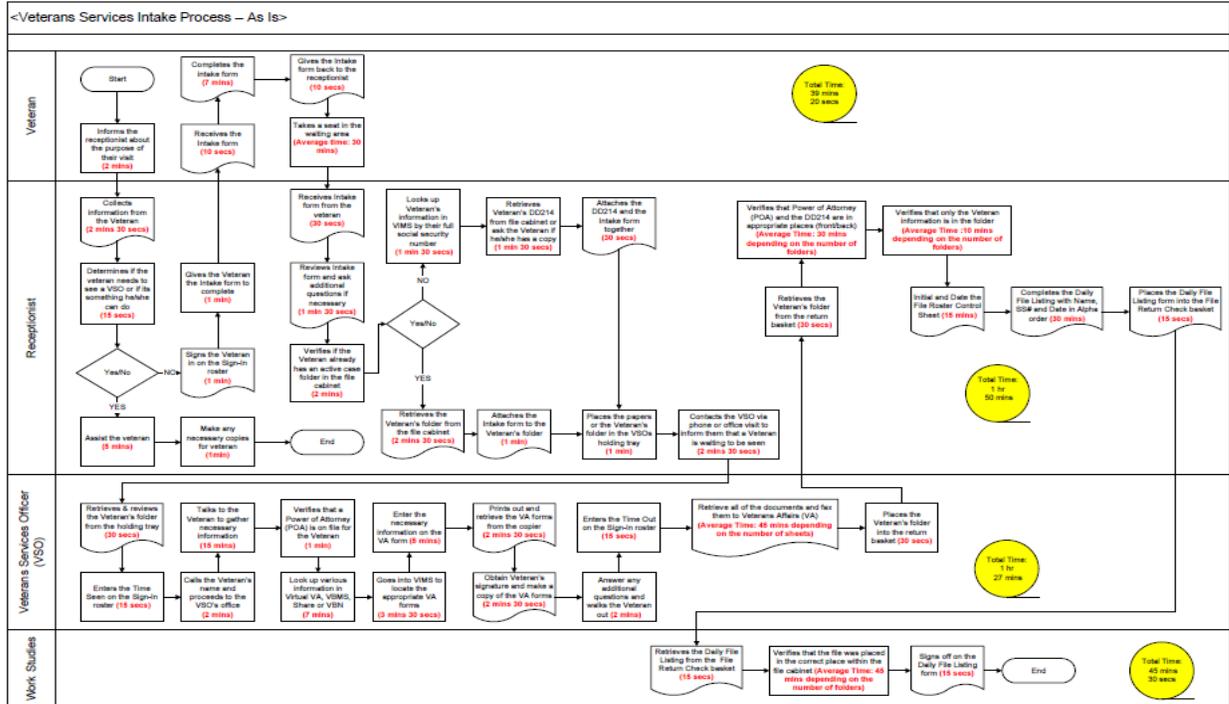
Ms. Patterson stated over the past 13 years, Cumberland County VSOs have processed an overwhelming number of claims that has put a great deal of money back into the county. There has been a 70.4% increase over the last 5 years.

Fact Findings

- Military draw down for Fort Bragg soldiers in FY15-17 will be 842
- Another military draw down of 10,000 in FY18 but no figures have been released about how this would affect Fort Bragg

- Civilian jobs lost in FY17 will be 17,000 but no figures have been released about how this would affect Fort Bragg civilians
- Increase in spouse and dependents claims due to military draw down, soldiers' casualties and educational benefits
- State Veterans Affairs office in the Systel building will be closing March 31, 2016, which would redirect 1,080 veterans to the county VSOs
- County VSOs process claims for veterans who live in the surrounding counties

Ms. Patterson reviewed the current intake process below:



Receptionist – Known Pain Points

Time-In/Time-Seen/Time-Out Log

- Unable to keep track of which VSO has a client already, which in return affects which VSO will see the next client.

Intake Sheet

- Does not provide enough information to complete weekly or monthly reports.
- Missing viable information that is needed to complete VA forms or various required reports.

Sign-In Tracker Roster Report

- Has to manually count the number of clients that are seen by each VSO on a daily basis and log the information on an excel spreadsheet.
- Very tedious and very time consuming.

Receptionist – Discovered Pain Points

Knowing when a VSO is on a call

- Calls the VSO and if they do not answer, the receptionist leaves her desk to locate the VSO for any veteran, county staff, etc.

Notifying VSOs when there is a veteran waiting

- Constantly calling VSOs and walking to their offices to notify them that a veteran is waiting.
- While away from her desk other clients are waiting to check in.

Locating veterans claim file folders

- Files are jammed into overcrowded filing cabinets which makes it difficult to access them or to put them back.

Veterans Services Officers (VSOs) - Current Pain Points

Completing internal, county and state end-of-month reports

- Too many man hours being spent on doing these reports. (5-7 days to complete)
- Numerous errors on individual reports due to manual entries.

Faxing documents to Veterans Affairs

- Taking too long to fax due to one fax machine not being in operation.
- Some documents have numerous pages which take longer to fax and sometimes causes the fax to jam.
- Unable to receive the VA Intake fax confirmation back from VA.

Receiving notification when a client is waiting

- Not knowing in a timely manner that a veteran is waiting due to the fact that the receptionist may get busy with other veterans or pulling files.

Opportunity Findings/Areas of Improvement

- Duplicating work on weekly and monthly reports
- Wasted time on locating VSOs
- Inadequate client notification system
- Inadequate faxing capabilities
- Not utilizing VoIP phone features
- Unnecessary errors (15%) on Time-In, Time-Seen and Time-Out roster
- Excessive usage of paper for the Intake sheets, claim folders and for reports
- Website has minimal information to assist veterans and their families

Recommended Solutions

Recommendation #1:

Implement Bell Data Systems web based software application for the automation of the time-in/time-seen/time-out log, intake sheet, sign-in tracker roster, county and state reports and VSO client notification. This software will replace VIMS.

Recommendation #2:

Implement the electronic Laserfiche Enterprise Content Management System in order to eliminate the 48 filing cabinets which have an estimated 23,841 files. Will also add the ability to search and query specific files and data.

Recommendation #3:

Configure the current fax machines so that both machines can receive the VA confirmation sheet. Move the two fax lines over to the Ricoh copiers for faster faxing capabilities.

Recommendation #4:

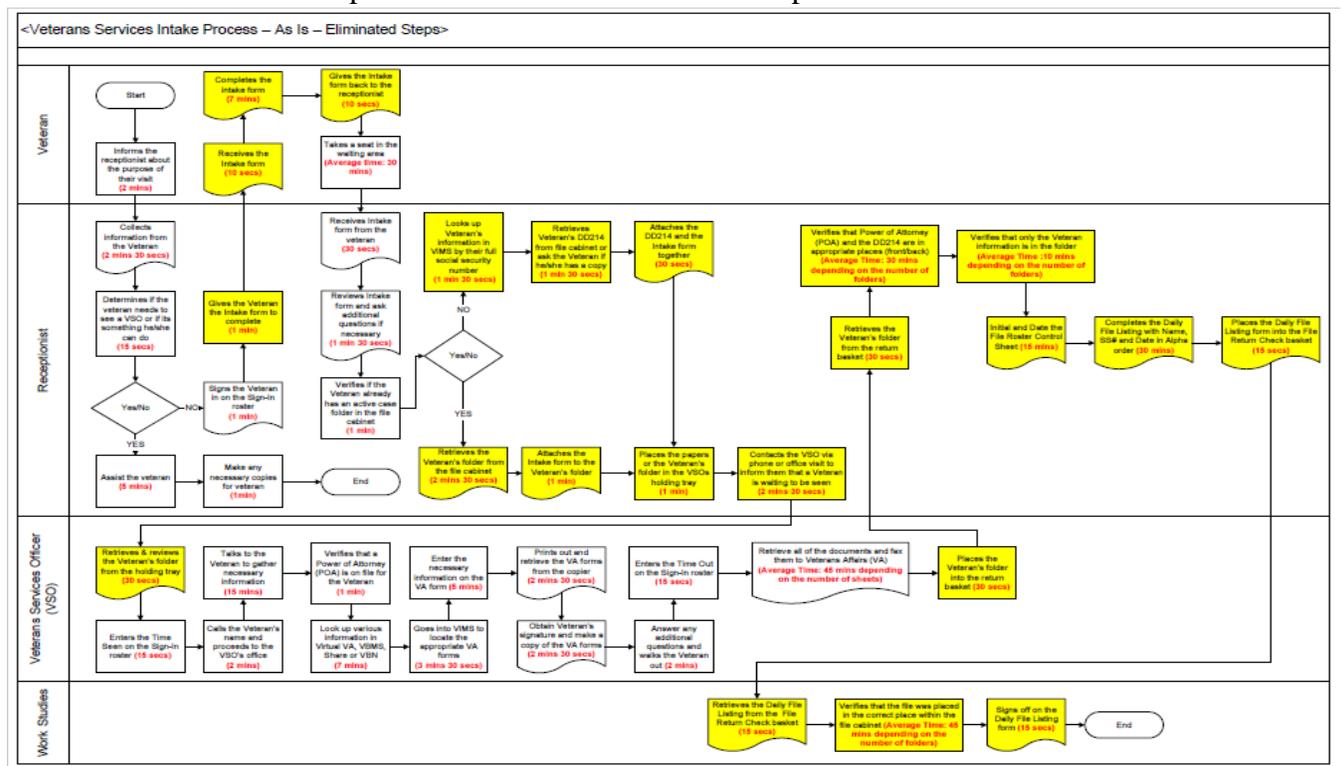
Activate the Cisco busy lamp field on the receptionist phone side car with all of the VSOs number to eliminate the excessive walking back and forth.

Improvements Implemented

- Programmed receptionist side car with busy lamp fields for all VSO (Time Saved: 2 mins 30 secs * 8666 vets = 21,665/60 = 361 hrs per year)
- Activated second fax line (Time Saved: Average 30 mins faxing * 7799 vets = 233,970/60 = 3,900 hrs per year)

Total Time Saved: 4,261 hours

Ms. Patterson reviewed steps eliminated in the current intake process:

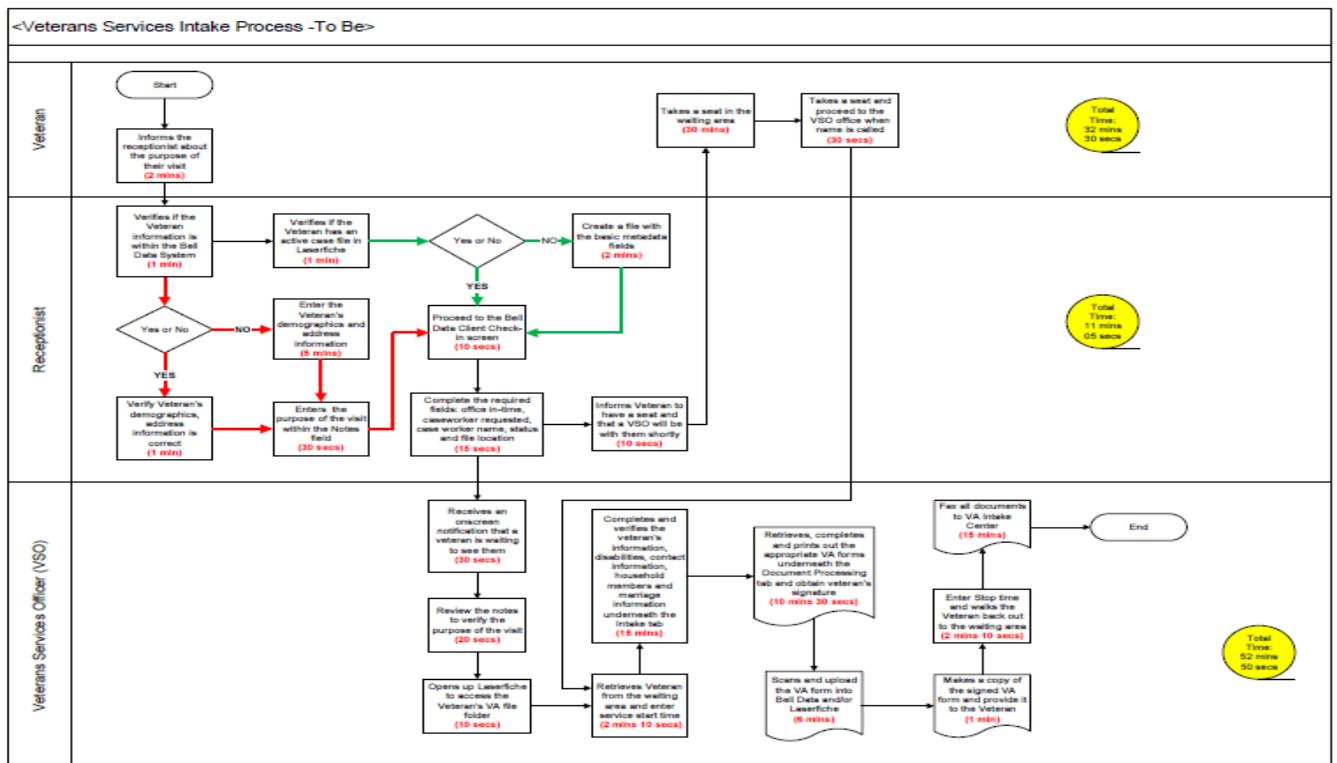


Ms. Patterson explained how the time saved below will be accomplished:

	Time As-Is	Time To-Be	Timed Saved
Veteran	39 mins 20 secs	32 mins 30 secs	6 mins 50 secs
Receptionist (per visit)	24 mins 25 secs	11 mins 05 secs	13 mins 20 secs
Receptionist (daily)	1 hr 25 mins 45 secs		1 hr 25 mins 45 secs
VSOs (per visit)	1 hr 27 mins	52 mins 50 secs	34 mins 10 secs
Work Studies (daily)	45 mins 30 secs		45 mins 30 secs

Total Time Saved per Visit: 54 mins 20 secs
 Total Time Saved Daily: 2 hrs 11 mins 15 secs
 Eliminated: 22 steps

Ms. Patterson outlined the future intake process once the recommendations are implemented:



Recommended Cost

Laserfiche Cost	Price
Hardware and Equipment	\$ -
Solution Software	\$ 3,696.00
Annual Support and Warranties	\$ 739.20
Total	\$ 4,435.20
Bell Data Cost	Price
Hardware and Equipment	\$ -
Solution Software/Annual Support	\$ 3,325.00
Professional Services*	\$ 1,674.00
Total	\$ 4,999.00

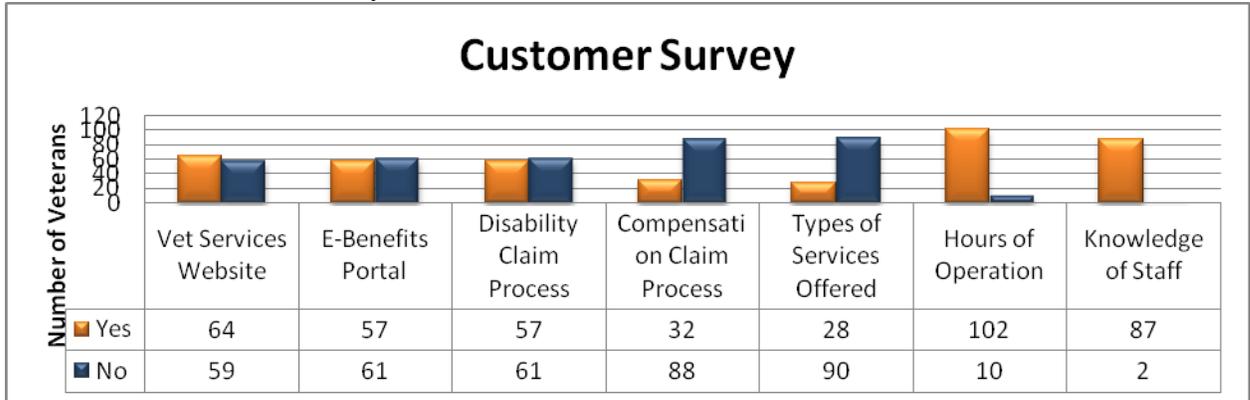
Total Cost: \$9,434.20

- Includes import of demographic information. Additional data imports are billed at \$150 an hour.
- Additional licenses will cost \$475 each.

Mr. Todd explained how the amount of \$9,434.20 was covered in the existing budget. Ms. Cannon stated she hopes the recommendations and improvements when implemented will eliminate the need for additional positions. Questions followed. Ms. Patterson explained the monitoring process once everything has been implemented.

Website Improvements Needed

Ms. Patterson stated the website needs to be veteran friendly and informative and reviewed the results of the customer survey below:



Purpose of Website Changes

- Reduce the number of repeat visits to the office due to the fact that the veteran did not realize that certain documents such as medical records, marriage license, divorce decree, award letters, DD214, rating and decision letter, family birth certificates and social security cards and death certificate were needed to file a particular claim
- Keep veterans informed about any available resources
- Provide useful website links such e-benefits.com, va.gov, etc.
- Offer useful information about the different types of claims
- Provide important resourceful phone numbers
- Deliver access to various VA forms via va.gov
- Provide a list of Frequently Asked Questions (FAQs)

Website Improvement Recommendations

Update the website with the following useful information to help improve the veterans' knowledge base:

- Disability Claim
- Reopened Compensation Claim
- Death Claim
- Community Resources
- Cemetery Programs
- Education & Scholarship Benefits
- Property Tax Relief
- Handicapped Parking Privileges
- Frequently Asked Questions (FAQs)
- Various useful website links & phone numbers

Value Added Summary

Improvements	Value Added
Speed of Service	Time Saved per Visit: 54 mins 20 secs Time Saved Daily: 2hrs 11 mins 15 secs
Reduction of Errors	Reduced error rate of 15% for time-in, time-seen and time-out log
Additional Floor Space	Redeemed 297 square footage
Ease of Operations	Streamlined current process by eliminating 22 steps
Less Time Faxing	Reduced faxing time for VSOs by 30 minutes (67%)
Less Paper Usage	Eliminates the paper for Intake sheets and monthly reports
Better Employee Time Management	Reduced the receptionist time away from the desk
Reduction in File Maintenance	Eliminates paper claim files by implementing the electronic document management system (Laserfiche)
More enhanced and informative website	Provides more useful information to the veterans and their family

Supported Strategic Goals

- Goal 2 – Objective 3: Advance the county’s automation and technology capabilities
Continue implementation of digital records system to include Child Support, DSS and Veterans Services.
- Goal 3 – Objective 4: Develop a flexible, proactive approach to the expansion and contraction of the military
Improve communications and partnership with Fort Bragg.
Participate in and collaborate with local, regional and state military affairs and economic development organizations.
- Goal 4 – Objective 1: Increase citizen engagement as evidenced by increased advisory board applications, meeting attendance and program participation
Engage and educate citizens through resource guides, public forums, programs and other outlets.
- Goal 4 – Objective 2: Enhance communications systems and transparency so citizens can readily access information
Enhance website; ensure information is current and links operational.

Future Enhancements

- Digits-to-Digits (D2D) to eliminate faxing and to allow electronic filing of veterans claims directly to Veterans Affairs (VA)
- Incorporate electronic signature pads to be utilized with the Bell Data Software
- Revisit Veterans Affairs Stakeholders Enterprise Portal (SEP) to submit veterans claims
- Purchase Laserfiche Quick Fields add to simplify automated capture, classification, and organization of documents.

Ms. Patterson concluded her presentation by stating the overall goal of this business process review for Veterans Services was to ensure that all of their business processes were efficient and effective in order for them to provide superior service to veterans and their families.

B. Jury Summons Process

Mr. Platter provided the following presentation on the jury business processes review:

- ❖ 2 Business Processes were Reviewed
 - Jury Business Process – A consolidated group of processes that support the Jury Coordinator and assignment of Cumberland County Citizens to Jury Duty
 - Juror Intake Process – A sub-process of the Juror Process. Cumberland County Citizens interact with the Jury Coordinator prior to Court Room assignment
- ❖ Information Services Department Workers
 - Duties:
 - Yearly: Creation of the Master Jury File
 - Monthly: Printing of Jury Summons, Juror Panel Cards, and No-Show Letters and the Folding and Sorting Jury Summons
 - Weekly: Printing of Excused Juror Postcards
 - Daily: Creating Juror Pay File
 - Ensuring the Jury Summons, Excused Juror Postcards, and No-Show Letters were delivered to the Mail Room
- ❖ Information Services Time: 309 Resource Hours Yearly

Mr. Platter explained the Master Jury File is created once a year by first creating a consolidation of Cumberland County citizens from the Board of Elections, the Department of Motor Vehicles, and the Criminal Justice System. Mr. Platter stated it is then run through a series of processes to filter out any citizens who would be ineligible for jury duty and from there, this list randomly selects the pool of jurors for each month of the year. Mr. Platter also explained that the Juror Pay File is a file generated from the legacy system that displays who served jury duty to ensure they are paid for their civil service. Mr. Platter continued his presentation as follows:

- ❖ The Jury Coordinator
 - Duties
 - Ensuring the Jury Business Process occurred on schedule.

- Managing Jurors until they were assigned to courtrooms, guiding the Jurors through orientation, and ensuring the jurors are paid correctly.
- ❖ Mail Room
 - Duties
 - Ensuring that Jury Summons, Excused Juror Postcards, and No-Show Letters are mailed.

The entire process took a combined 380 Process Hours Yearly

- ❖ Software
 - Mainframe: A Legacy system with limited capabilities used to maintain Juror Information.
 - Helpdesk: A system used to maintain message flow between Information Services and the Jury Coordinator. This is how the Jury Coordinator ensured the Jury Business Processes were completed on schedule.

Pain Points

- ❖ Limited capabilities of the legacy system restricted the potential for future business process growth.
 - Viewing historic Juror Information involved excessive system navigation and the potential involvement of Information Services
 - The legacy system involved excessive manual input by the Jury Coordinator
- ❖ Although the processes were initiated by the Jury Coordinator, the responsibility to complete them belonged to Information Services.
 - The Jury Coordinator had to organize with Information Service with substantial lead time to complete Jury Business Processes due to limited resources by Information Services
 - This prevented the streamlining of Jury Business Process because Information Services owned the process responsibility

Service Commander Software

- ❖ Primary Benefits
 - Service Commander emphasizes “one-click” navigation and barcode scanning, which reduced the manual input time drastically
 - All historic juror information is located on one screen
 - Service Commander also has legal responsibility and integrity of the Master Jury File.
- ❖ Service Commander has eliminated the involvement of Information Services in the Jury Process
 - The Jury Coordinator has full control of all other remaining business processes, which has removed any delay in processing time.
 - The printing of Jury Summons Forms is now accomplished by the Print Shop, which is in close proximity of the Mail Room
 - The removal of Information Services has allowed 309 Hours of resources to be reallocated towards supporting the growth of our County’s Business Intelligence and Enterprise Solutions Initiatives
 - Overall, Service Commander has reduced the over responsibility time from 380 Process Hours per year to 188 Process Hours per Year
 - This is a mix of the removal of Information Services and streamlining the processes by allowing the Jury Coordinator and Print shop to accomplish them.

Jury Intake Process

- ❖ The Jury Intake Process occurs on each day that Jurors are potential needed to serve Jury Duty.
- ❖ They were input in the legacy system and then seated in the Juror Waiting Room.
 - On average, it took 50 minutes to process approximately 71 Jurors
 - During this time, Jurors would have to stand and wait to be processed by the Jury Coordinator, which involved finding Juror Panel cards and typing their Panel Number into the Mainframe system

- Jurors would come in confused on their status and their eligibility to serve or defer their Jury Duty, which would involve questions, that further slowed the process
- This process was also subject to interruption by phone calls
- ❖ Moving from the old legacy system to Service Commander opened the opportunity to improve this process as well
 - Jurors are now separated from those who have questions to those who are not, in order to process the jurors more efficiently
 - Phone calls are forwarded during the Juror Intake Process and are responded to after the process is complete
 - Scanning of Juror Panel Cards reduced the time it took to process jurors
 - This has reduced the time to 37 Minutes to process 83 Jurors, which is 39.65% decrease in the overall process time.
- ❖ The streamlining of the Juror Intake Process makes it more convenient for the citizens to of Cumberland County to serve Jury Duty.

Value Added Summary

Improvement	
Moved from Mainframe to Service Commander Software	Leaned the Juror Business Process
Business Process Control give to Jury Coordinator	Streamline the Juror Business Process 380 Process Hours to 188 Process Hours Yearly
Master Jury File Creation to Service Commander	Legal Responsibility to Service Commander
Eliminated Information Services from Jury Business Process	Reallocated 309 Resource Hours to County Business Intelligence Initiatives
Increased Jury Intake Efficiency for County	Reduced Juror Intake Processing time by 39.65% Increased the quality of service for Cumberland County Citizens

Goal 2, Objective 3

Advance the County's autom

Goal 5, Objective 1

Optimize service delivery th
services and create new serv

- ❖ The next stage is cente
 - “Exchange co
access informa
- ❖ This involves updating
 - Increases the t
 - Potential to fur
 - Reduce

Mr. Platter concluded his pres
is to increases the quality o
comments followed.

6. Consideration of Rev
Change

BACKGROUND:

In September 2010 the Board of Commissioners amended the County's Personnel Ordinance to eliminate funeral leave as a separate category of leave. In lieu of the funeral leave, the amendment added three days to the annual sick leave accrual for use in times of bereavement.

This change means that employees have accrued 3 additional days of sick leave annually since September 2010. However, *due to a recent policy change at the retirement system*, this additional 3 day annual accrual will become a penalty to employees as they become eligible for retirement.

The retirement system allows an employee to convert unused sick leave towards years of credible service. The formula used to convert the standard of one day of sick leave is equal to 8

hours. In the case of Cumberland County employees, the additional three day leave accrual results in one day of sick leave being converted as 10 hours. The retirement system will base credible service on a 10 hour day for *all years of accrued leave, even though the ordinance change has only been in effect since 2010*. Therefore, an employee will not receive full credit for accrued sick leave.

As an example: Employee A plans to retire March 1, 2016 after working with the County for 28 years. Employee A has accumulated 3,840 hours of sick leave. Based on a standard 8 hour day, Employee A will receive an additional 24 months of credible service toward retirement (3,840 / 8 hours / 20 days = 24 months). Employee A is now eligible for full retirement with 30 years of credible service.

This same employee under the current policy will be penalized by the retirement system – Based on a 10 hour day, Employee A will receive 20 months of credible service toward retirement (3,840 / 10 hours / 20 days = 20 months). Employee A must now work longer to receive full retirement benefits or retire with reduced benefits.

In order to avoid penalizing employees upon retirement and to allow leave time for funerals and bereavement, it is recommended that the Board of Commissioners amend the Personnel Ordinance and reduce sick leave accruals by 3 days each year and increase the annual leave accrual by 3 days each year.

RECOMMENDATION/PROPOSED ACTION:

Recommend the Board of Commissioners amend the Personnel Ordinance, through the resolution recorded below, to the reduce sick leave accrual by 3 days per year and increase the annual leave accrual by 3 days per year effective immediately; thereby allowing use of annual leave for attendance at any funeral or memorial service for any decedent and for the bereavement of any loved one with which an employee had any relationship.

**BOARD OF COMMISSIONERS OF CUMBERLAND COUNTY
ORDINANCE AMENDING SECTIONS 10-107 AND 10-108 OF
THE CUMBERLAND COUNTY PERSONNEL ORDINANCE**

Be it ordained by the Board of Commissioners that the Cumberland County Personnel Ordinance, formerly codified as Chapter 10 of the Cumberland County Code, *Personnel*, is hereby amended as follows:

FIRST AMENDMENT:

Sec. 10-107, Annual leave, is amended to increase the amount of annual leave for all employees by three days, regardless of the years of completed aggregate service, by repealing existing subsection 10-107(c) *Leave credits*, and adopting in its stead the following new subsection 10-107(c) *Leave Credits*:

(c) *Leave credits*. All employees subject to the Local Government Employees' and Law Enforcement Officers' Retirement Systems who are in pay status for ten or more workdays, 80 hours, in a pay period earn annual leave. Former employees who are rehired will be credited with their total years of completed cumulative service in determining their rate of leave credit. The amount of leave credits shall be determined as follows:

<i>Years of Completed Aggregate Service</i>	<i>Leave Days Earned Each Pay Period</i>	<i>Earned Annually</i>
Less than 2 years	.461	11.986
2 years	.576	14.976
5 years	.692	17.992
10 years	.807	20.982
15 years	.923	23.998
20 years	1.038	26.988

Employees whose normal work week is less than or more than 40 hours per week shall earn leave proportionally.

Employees shall be credited with annual leave accrued during time lost due to on-the-job injuries. Annual leave accrued during the period of disability shall be manually posted to the monthly leave log.

SECOND AMENDMENT:

Sec. 10-108, Sick leave, is amended to reduce the amount of annual sick leave accumulated by three days, to be offset by a commensurate increase in the amount of annual leave, by repealing existing subsection 10-108(a) *Sick leave credits*, and adopting in its stead the following new subsection 10-108(a) *Sick leave credits*:

- (a) *Sick leave credits.* All employees subject to the Local Government Employees' and Law Enforcement Officers' Retirement Systems who are in a pay status for ten or more workdays, 80 hours, in a pay period earn sick leave at the rate of .461 days per pay period or 11.986 days per year. Employees whose normal work week is less than or more than 40 hours per week shall earn sick leave proportionally.

Employees shall be credited with sick leave accrued during time lost due to on-the-job injuries. Sick leave accrued during this period of disability shall be manually posted to the monthly leave log.

THIRD AMENDMENT:

Sec. 10-108. Sick leave, is further amended to remove attendance at a funeral or memorial service as an authorized use of sick leave by repealing subsection 10-108(c)(3) in its entirety. With this amendment subsection 10-108(c) shall be as follows:

(c) *Uses of sick leave.* Leave may be used for illness or injury which prevents an employee from performing usual duties and for the actual period of temporary disability, and for:

- (1) Medical appointments, or
- (2) Illness of a member of the employee's immediate family. For purposes of this policy, immediate family is described and defined under the definition section of the Family and Medical Leave Policy.

FOURTH AMENDMENT:

Sec. 10-108. Sick leave, subsection (d), *Verification of sick leave*, is amended to clarify that attendance at a funeral service is not an authorized use of sick by repealing the last sentence in the existing subsection 10-108(d). With this amendment subsection 10-108(d) shall be as follows:

(d) *Verification of sick leave.* To avoid abuse of sick leave privileges, the department head may require a statement from a medical doctor or other acceptable proof that the employee was unable to work due to personal illness, family illness, or medical appointments.

These amendments to the Cumberland County Personnel Ordinance shall become effective immediately upon adoption by the Board of Commissioners.

Adopted this 3rd day of March, 2016.

Ms. Cardinali reviewed the background information recorded above and stated due to a recent policy change with the retirement system, the ordinance as currently written is a penalty to employees as it reduces the credible service computation. Ms. Cardinali stated the amendment as proposed will avoid any penalty on the retirement side to employees. Questions followed.

Ms. Cannon stated it is believed that with making this change moving from sick leave to annual leave, the retirement system will go back to eight hours. Ms. Cardinali stated the effort is to bring something forward that would not penalize employees as far as total leave, so under the resolution employees would have to take annual leave for funerals/bereavements and not sick leave. Ms. Cannon stated the rationale was to not to make another change that would be seen as a reduction in benefits.

MOTION: Commissioner Lancaster moved to approve the recommendation recorded above.
 SECOND: Chairman Faircloth
 VOTE: UNANIMOUS (5-0)

7. Update on the Capital Improvement Plan Financing

BACKGROUND:

The most recent update given to the Board of Commissioners regarding the status of financing for the first three years of the County’s capital improvement plan was given at the December 3, 2015 work session. Since that time, finance staff has been working with the County’s financial advisors to shore up dollar amounts the County is requesting to borrow, on the timing of the financing and the different financing options that are available to the County.

At this time, the County is planning to proceed with financing utilizing a draw program which will establish credit availability over three years. A benefit to this type of financing is that permits and contracts are not required up front but instead will be required as projects approach their starting point. The application process and meeting with the Local Government Commission as well as a banking request for proposal is required in year one and the end of year three. During the first three years, funds will be drawn from the bank as project invoices are paid.

Once all projects have been completed over the three year timeframe, the total of all bank draws will become the dollar basis for the final financing. A second application process and meeting with the LGC and a second banking RFP will follow. Re-payment over five years will begin after that. One attractive component to this type of financing is the ability to move forward with project completion without having to finance for each project separately. Another attractive component is the County’s ability to pre-plan for that future debt payment by setting a portion of the funds aside during the budget process over the next three years.

A tentative financing calendar is recorded below. Public hearings and Board of Commissioner approval will be requested during both meetings of the Board of Commissioners in April.

RECOMMENDATION/PROPOSED ACTION:

No action is necessary, for information purposes only.

PRELIMINARY FINANCING SCHEDULE

<u>DATE</u>	<u>EVENT</u>	<u>PARTICIPANTS</u>
March 2	Send RFP for Proposed Financing	FA/County
March 3	Meeting with Finance Committee	County
March TBD	LGC Kickoff Meeting	All
March 16	FA and County Discuss Financing Proposals	County/FA
March 18	Send Joint Legislative Committee Letter	County/BC
March TBD	Distribute Documents	BC/PC
April TBD	1 st Conference Call to Review Documents / Discuss Closing Requirements Call in Number: 866-390-5250 Access Code: 7355668	All
April 4	County Adopts Findings Resolution and Authorize LGC Filing; County Calls for Public Hearing	County/BC
April 5	Publish Notice of Public Hearing (on or before)	County/BC
April 8	Submit Application to LGC	County
April 18	County Adopts Approving Resolution and Holds Public Hearing	County/BC
April TBD	2 nd Conference Call to Review Documents / Discuss Closing Requirements Call in Number: 866-390-5250 Access Code: 7355668	All
WK of April 18	Finalize Documents	BC/PC
May 3	LGC Approval (Executive Committee)	LGC
May TBD	Closing	All

Vicki Evans, Finance Director, reviewed the background information and preliminary financing schedule recorded above.

8. Monthly Financial Report

BACKGROUND:

The financial report is included as of January 31, 2016. Highlights include:

- Revenues
 - General fund revenues overall are trending as expected and are in line with budgeted amounts.
 - Sales & service revenues are lagging slightly behind this point in fiscal year 2015. This is attributable to a lag in that some of January's receipts were posted in the month of February.
- Expenditures
 - General Fund expenditures remain in line with budget and show no unusual patterns.
- Crown center expense summary/prepared food and beverage and motel tax
 - Expenditures and revenue percentages to date are in line with budget

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

Ms. Evans reviewed highlights of the financial report as of January 31 as recorded above and responded to questions.

9. Other Matters of Business

Commissioner Adams stated consideration should be given to discussions about the Murchison Road corridor since Bragg Boulevard access to Fort Bragg will be closed in December 2016. Commissioner Adams stated traffic will be routed down Murchison Road and that gateway into the Fayetteville/Cumberland County community does not look good.

10. Adjournment

There being no further business, the meeting adjourned at 11:30 a.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board