
AGENDA
CUMBERLAND COUNTY BOARD OF COMMISSIONERS
COURTHOUSE - ROOM 118
JANUARY 2, 2018
9:00 AM

INVOCATION - Commissioner Glenn Adams

Introduction of Child Support Director

James McQueen

1. APPROVAL OF AGENDA
2. PRESENTATIONS
 - A. Cumberland County 2017 Year in Review Video
 - B. Presentation of an Update Regarding the Fort Bragg Joint Land Use (JLUS) Project
3. CONSENT AGENDA
 - A. Approval of Resolution in Support of Installation of Roadway Improvements as Requested by the North Carolina Department of Transportation
 - B. Approval of Budget Ordinance Amendments for the January 2, 2018 Board of Commissioners' Agenda
 - C. Approval of Cumberland County Finance Committee Report and Recommendation(s)
 1. Cumberland County Finance Committee Minutes December 14, 2017 Special Meeting
4. ITEMS OF BUSINESS **There are no Items of Business for this Meeting**
5. NOMINATIONS **There are no Nominations for this Meeting**
6. APPOINTMENTS
 - A. Fayetteville Cumberland County Economic Development Corporation (1 Vacancy)

ADJOURN

WATCH THE MEETING LIVE

THIS MEETING WILL BE STREAMED LIVE THROUGH THE COUNTY'S WEBSITE, CO.CUMBERLAND.NC.US. LOOK FOR THE LINK AT THE TOP OF THE HOMEPAGE.

THE MEETING WILL ALSO BE BROADCAST LIVE ON FAYETTEVILLE/CUMBERLAND EDUCATIONAL TV (FCETV), SPECTRUM CHANNEL 5.

**IT WILL BE REBROADCAST ON WEDNESDAY, JANUARY 3, AT 7:00 PM AND
FRIDAY, JANUARY 5, AT 10:30 AM.**

REGULAR BOARD MEETINGS:

January 16, 2018 (Tuesday) - 6:45 PM

February 5, 2018 - 9:00 AM

February 19, 2018 - 6:45 PM

**THE MEETING VIDEO WILL BE AVAILABLE AT
[YOUTUBE.COM/CUMBERLANDCOUNTYNC](https://www.youtube.com/c/CumberlandCountyNC)**



**ASSISTANT COUNTY MANAGER STRATEGIC MANAGEMENT/ GOVERNMENTAL
AFFAIRS**

MEMORANDUM FOR BOARD OF COMMISSIONERS AGENDA OF JANUARY 2, 2018

TO: BOARD OF COUNTY COMMISSIONERS

FROM: SALLY SHUTT

DATE: 12/19/2017

SUBJECT: CUMBERLAND COUNTY 2017 YEAR IN REVIEW VIDEO

BACKGROUND

The Public Information Office created a short video spotlighting the County's achievements in 2017.

RECOMMENDATION / PROPOSED ACTION

For information only.



ASSISTANT COUNTY MANAGER - ENVIRONMENTAL/ COMMUNITY SAFETY

MEMORANDUM FOR BOARD OF COMMISSIONERS AGENDA OF JANUARY 2, 2018

TO: BOARD OF COUNTY COMMISSIONERS

FROM: TRACY JACKSON, ASST. COUNTY MANAGER

DATE: 12/19/2017

**SUBJECT: PRESENTATION OF AN UPDATE REGARDING THE FORT BRAGG JOINT
LAND USE (JLUS) PROJECT**

BACKGROUND

The Department of Defense has awarded a major planning grant to conduct a Joint Land Use Study (JLUS) in the Fort Bragg region. The purpose of the study is to assess the potential threat to the military training mission from incompatible urban growth and development that has occurred in the areas surrounding Fort Bragg and Camp Mackall since the completion of the 2005 BRAC process. The grant was awarded to the Mid-Carolina Council of Governments and will be managed through the Regional Land Use Advisory Commission (RLUAC) Board of Directors and Full Commission. The study began with a project administration meeting in September 2016 and is expected to be completed by June 2018.

Mr. Jason Epley, AICP, President of Benchmark Planning, LLC, will present an update regarding the status of the Joint Land Use Study.

RECOMMENDATION / PROPOSED ACTION

This presentation is for information purposes only, and no action is required at this time.

ATTACHMENTS:

Description

Fort Bragg Joint Land Use Study

Type

Backup Material

FORT BRAGG

JOINT LAND USE STUDY

CUMBERLAND COUNTY UPDATE
JANUARY 2, 2018

BENCHMARK

WHAT IS A JOINT LAND USE STUDY?



BENCHMARK

WHAT IS A JLUS?



- A study funded by the DoD's Office of Economic Adjustment to help communities and military installations work together in achieving compatible growth and long-term sustainment of the military training mission.



JLUS PURPOSE / GOALS



- Identify and mitigate barriers to the long term sustainability of the installation's training mission.
- Promote compatibility between civilian land use and military training / operational impacts.
- Strengthen coordination and communication between local governments and the installation.
- Raise public awareness and understanding of compatible growth issues.

LAND USE COMPATIBILITY



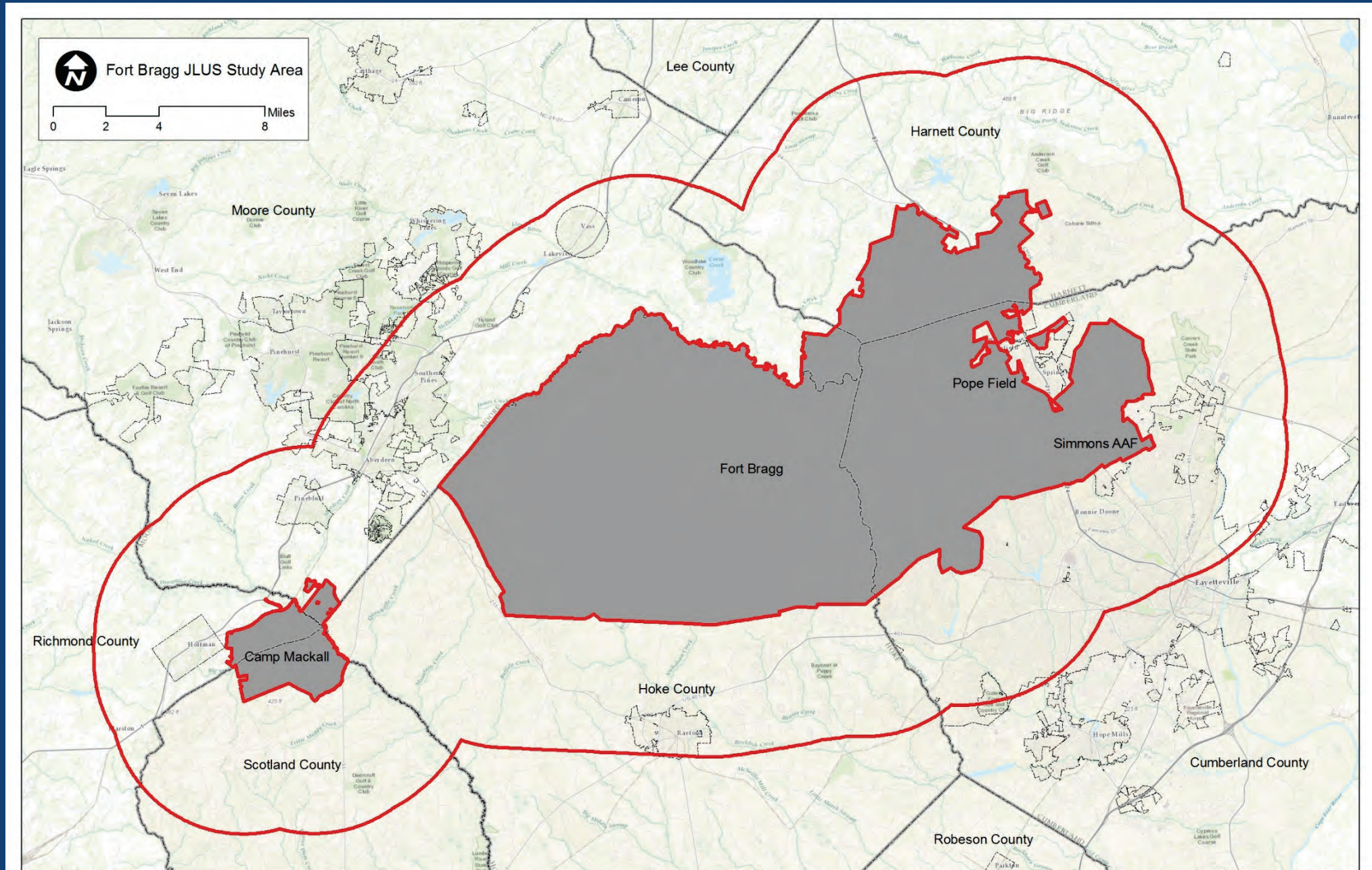
BENCHMARK

STUDY AREA



- 5 mile Focus Area (around Fort Bragg)
- Counties: Cumberland, Harnett, Hoke, Moore, Richmond and Scotland
- Cities/Towns: Aberdeen, Eastover, Fayetteville, Hoffman, Pinebluff, Pinehurst, Raeford, Spring Lake, Southern Pines, Whispering Pines, Vass.
- Partner Organizations: Fort Bragg, Fort Bragg Regional Alliance, Mid-Carolina COG, NC Department Commerce, NC DEQ, Sustainable Sandhills, The Nature Conservancy, US Fish & Wildlife Service

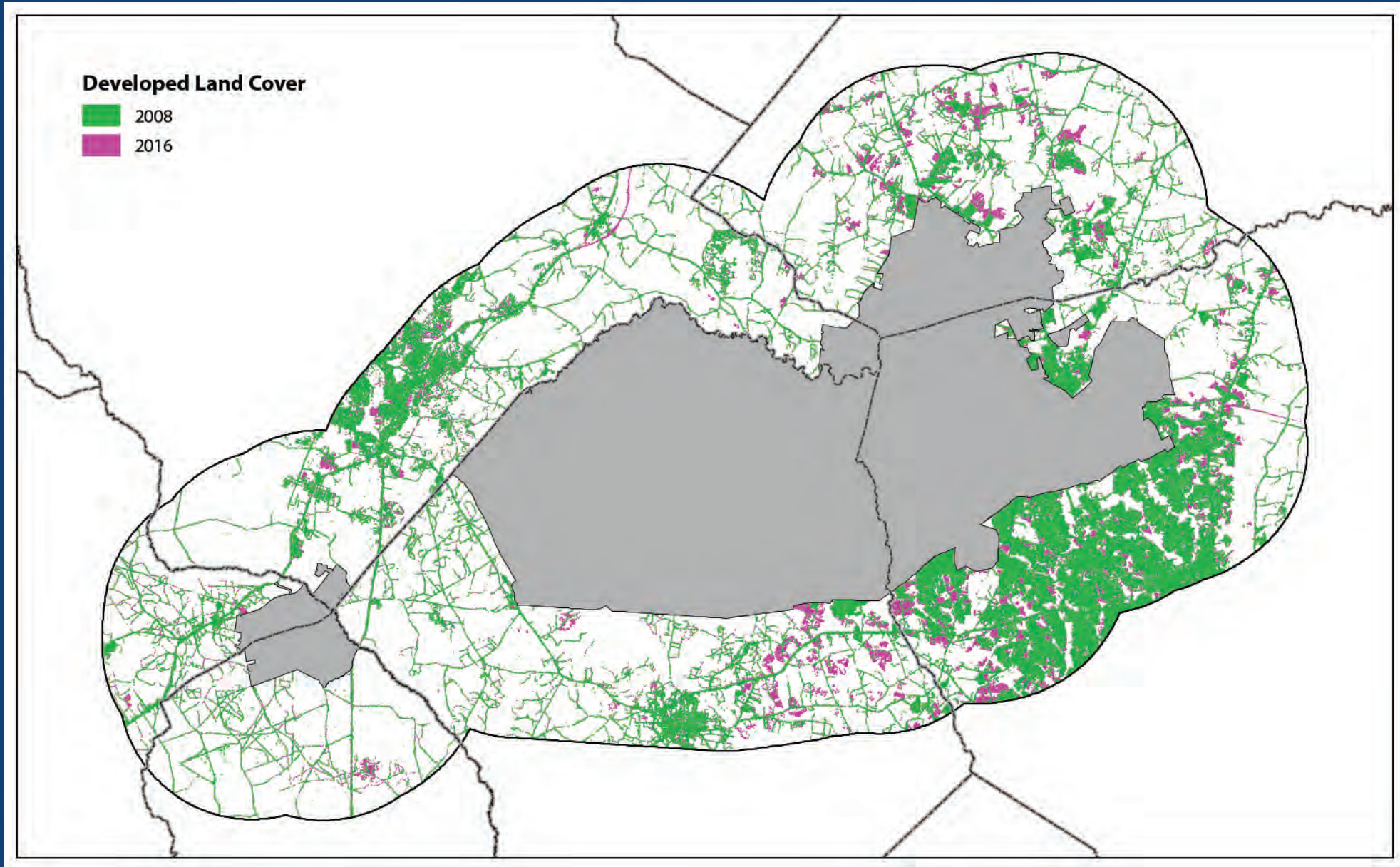
5-MILE STUDY AREA



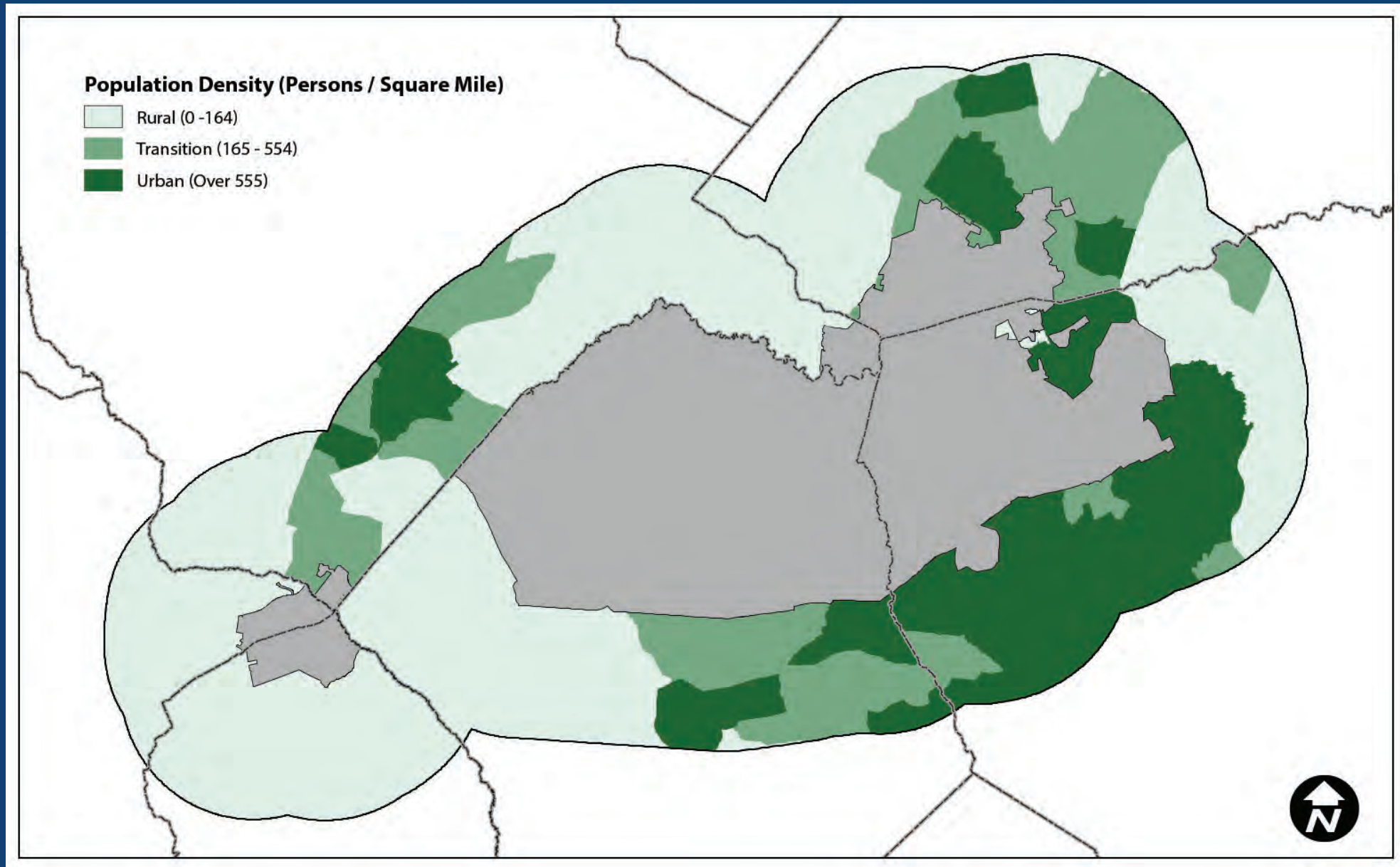
BACKGROUND RESEARCH

- **TASK TWO: Review & Research**
 - Existing plans, reports, studies
 - Review land use policies and ordinances
 - Demographic information
 - Development trends and patterns
 - Environmental constraints
 - Climate resiliency
 - GIS data collection & mapping
 - Presentation of Research Summary
 - **Please go to: www.rluac.com**

CHANGE IN DEVELOPED LAND COVER 2008-16

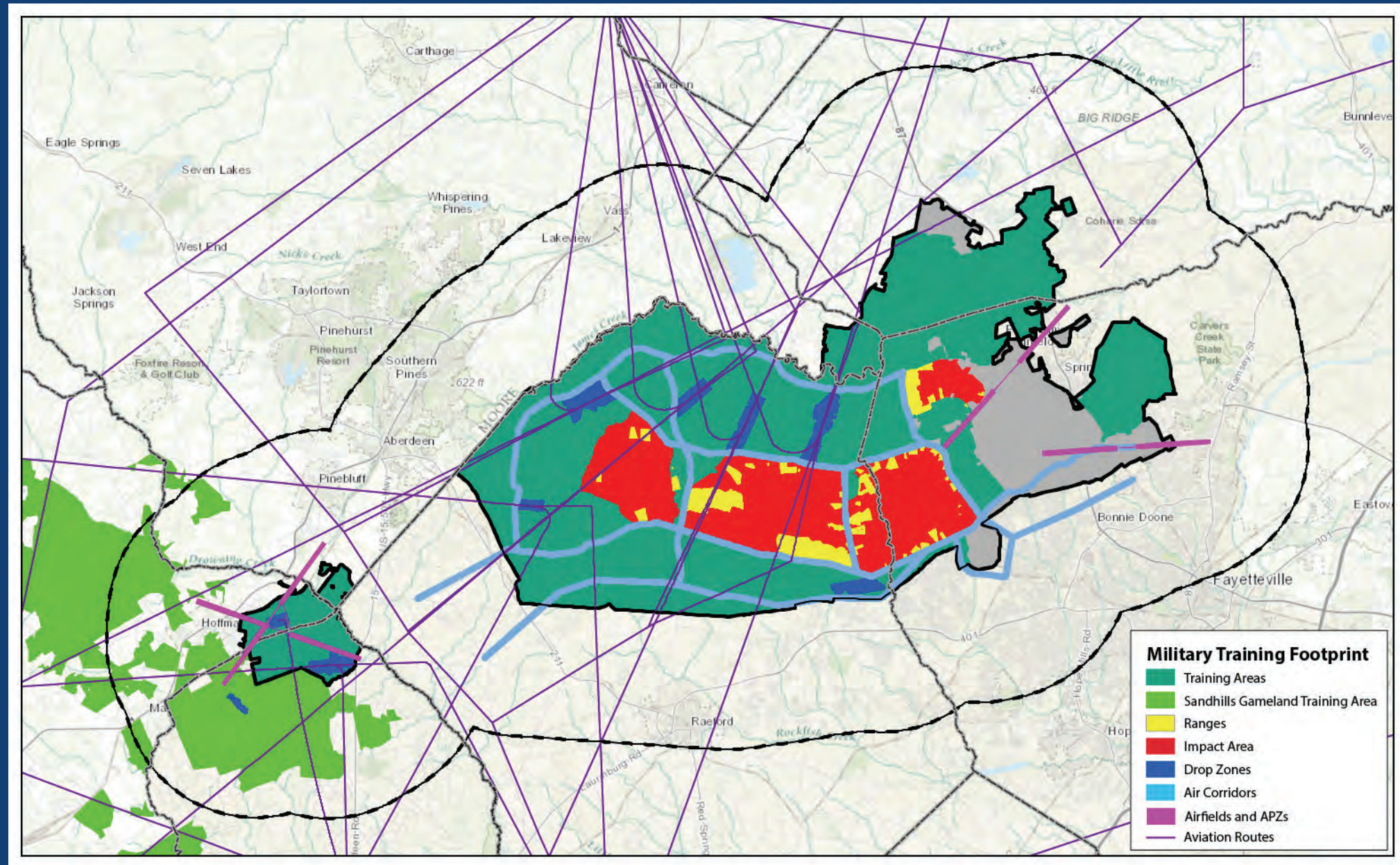


2015 POPULATION DENSITY



TASK 3: LAND USE COMPATIBILITY UPDATE

FORT BRAGG RANGE & TRAINING AREAS MAP



LARGE CALIBER NOISE CONTOURS

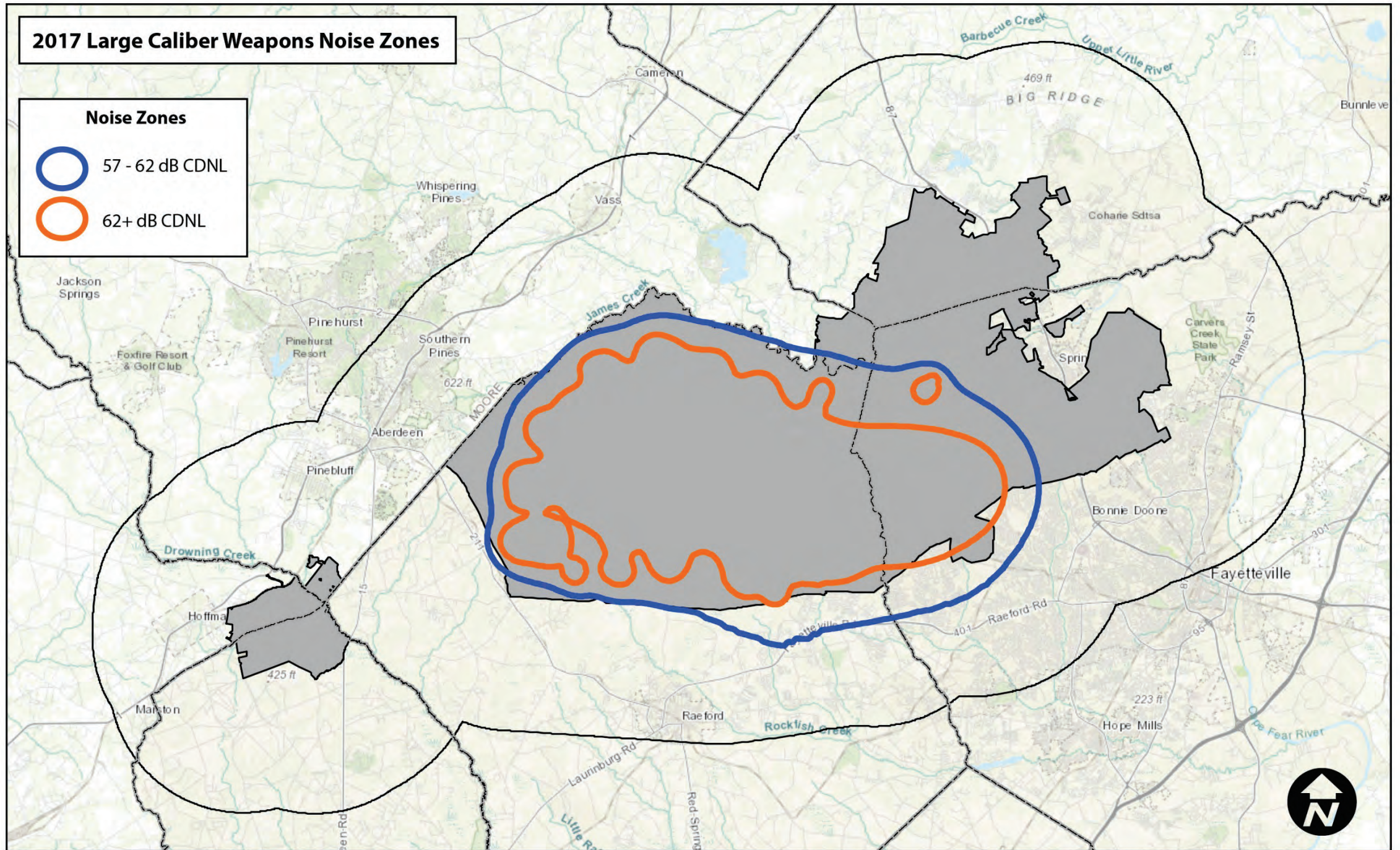
CDNL / PK15

OBSERVATIONS

- Large Caliber CDNL Contours:
 - CDNLs are weighted annual measurements for low frequency noise
 - Day/night operations averaged over 250 days with +10 dB penalty for nighttime firing
 - Based on even distribution of ammunition expenditure to all artillery firing points
 - Off-post expansion of 57+ dB noise contour in the southeast quadrant vs. historic noise contours
 - Some off-post contraction of the 62-70 dB contour along southern boundary vs. historic noise contours
 - All 70+ dB contours remain on-post

2017 Large Caliber Weapons Noise Zones

Noise Zones

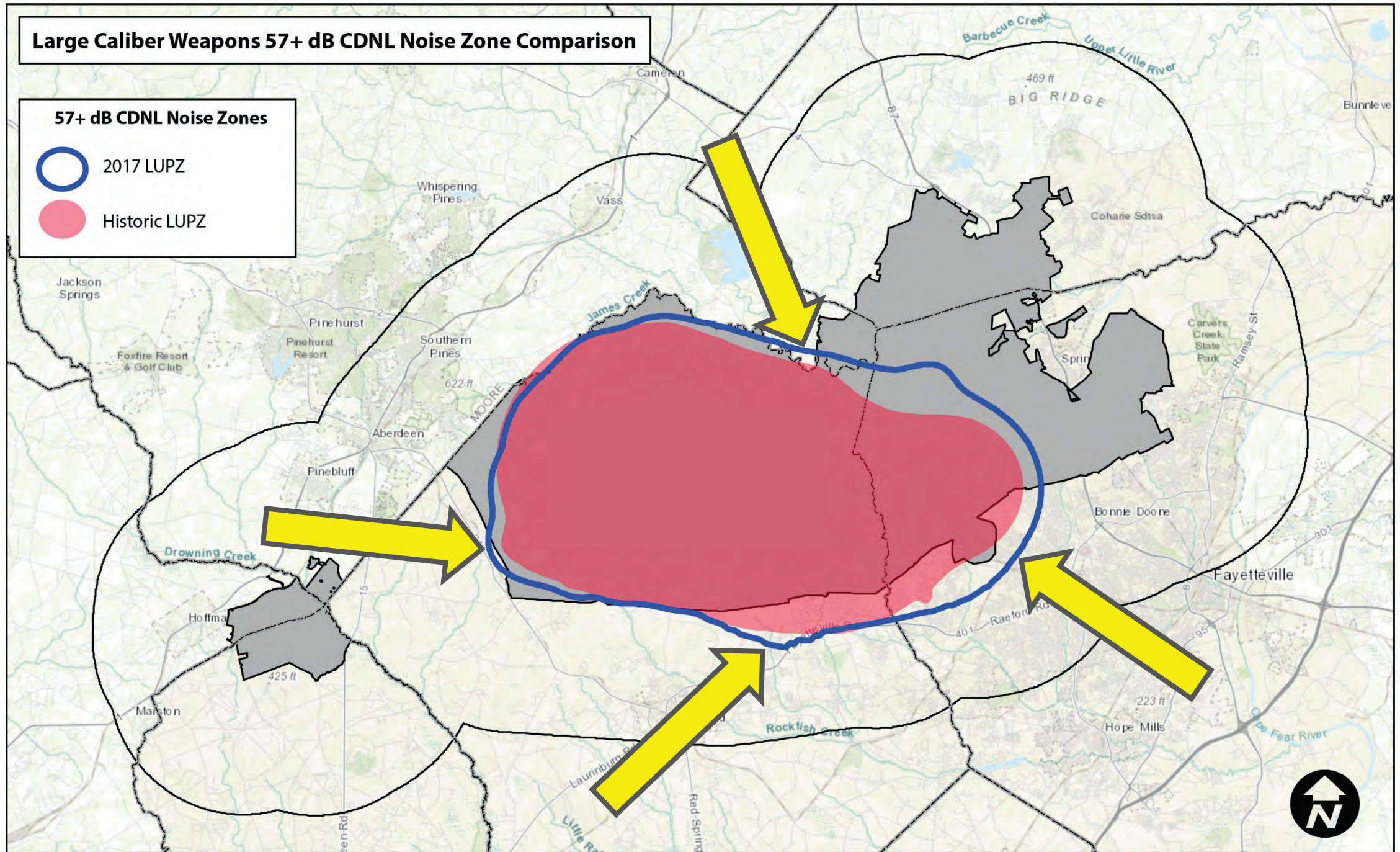


Large Caliber Weapons 57+ dB CDNL Noise Zone Comparison

57+ dB CDNL Noise Zones





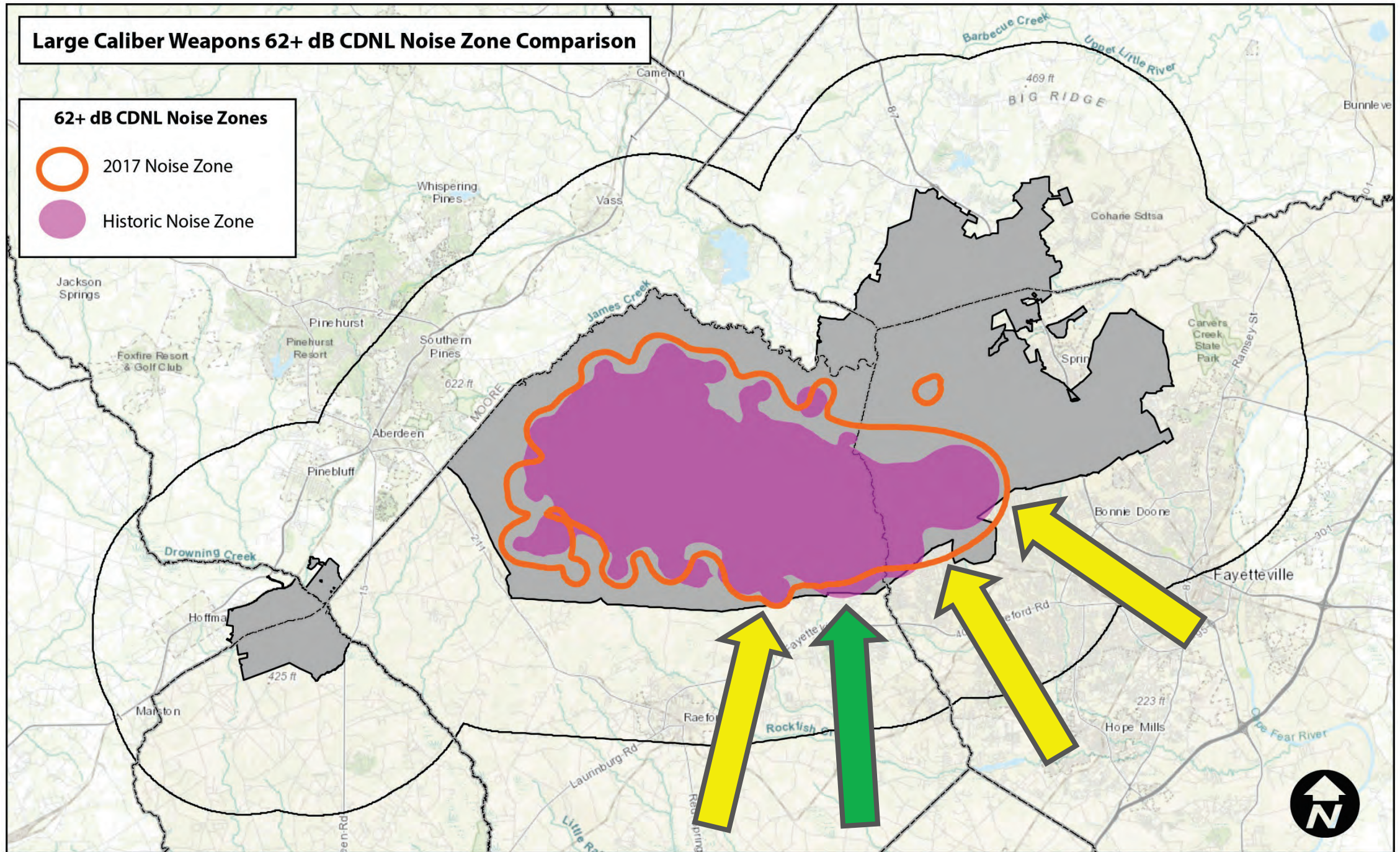
Historic LUPZ



Large Caliber Weapons 62+ dB CDNL Noise Zone Comparison

62+ dB CDNL Noise Zones

-  2017 Noise Zone
-  Historic Noise Zone





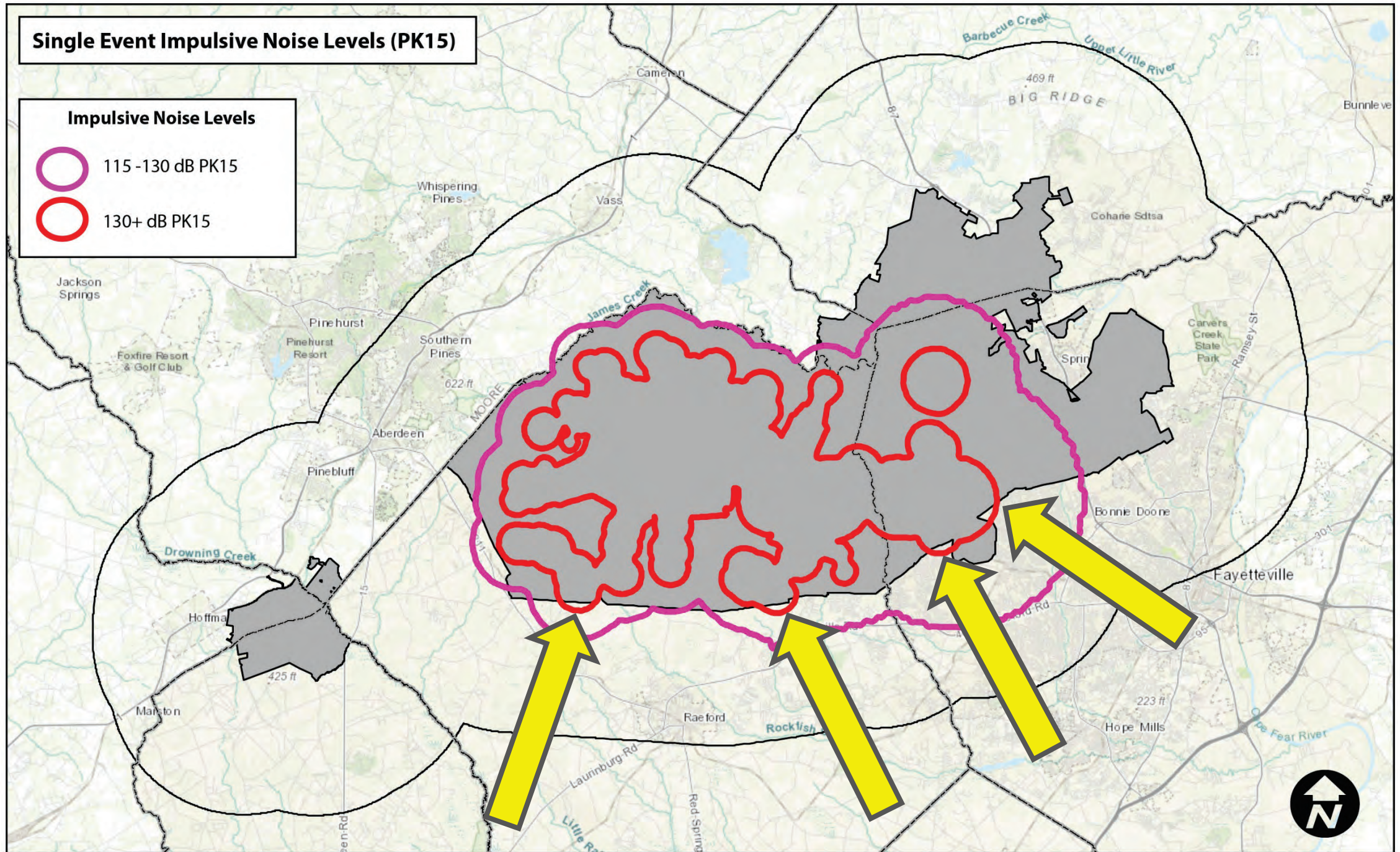
OBSERVATIONS

- Large Caliber PK15 Contours:
 - PK15 is a single event measurement for impulsive noise that predicts complaint risk:
 - 130+ dB = High Complaint Risk
 - 115 – 130 dB = Moderate Complaint Risk
 - Measurement based on adverse (noise conducive) weather conditions – representative of 85% of expected events
 - 130+ dB contour is the primary concern due to high complaint risk for single events.
 - 130+ dB contour is generally contained within the 62+ dB CDNL contour.
 - 130 dB + Extends past 62+ dB CDNL in 2 locations along the southern boundary

Single Event Impulsive Noise Levels (PK15)

Impulsive Noise Levels

-  115 -130 dB PK15
-  130+ dB PK15

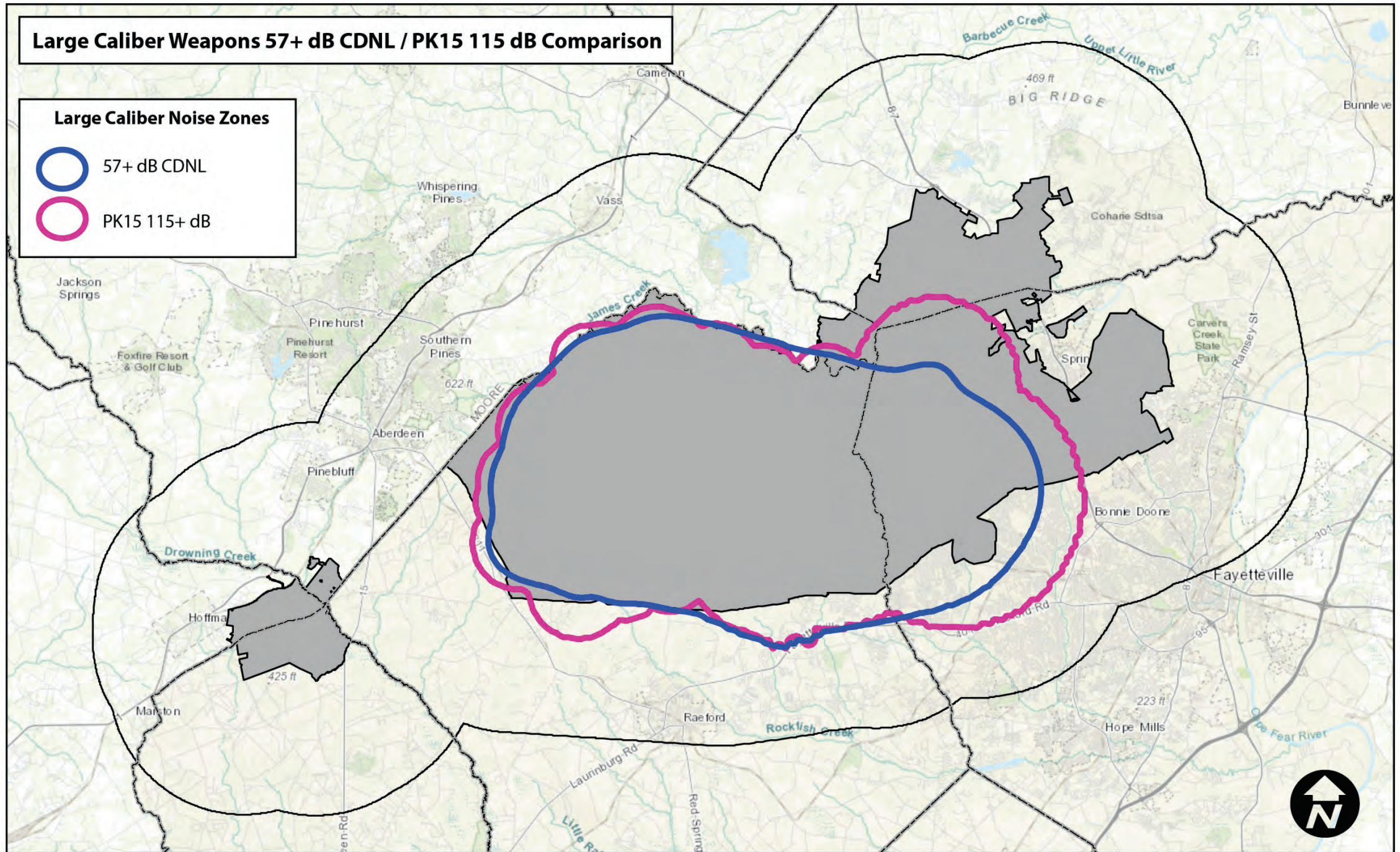


LARGE CALIBER NOISE CONTOURS CDNL / PK15 COMPARISON

Large Caliber Weapons 57+ dB CDNL / PK15 115 dB Comparison

Large Caliber Noise Zones

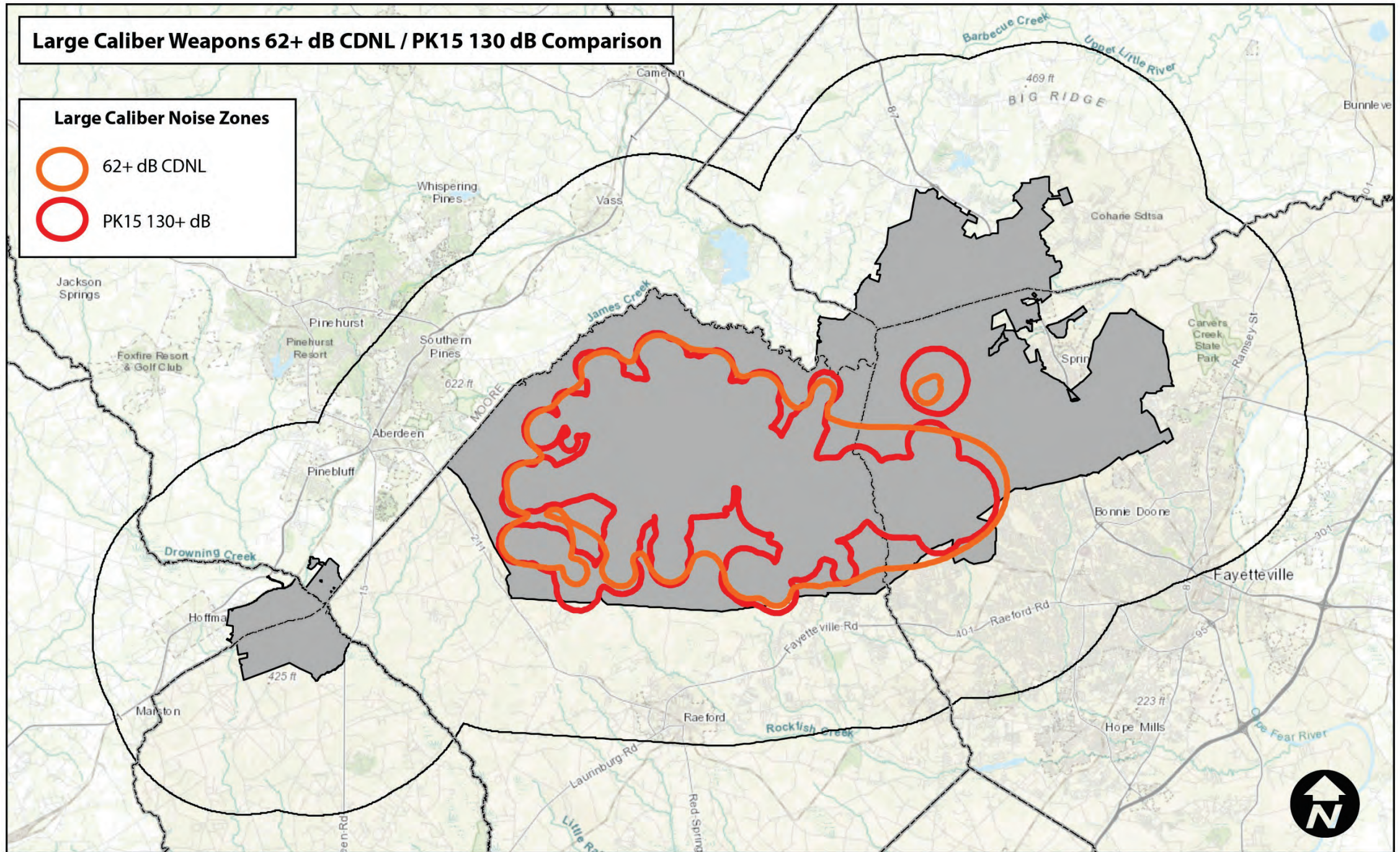
-  57+ dB CDNL
-  PK15 115+ dB



Large Caliber Weapons 62+ dB CDNL / PK15 130 dB Comparison

Large Caliber Noise Zones

-  62+ dB CDNL
-  PK15 130+ dB




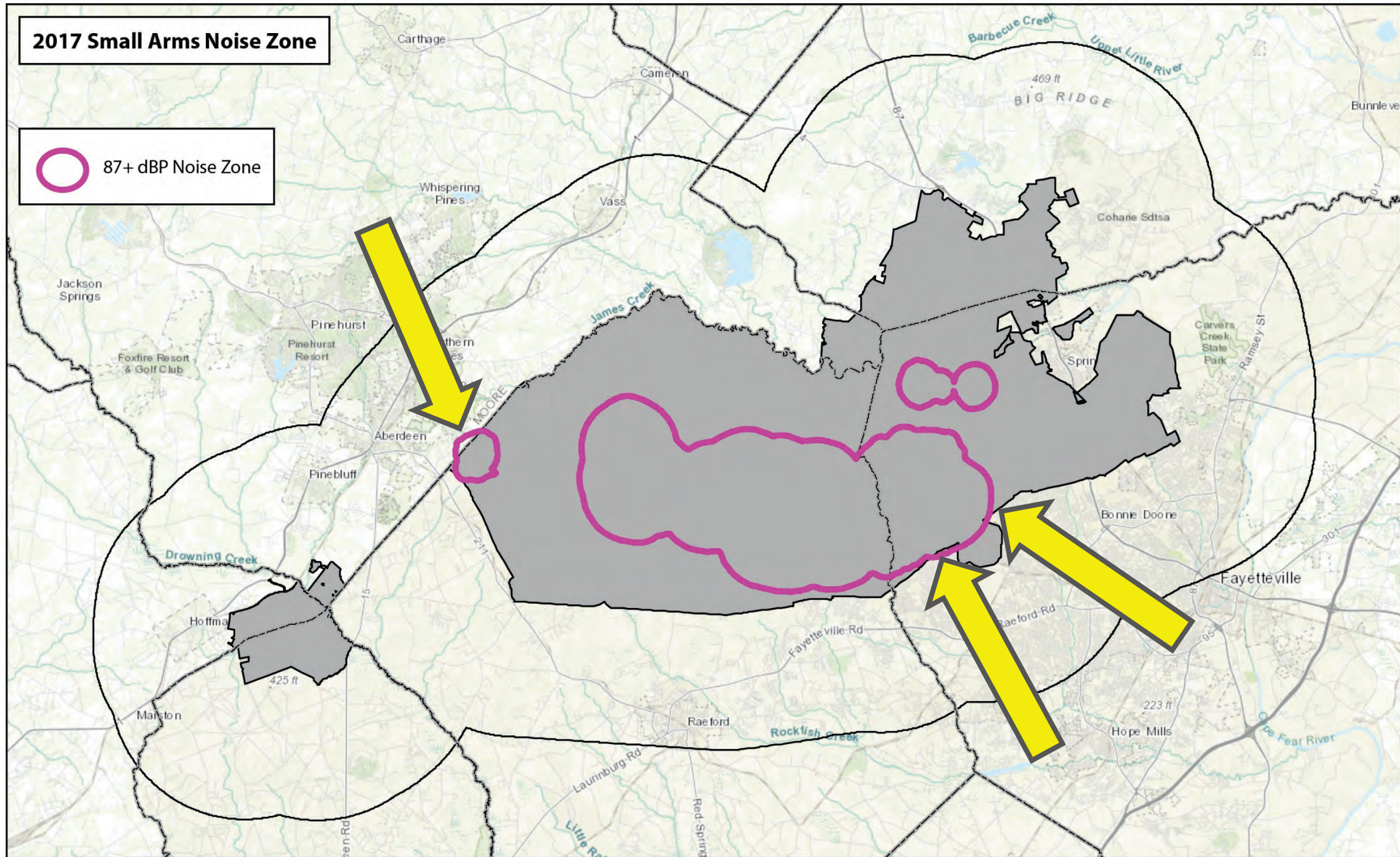
SMALL ARMS NOISE CONTOURS

OBSERVATIONS

- Small Arms Noise Contours:
 - Unweighted event based measurement
 - Significant changes in extent of small arms noise contours compared to previous data – previously much smaller / all on-post.
 - Possibly due to changes in measurement of noise levels.
 - Small arms noise zones extend off-post a short distance along the southeastern boundary. BUT – contained within the large caliber 62+ dB CDNL.
 - Contours associated with ranges in the western part of the installation extend off-post. Not within any other noise zone.

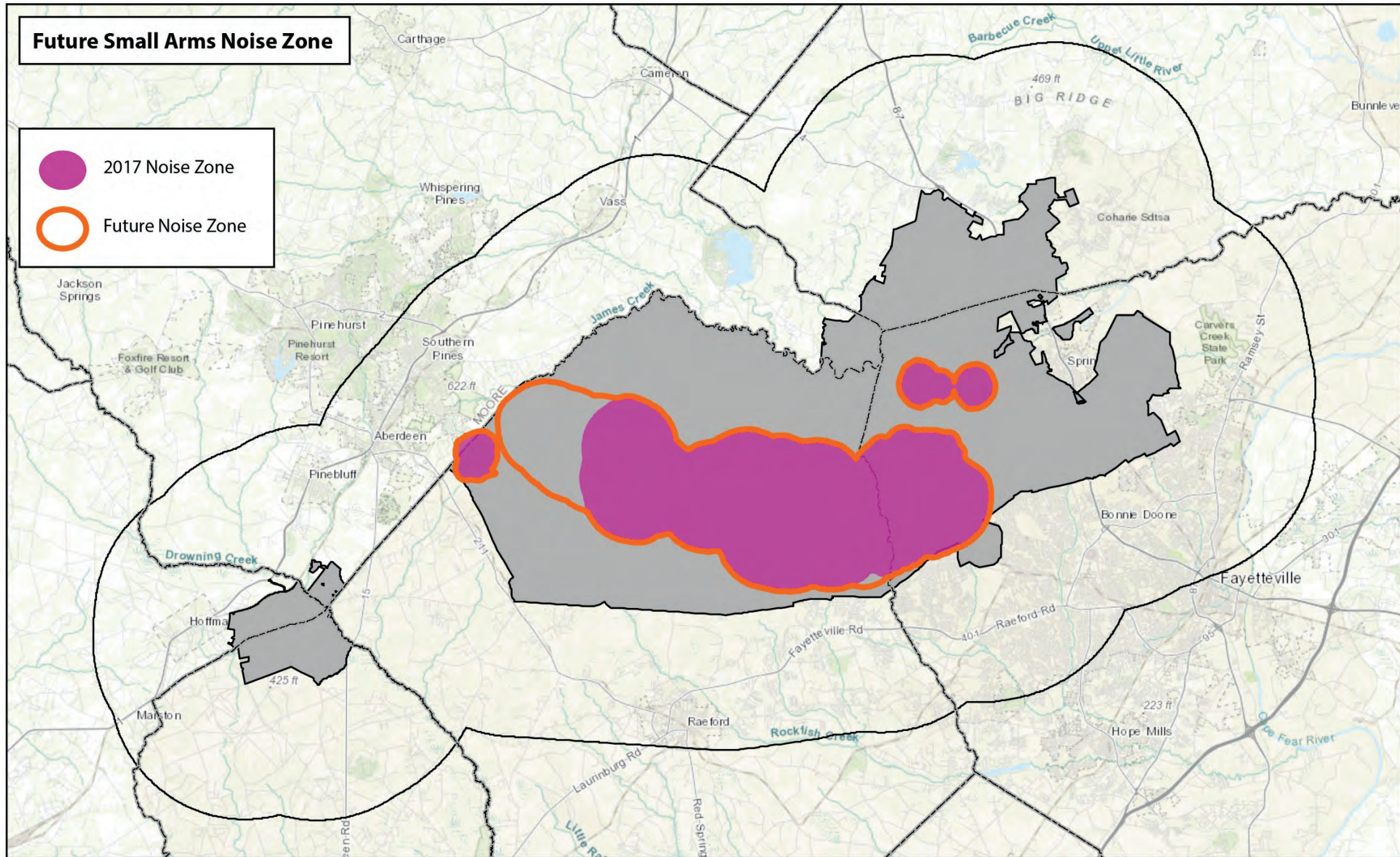
2017 Small Arms Noise Zone

 87+ dBP Noise Zone



Future Small Arms Noise Zone

- 2017 Noise Zone
- Future Noise Zone

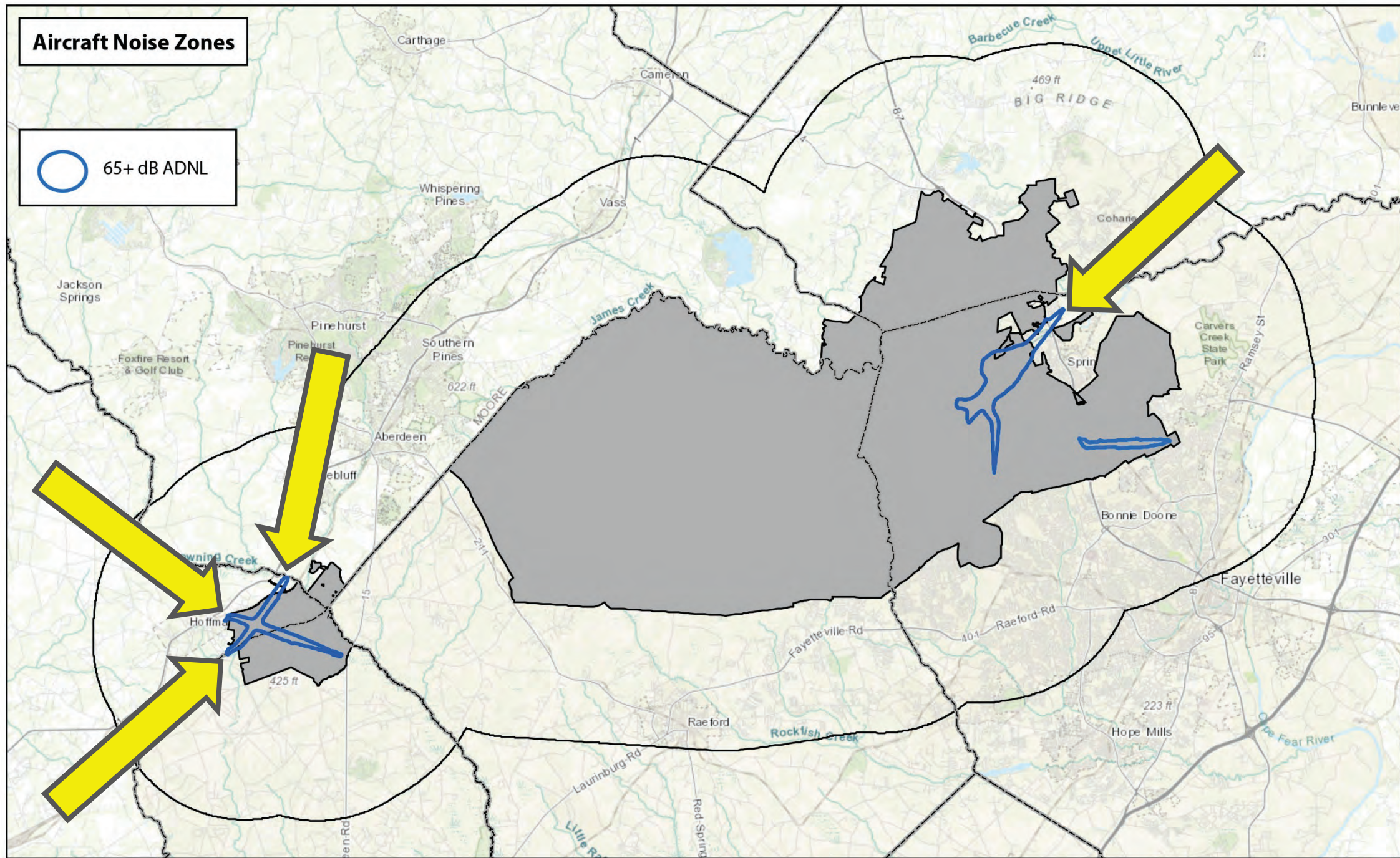


AVIATION NOISE CONTOURS

OBSERVATIONS



- Aircraft Noise Contours:
 - “A” weighted (high frequency) noise contours based on average daily flight operations with +10 decibel penalty for night operations
 - New Simmons AAF noise contours are contained entirely on-post.
 - Previous Simmons AAF 65+ dB contour extended off-post.
 - Noise contours now available for Mackall AAF.
 - Mackall AAF 65+ dB noise contours extend a short distance off-post to the north, south and west.
 - Pope AAF 65+ dB contour extends a shorter distance off-post than the previous contour.
 - Pope AAF noise levels above 70 dB contained almost entirely on-post now.

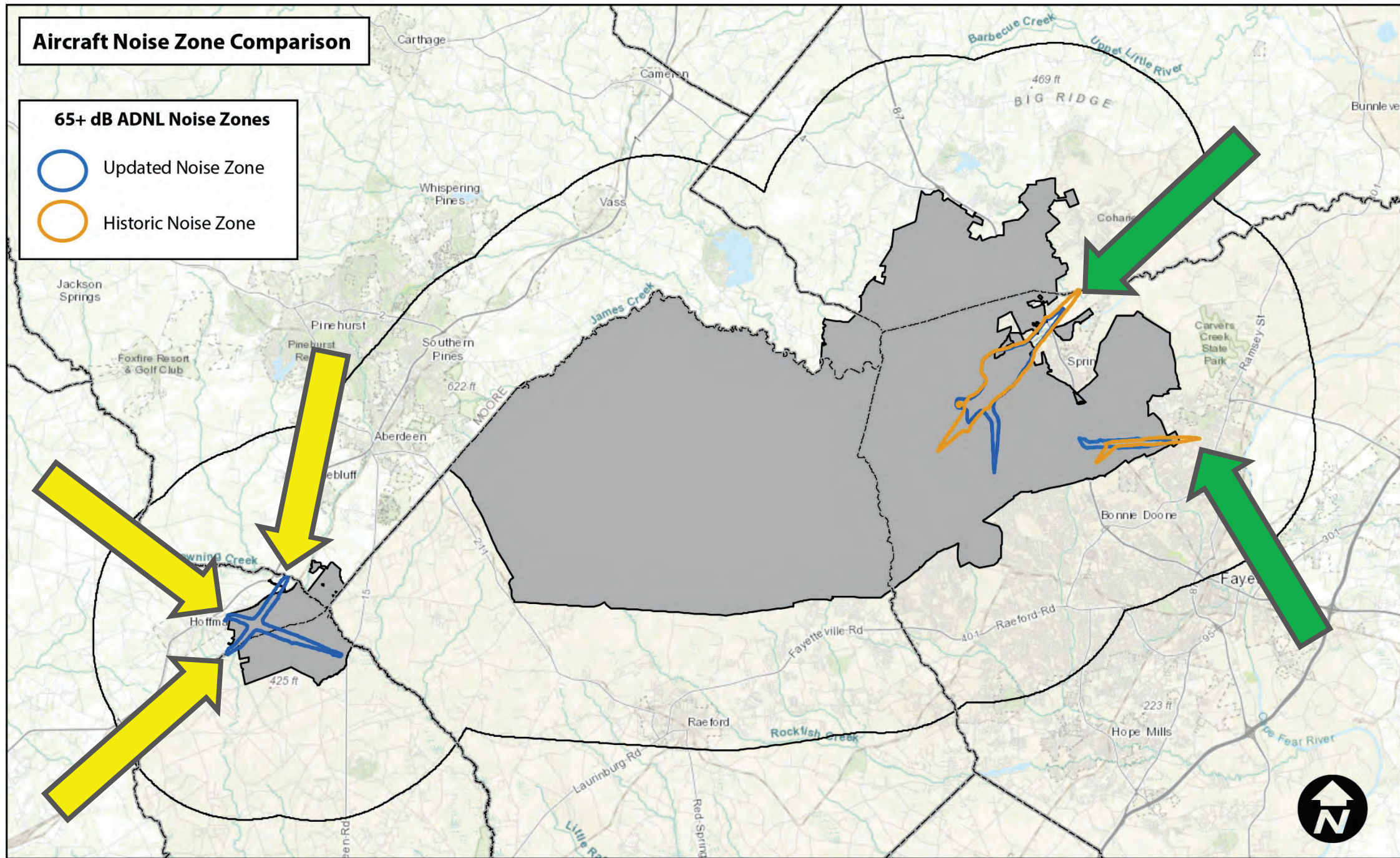
65+ dB ADNL



Aircraft Noise Zone Comparison

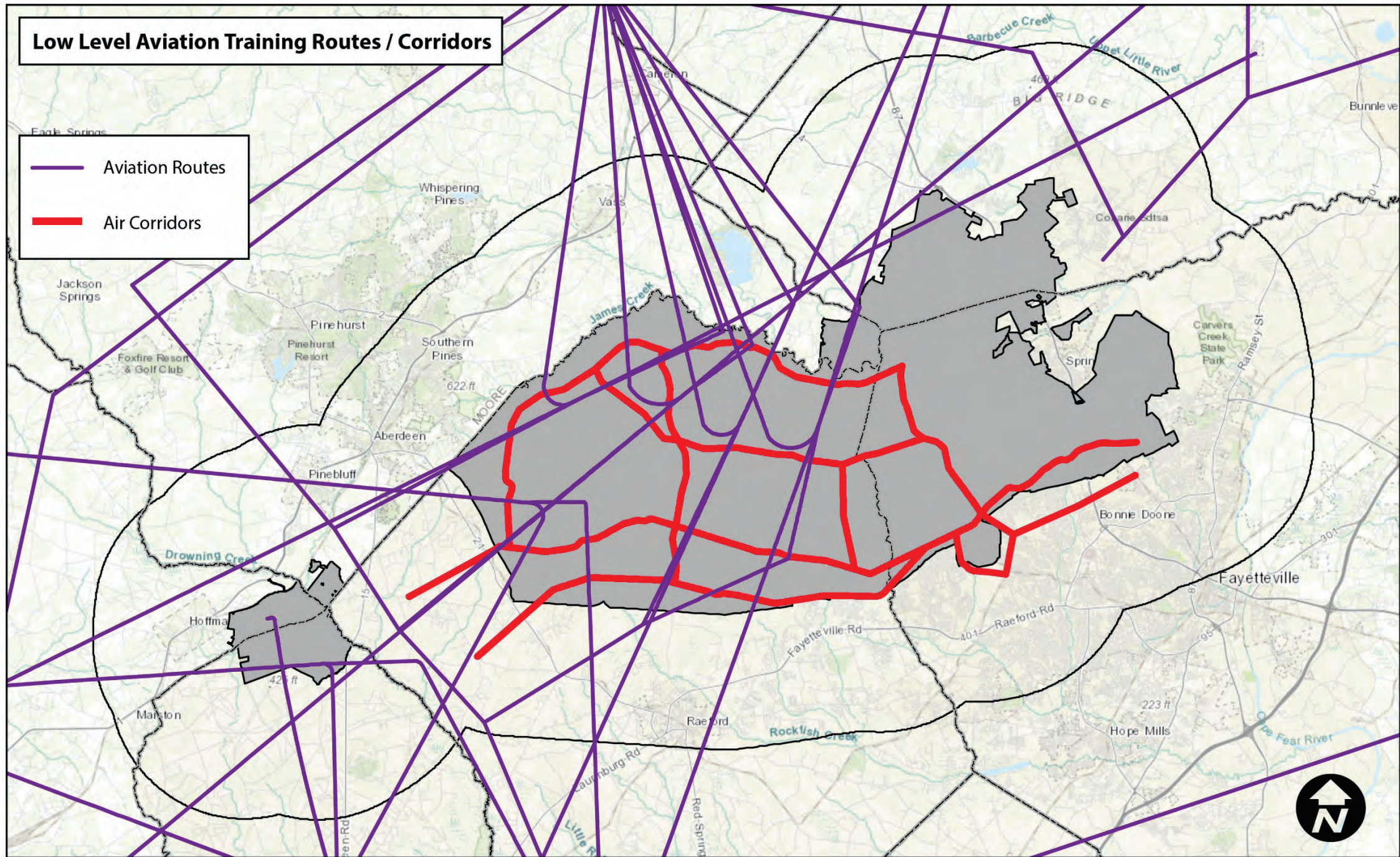
65+ dB ADNL Noise Zones

-  Updated Noise Zone
-  Historic Noise Zone



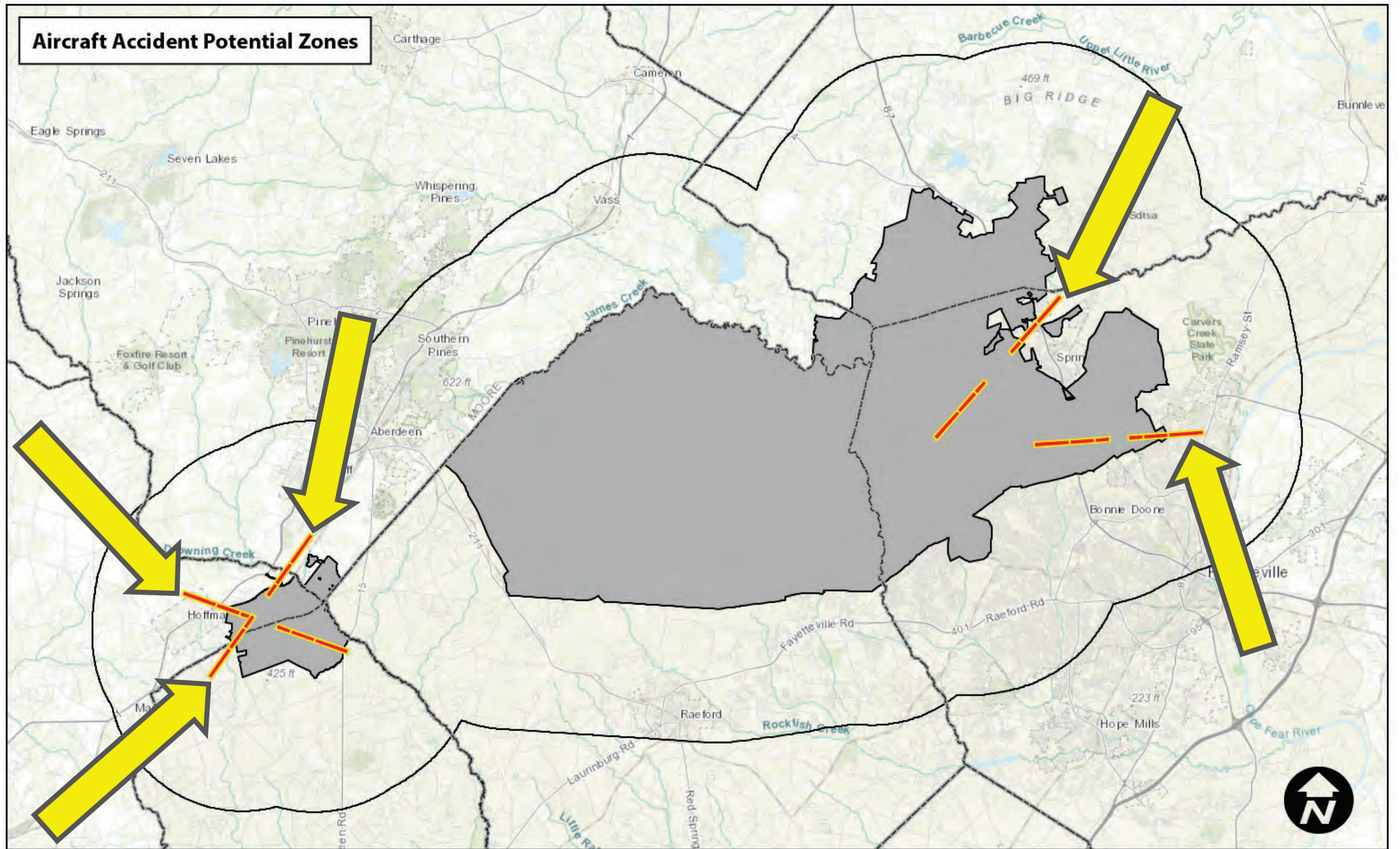
Low Level Aviation Training Routes / Corridors

- Aviation Routes
- Air Corridors



AIRCRAFT ACCIDENT POTENTIAL

Aircraft Accident Potential Zones



JLUS PROCESS

- **TASK FOUR & FIVE**

- Prepare Recommendations & Draft Study
- Prepare Implementation Plan
- Public Review of Draft
- Final Draft Prepared
- **Final Presentation July/August 2018**

CONTACT INFORMATION

Jim Dougherty, Executive Director
Regional Land Use Advisory Commission

910-583-1233
director@rluac.com

www.rluac.com/jlus

CONSULTING TEAM

BENCHMARK

WHITE &
SMITH, LLC
PLANNING AND
LAW GROUP




- Benchmark Planning
 - Overall Project Management
 - Land Use Compatibility Analysis
 - Public Outreach
 - Local Government Policy
 - Regional Coordination
- White & Smith
 - Land Use Policy
 - Implementation Strategies
- Marstel-Day
 - Environmental, Noise & Energy
 - Climate Resiliency, Policy Analysis

BENCHMARK

FORT BRAGG

JOINT LAND USE STUDY

CUMBERLAND COUNTY UPDATE
JANUARY 2, 2018

A wide-angle photograph capturing a massive military parachute drop at Fort Bragg. Hundreds of parachutes are seen in various stages of descent against a dramatic sky transitioning from blue to orange and yellow at sunset. The sun is a bright, low orb on the horizon, creating a strong lens flare and illuminating the scene. The foreground shows a dark, flat landscape. In the bottom right corner, the word "BENCHMARK" is printed in a white, sans-serif font.

BENCHMARK



BOARD OF COMMISSIONERS' OFFICE

MEMORANDUM FOR BOARD OF COMMISSIONERS AGENDA OF JANUARY 2, 2018

TO: BOARD OF COUNTY COMMISSIONERS

FROM: KELLIE BEAM, DEPUTY CLERK TO THE BOARD

DATE: 12/28/2017

**SUBJECT: APPROVAL OF RESOLUTION IN SUPPORT OF INSTALLATION OF
ROADWAY IMPROVEMENTS AS REQUESTED BY THE NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION**

BACKGROUND

The North Carolina Department of Transportation has requested a resolution from the Cumberland County Board of Commissioners endorsing the installation of roadway improvements.

RECOMMENDATION / PROPOSED ACTION

Consider approval of the resolution.

ATTACHMENTS:

Description	Type
Resolution in Support of NC DOT Request Endorsing the Installation of Roadway Improvements	Backup Material

**Resolution in Support of the North Carolina Department of Transportation's Request from the Cumberland
County Board of Commissioners Endorsing the Installation of Roadway Improvements**

WHEREAS, NCDOT has requested a resolution from the Cumberland County Board of Commissioners endorsing the installation of roadway improvements along SR 2027 (Beaver Dam Road) from SR 2030 (Hollow Bridge Road) to SR 2022 (Stedman Cedar Creek Road) and SR 1710 (Slocumb Road) from SR 1700 (McBryde Road) to SR 1609 (Colliers Chapel Road); and

WHEREAS, NCDOT proposes to make improvements to these roadways. Said improvements will consist of two (2) foot shoulder widening and resurfacing to portions of the roadways to enhance their safety and operational efficiency; and

WHEREAS, the construction of these improvements will be at no cost to Cumberland County; and

NOW, THEREFORE BE IT RESOLVED that we, the Cumberland County Board of Commissioners, endorse the concept of NCDOT making said improvements to these sections of SR 2027 (Beaver Dam Road) and SR 1710 (Slocumb Road) with two (2) foot shoulder widening to enhance their safety.

ADOPTED this 2nd day of January, 2018.

Larry Lancaster, Chairman
Cumberland County Board of Commissioners

Attest:

Candice H. White
Clerk to the Board of Commissioners



BUDGET DIVISION

MEMORANDUM FOR BOARD OF COMMISSIONERS AGENDA OF JANUARY 2, 2018

TO: BOARD OF COUNTY COMMISSIONERS

FROM: MELISSA CARDINALI, ASSISTANT COUNTY MANAGER

DATE: 12/28/2017

SUBJECT: APPROVAL OF BUDGET ORDINANCE AMENDMENTS FOR THE JANUARY 2, 2018 BOARD OF COMMISSIONERS' AGENDA

BACKGROUND

BACKGROUND

- General Fund 101

1) Library Grants - Budget Ordinance Amendment B180168 to recognize E-Rate funds in the amount of \$64,431 from the Federal E-rate program.

The Board is requested to approve Budget Ordinance Amendment B180168 to recognize E-Rate funds received in the amount of \$64,431. E-rate is a federal program that provides funds to libraries and schools to support technology.

Please note this amendment requires no additional county funds.

- Contingency Funds Report – FY18

The County Manager approved the following use of contingency funds.

\$3,279 was used for an emergency repair for security equipment at the Courthouse.

RECOMMENDATION / PROPOSED ACTION

Approve Budget Ordinance Amendments.



BOARD OF COMMISSIONERS' OFFICE

MEMORANDUM FOR BOARD OF COMMISSIONERS AGENDA OF JANUARY 2, 2018

TO: BOARD OF COUNTY COMMISSIONERS

FROM: KELLIE BEAM, DEPUTY CLERK TO THE BOARD

DATE: 12/28/2017

SUBJECT: CUMBERLAND COUNTY FINANCE COMMITTEE MINUTES DECEMBER 14, 2017 SPECIAL MEETING

BACKGROUND

The draft minutes of the December 14, 2017 meeting of the Cumberland County Finance Committee are attached for review.

RECOMMENDATION / PROPOSED ACTION

No action required.

ATTACHMENTS:

Description

Cumberland County Finance Committee Minutes December 14, 2017

Type

Backup Material

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CUMBERLAND COUNTY FINANCE COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
DECEMBER 14, 2017 – 1:00 PM
SPECIAL MEETING MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Jeannette Council
Commissioner Jimmy Keefe

OTHERS: Commissioner Glenn Adams
Commissioner Michael Boose
Commissioner Larry Lancaster
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Duane Holder, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Ivonne Mendez, Accounting Supervisor
Bob Tucker, Accounting Supervisor
Geneve Mankel, Communications and Outreach Coordinator
Candice H. White, Clerk to the Board

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – NOVEMBER 2, 2017 REGULAR MEETING

MOTION: Commissioner Keefe moved to approve the November 2, 2017 minutes.
SECOND: Commissioner Council
VOTE: UNANIMOUS (3-0)

2. PRESENTATION OF FISCAL YEAR 2017 AUDIT RESULTS

BACKGROUND:

The preliminary fiscal year 2017 audit results will be presented during the December finance committee meeting.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

Amy Cannon, County Manager, called on Finance Director Vicki Evans who provided the following audit results presentation. Ms. Evans stated presentation of the audit results at Board of

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Commissioner meetings has historically focused on the general fund but at this meeting and in the future, staff will go in depth to include highlights of other funds that historically have not been covered. Ms. Evans stated the results of the 2017 audit can be used as a starting point for future budget discussions for fiscal year 2019.

Ms. Evans stated as in years past, the County received an unmodified or “clean opinion” on its audit which represents the highest level of assurance. Ms. Evans stated Cherry Bekaert will go into more detail about the audit during the December 18 presentation.

Ms. Evans reviewed the categories of fund balance below and stated the Board has no control over funds within the non-spendable and restricted categories and limited control over the committed categories. Ms. Evans stated assigned fund balances are funds set aside for future purposes or projects and these amounts and uses can be adjusted by Board action. Ms. Evans stated assigned and unassigned fund balance uses can be specifically covered for future planning during the fiscal year 2019 budget process and during the goal setting meeting.

Categories of Fund Balance

Non-spendable – year-end balances that are not spendable resources

Restricted – by state statute

Committed – for specific statutory purposes

Assigned – funds set aside for future purposes or projects

Unassigned – County’s policy – minimum set at 10% of expenditures

Ms. Evans stated the general fund fund balance was \$108.8 million as of June 30, 2017 and this amount does not include the county school fund. Ms. Evans provided an overview of the general fund’s fund balance stating the assigned amount totals \$30.6 million and the unassigned amount totals \$47 million. Ms. Evans stated the unassigned fund balance represents 14.83% of fiscal year 2017’s expenditures with the percentage required by policy being a minimum of 10%.

General Fund - Fund Balance (County school fund excluded)

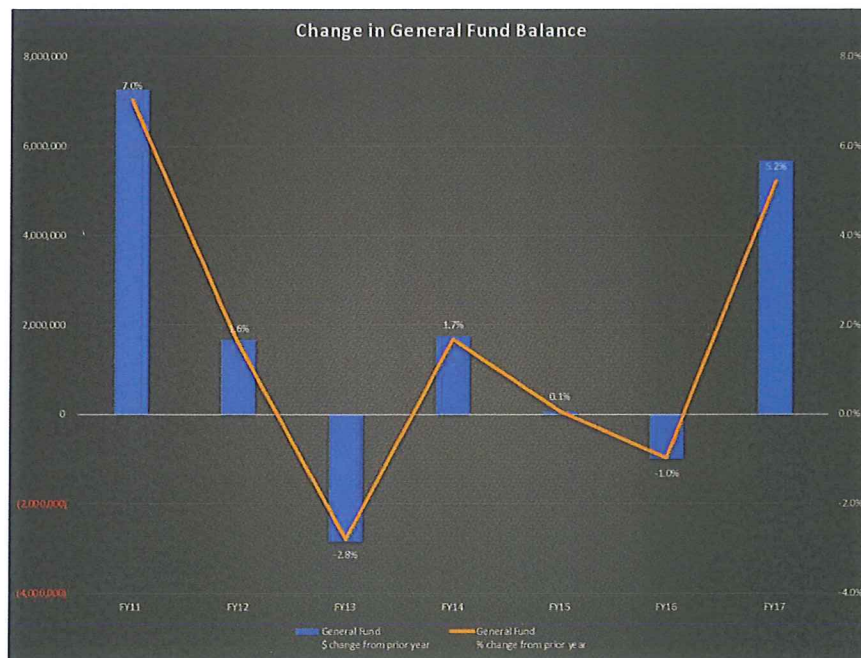
Nonspendable	
Inventories	\$ 174,458
Prepays	11,628
Restricted:	
Stabilization by state statute	26,703,544
Register of deeds	901,098
Committed:	
Tax revaluation	1,167,295
LEOSA pension obligation	2,290,100
Assigned:	
Subsequent year’s expenditures	8,889,652
Tax office software	4,406,300
Water & sewer industrial expansion	4,527,610
Economic development incentives	1,065,139
Mental health services	2,160,841
Public health	3,200,854
Capital Investment Fund	1,324,938
Renovations & maintenance	1,250,000
Special purposes	2,247,143
Technology Upgrades	1,500,000
Unassigned	47,016,763
Total fund balance	<u>\$ 108,837,363</u>
2017 expenditures	\$ 317,112,543
Unassigned fund balance as a percentage of FY2017 expenditures	14.83%

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Ms. Evans provided an overview of the history of fund balance as recorded below with the general fund and county school fund combined. Ms. Evans stated for fiscal year 2017, the general fund's fund balance increased by 5.2%, or \$5.7M and the school fund's fund balance increased 26.3% or \$3.9M.

	GENERAL (101)	\$ change from prior year	% change from prior year	SCHOOL (106)	\$ change from prior year	% change from prior year	COMBINED	\$ change from prior year	% change from prior year
FY17	\$ 108,837,363	\$ 5,675,330	5.2%	\$ 14,886,966	\$ 3,913,691	26.3%	\$ 123,724,329	\$ 9,589,021	7.8%
FY16	103,162,033	(997,133)	-1.0%	10,973,275	1,955,969	17.8%	114,135,308	958,836	0.8%
FY15	104,159,166	66,020	0.1%	9,017,306	1,597,800	17.7%	113,176,472	1,663,820	1.5%
FY14	104,093,146	1,745,630	1.7%	7,419,506	(133,629)	-1.8%	111,512,652	1,612,001	1.4%
FY13	102,347,516	(2,852,737)	-2.8%	7,553,135	568,381	7.5%	109,900,651	(2,284,356)	-2.1%
FY12	105,200,253	1,663,262	1.6%	6,984,754	(979,605)	-14.0%	112,185,007	683,657	0.6%
FY11	103,536,991	\$ 7,273,948	7.0%	7,964,359	(537,626)	-6.8%	111,501,350	\$ 6,736,322	6.0%

Ms. Evans provided highlights of the following graph as a picture of the changes in fund balance within the general fund without the school fund and noted the general fund balance has fluctuated up and down over the years.



Ms. Evans stated there were four major areas that led to an increase in fund balance of the general fund this past year with plan changes in the group health insurance fund having the greatest impact. Ms. Evans stated before books were closed for year-end, it was determined the budgeted transfer from the general fund of \$2.2M was not needed as actual costs within the health insurance fund came in lower than anticipated. Ms. Evans stated ad valorem, motor vehicle, and sales taxes all came in above budget. Ms. Evans stated Hurricane Matthew recovery was a big event during the year; departments had increases to personnel costs as a result of overtime worked, equipment was

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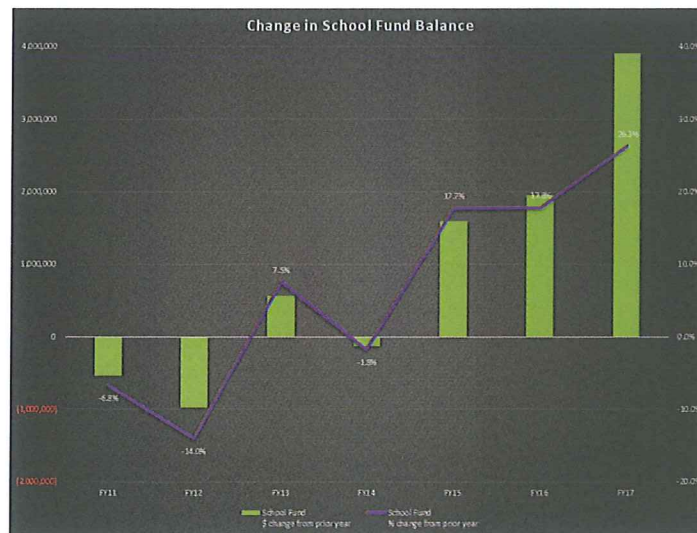
replaced, vehicles were replaced, and there was repair and maintenance to buildings. Ms. Evans stated the majority of costs were covered by insurance reimbursements and/or FEMA funding.

General Fund Increase in Fund Balance

(amounts are approximate)

Group Health Insurance Fund experienced positive results	2,200,000
budgeted transfer not needed at year-end	
Motor Vehicle taxes exceeded budget	1,850,000
Ad Valorem taxes exceeded budget	1,350,000
Sales taxes exceeded budget	500,000
Hurricane Matthew recovery	(200,000)
Total Increase in Fund Balance	5,700,000

Ms. Evans provided highlights of the graph below and stated the school fund has been on the rise over the past several years after facing declines in three years between fiscal years 11 and 14. Ms. Evans stated the increase of \$3.9M means that revenues were greater than expenditures and transfers out. Ms. Evans stated actual revenues exceeded budget by \$1.3M and most notably, sales taxes were higher. Ms. Evans stated actual expenditures were below budget by \$7.4M and most notably, capital outlay for facilities was lower. Ms. Evans stated appropriated fund balance was not utilized. Ms. Evans stated the County is responsible for the capital needs of the schools and the school fund can only be used for capital expenditures or to pay debt for the schools.



	2017			
	Budget	Actual	Variance Positive (Negative)	2016
Revenues				
Other taxes	\$ 9,560,294	\$ 10,415,026	\$ 854,732	\$ 9,913,132
Unrestricted intergovernmental revenue	800,000	920,719	120,719	876,812
Restricted intergovernmental revenue	3,430,000	3,674,258	244,258	3,724,973
Interest earned on investments	-	24,775	24,775	19,338
Miscellaneous	-	80,278	80,278	73,421
Total revenues	13,790,294	15,115,056	1,324,762	14,607,676
Expenditures				
Education				
School capital outlay I	9,839,879	2,904,748	6,935,131	4,870,776
School capital outlay II	2,730,371	2,341,637	388,734	2,229,630
School capital outlay III	641,408	589,063	52,345	378,760
Total expenditures	13,220,658	5,835,448	7,385,210	7,479,166
Revenues over expenditures	569,636	9,279,608	8,709,972	7,128,510
Other financing sources (uses)				
Transfers in	-	-	-	313,330
Transfers out	(5,365,919)	(5,365,917)	2	(5,485,871)
Appropriated fund balance	4,796,283	-	(4,796,283)	-
Total other financing sources (uses)	(669,636)	(5,365,917)	(4,796,281)	(5,172,541)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	3,913,691	\$ 3,913,691	1,955,969
Fund balances				
Beginning of year - July 1		10,973,275		9,017,306
End of year - June 30		<u>\$ 14,886,966</u>		<u>\$ 10,973,275</u>

DRAFT**School Fund Increase in Fund Balance**

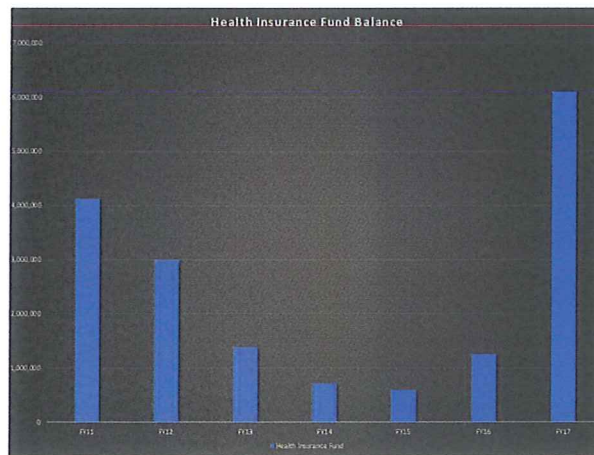
Actual revenues exceeded budget	1,300,000
Actual expenditures were below budget	7,400,000
Appropriated fund balance was not utilized	(4,800,000)
Total Increase in Fund Balance	<u>3,900,000</u>

Ms. Evans provided highlights of the fund balance in the group health insurance fund. Ms. Evans stated after experiencing high claims amounts for three fiscal years in a row, the health insurance fund experienced an increase to fund balance in fiscal year 2017 as a result of significant plan changes made during that year's budget process. Ms. Evans stated the employee pharmacy, employee health clinic and staff are also part of the group health insurance fund. Ms. Evans stated in the recent past, the County has had to do transfers out of the general fund and into the health insurance fund to cover the unexpectedly high cost of rising claims. Ms. Evans stated stabilizing this fund has been discussed in the past and at a future meeting, and for planning purposes, staff would like to bring back a policy of setting a minimum fund balance for this fund to support financial stability over the long term.

	2017		Variance Positive (Negative)	2016
	Budget	Actual		
Revenues				
Operating revenues				
Contributions - Group health insurance	\$ 19,815,743	\$ 24,568,000	\$ 4,752,257	\$ 19,813,170
Pharmacy services	2,099,000	3,182,529	1,083,529	2,093,519
	<u>21,914,743</u>	<u>27,750,529</u>	<u>5,835,786</u>	<u>21,906,689</u>
Non-operating revenues				
Litigation settlement	-	(10,285)	(10,285)	(7,847)
Interest earned on investments	250	14,352	14,102	634
	<u>250</u>	<u>4,067</u>	<u>3,817</u>	<u>(7,213)</u>
Other financing sources				
Transfers in	2,310,000	110,000	(2,200,000)	6,430,000
Appropriated fund balance	-	-	-	-
Total revenues and other financing sources	\$ 24,224,993	\$ 27,895,496	\$ 3,670,503	\$ 27,399,876
Operating expenditures				
Employee pharmacy	\$ 3,457,721	\$ 3,590,037	\$ (132,316)	\$ 2,579,039
Employee clinic	403,200	353,889	49,311	281,647
Group health insurance	20,117,059	18,070,090	1,147,869	23,018,571
Employee wellness program	248,113	134,761	113,352	156,554
	<u>24,224,993</u>	<u>23,048,777</u>	<u>1,176,216</u>	<u>26,036,110</u>
Other financing uses				
Transfers out	-	-	-	-
Total expenditures and other financing uses	\$ 24,224,993	\$ 23,048,777	\$ 1,176,216	\$ 26,036,110
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 27,895,496		
Total expenditures and other financing uses		<u>23,048,777</u>		
Subtotal		<u>4,846,719</u>		
Contributions made to the pension plan in the current year		21,277		
Pension expense		<u>(21,277)</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in net position		<u>\$ 4,846,719</u>		

**Group Health Insurance Fund
Increase in Fund Balance**

Actual revenues exceeded budget	3,600,000
Actual expenditures were below budget	1,200,000
Total Increase in Fund Balance	<u>4,800,000</u>

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Ms. Evans stated the solid waste fund is an enterprise fund that is accounted for as a business type activity. Ms. Evans provided highlights of the solid waste fund stating for fiscal year 2017, fund balance increased by \$3.2M. Ms. Evans stated within operating revenues, charges for services had the biggest impact and within non-operating revenues, grant revenue exceeded budget by \$2.3M. Ms. Evans stated this is directly related to FEMA funding as FEMA funding affected Solid Waste more than any other fund with a reimbursement of almost \$2.6M. Ms. Evans stated the largest impact was for equipment use; Solid Waste used their own equipment and FEMA allowed reimbursement based on hourly rates the equipment was in operation. Ms. Evans stated this is based on a concept that additional equipment use related to the disaster caused there to be wear-and-tear on the equipment and rates assign a value to that use.

	2017			2016
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Charges for services	\$ 3,774,133	\$ 4,615,491	\$ 841,358	\$ 3,936,708
Other operating revenue	8,541	11,388	2,847	11,388
Solid waste fees	4,961,946	4,975,987	14,041	4,958,018
Total operating revenues	8,744,620	9,602,866	858,246	8,906,114
Nonoperating revenues and other financing sources				
Interest earned on investments	131,792	193,559	61,767	232,419
Gain (loss) on disposal of capital assets	17,889	194,768	176,879	-
Miscellaneous	209,398	28,384	(181,014)	697,799
Grant revenue	491,362	3,384,721	2,893,359	493,139
Transfers in	591,224	-	(591,224)	37,190
sources	1,441,665	3,791,432	2,349,767	1,460,547
Appropriated fund balance	10,255,057	-	(10,255,057)	-
Total revenues, other financing sources and fund balance appropriations	\$ 20,441,342	\$ 13,394,298	\$ (7,047,044)	\$ 10,366,661
Operating expenditures				
Salaries and employee benefits	\$ 3,522,533	\$ 3,519,965	\$ 2,568	\$ 3,155,816
Repairs and maintenance	1,497,500	1,344,493	153,007	1,620,406
Utilities	131,233	126,969	4,264	124,904
Administrative costs	4,492,745	3,794,838	697,907	3,295,391
Landfill closure and postclosure care costs	700,000	648,547	51,453	444,469
Total operating expenditures	10,344,011	9,434,812	909,199	6,640,986
Other expenditures and financing uses				
Capital outlay	10,048,578	2,328,339	7,720,239	2,327,953
Transfers out	48,753	-	48,753	-
Total other expenditures and financing uses	10,097,331	2,328,339	7,768,992	2,327,953
Total expenditures and other financing uses	\$ 20,441,342	\$ 11,763,151	\$ 8,678,191	\$ 10,668,939
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 13,394,298		
Total expenditures and other financing uses		11,763,151		
		1,631,147		
Capital outlay		2,328,339		
Depreciation		(755,169)		
Contributions made to the pension plan in the current year		134,509		
Pension expense		(134,509)		
Change in net position		\$ 3,204,317		

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Solid Waste Fund Increase in Fund Balance (amounts are approximate)

Actual operating revenues exceeded budget	900,000
Actual non-operating revenue exceeded budget	2,300,000
Total Increase in Fund Balance	<u>3,200,000</u>

Ms. Evans stated in September the County engaged Cherry Bekaert to conduct a separate audit engagement and the results showed that the County's data was fairly stated in all material respects. Ms. Evans stated this means that no issues were found that could have resulted in findings or corrections having to be made.

Ms. Evans concluded her presentation stating although she presented four funds, each of which had increases to fund balance for fiscal year 2017, it should be realized that not all funds had increases to fund balance. Ms. Evans stated other funds can be found in the Comprehensive Annual Financial Report. Questions followed about the \$30.6 million total assigned and funds included therein.

3. Information on Development of Capital Planning Model

BACKGROUND:

The challenges facing Cumberland County have not diminished over the past decade, nor is it anticipated they will diminish in the near future. There remains the constant struggle of providing education, health and human services for a diverse population with very limited funding.

The struggle was the center of the Fiscal Year 2018 budget. Management understands the difficult situation posed by these opposing forces and needs. As a result, at the end of the FY18 budget cycle, we reached out to the County's financial advisors for assistance in creating a solution. Multiple conversations and financial models to develop options and understand impacts have occurred during this time. Together we have reached a recommended sustainable solution for the Finance Committee's consideration.

The capital funding model is key to providing sustainable long-term capital needs without the prospect of increasing the ad valorem tax rate. To achieve ultimate benefits of the model, it will be important to incorporate the capital planning model into the annual budget process beginning with Fiscal Year 2019.

Therefore, management recommends the details of how the model works, the goals to be set and the foreseen results be reviewed with the Board of Commissioners over the next few months. This process will coincide with the Board goal setting and capital planning process to be incorporated into the annual budget planning session in February or March 2018.

RECOMMENDATION/PROPOSED ACTION:

No action needed – information only.

Ms. Cannon stated the capital planning and funding model are directly tied to the capital investment fund which is an assignment on the balance sheet. Melissa Cardinali, Assistant County

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Manager, reviewed the background information recorded above and stated staff recognize that these challenges present a very difficult situation for the Board as leaders. Ms. Cardinali stated the most significant challenge is capital because it requires a significant dollar investment over multiple years, and not making capital improvements will result in escalating repairs and maintenance costs. Ms. Cardinali stated the issues facing Cumberland County are not unique, but the answer has to be tailored to Cumberland County's specific needs. Ms. Cardinali stated the result is a capital planning model that has been used in other large local governments that can be tailored to Cumberland County. Ms. Cardinali stated the benefits to this model are significant in that current funding can be diverted to address capital needs without increasing the tax rate and will provide flexibility to address the Board's priorities with funds available as early as FY 2019. Ms. Cardinali stated the key to moving this forward is planning and tying together the processes for the CAFR, CIP and budget because they are intertwined. Ms. Cardinali stated the success of this model is to set priorities for which projects the Board wants to address first and what dollars the Board wants to allocate to each project. Ms. Cannon stated the capital planning model is a solution that will fund repairs and maintenance, the capital improvement plan and future capital projects, and move the projects out of the operating budget in a manner that does not require additional funding. Questions and comments followed.

4. REPORT OF CONTRACTS WITH OUTSIDE LEGAL COUNSEL FOR COUNTY DEPARTMENTS

BACKGROUND:

During the Finance Committee meeting on November 2, 2017, finance committee members requested a tabulation of outside legal counsel used for all County departments and a listing of when the contracts come due or expire. The tabulation is included in the spreadsheet recorded below as requested.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

Attorney	Contract on file?	Expiration date?	Purpose	FEES PAID by FISCAL YEAR		
				FY18 (as of 11-20-17)	FY17	FY16
Margaret Russ	yes	6/30/2018	DSS Attorney	\$ 16,000	\$ 74,000	\$ -
Elizabeth Gurnee	yes	6/30/2018	DSS Attorney	\$ -	\$ -	\$ -
Hunton & Williams	engagement letter		Bond Counsel (debt related) - Crown Management contract question COMPLETE FY17 Overhills Park bond counsel COMPLETE FY16 CIP financing COMPLETE	\$ -	\$ 21,653	\$ 20,000
McGuire Woods/The Charleston Group	engagement letter		Bond Counsel (debt related) - FY18 CIP financing COMPLETE FY18 Overhills Park extension IN PROCESS FY18 LOBs refunding COMPLETE	\$ 77,728	\$ -	\$ -
Parker Poe Adams & Bernstein	engagement letter		Bond Counsel (debt related) - FY18 Overhills Park extension (bank counsel) IN PROCESS FY17 Overhills Park bond counsel COMPLETE FY16 CIP financing COMPLETE	\$ 2,500	\$ 5,000	\$ 10,000
Parker Poe Adams & Bernstein	engagement letter		Advisor on benefits IN PROCESS	\$ -	\$ -	\$ -
Womble Carlyle Sandridge & Rice	engagement letter		Underwriter (debt related) - FY18 LOBs refunding COMPLETE	\$ 50,000	\$ -	\$ -
David B. Craig	no		Tax Attorney for foreclosures ONGOING	\$ 34,406	\$ 62,371	\$ 85,440

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Ms. Evans stated an analysis was conducted of outside legal counsel paid by the County over fiscal years 16-17 and year-to-date fiscal year 18. Ms. Evans provided highlights of the graph recorded above and clarified the County has a contract with Attorney David B. Craig that was executed in 2010 with no expiration date and can be terminated with notice from either party. In response to a question from Commissioner Keefe, Ms. Evans stated David B. Craig is paid out of the tax budget, the two DSS attorneys are paid out of the Social Services budget and bond counsel comes out of financial costs related to that particular item.

5. MONTHLY FINANCIAL REPORT

BACKGROUND:

The financial report reflective of fiscal year 2018, October year-to-date actuals will be presented during the finance committee meeting.

The report has been modified to incorporate suggested changes made during the November finance committee meeting.

- Encumbered amounts were removed and the reports now show actuals (cash paid) instead of obligated.
- A column for fiscal year 2017 actuals has been added.
- In the spring a column for fiscal year 2018 year-end projection will be added.
- Additional detail has been provided on a separate page explaining any percentages that may appear off with year-to-date expectations.
- Overall, revenues and expenditures are consistent with the same time as last fiscal year.

As always, modifications to the report can be implemented to provide you the most useful information.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

	PRELIMINARY FY16-17 AUDITED	FY17-18 ADOPTED BUDGET	FY17-18 REVISED BUDGET	YTD ACTUAL AS OF OCTOBER 31, 2017	PERCENT OF BUDGET TO DATE	
REVENUES						
Ad Valorem Taxes						
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,312,162	\$ 37,258,284	23.2%	(1)
Prior Years	1,046,732	1,121,000	1,121,000	570,301	50.9%	
Motor Vehicles	17,683,864	18,070,242	18,070,242	4,656,741	25.8%	(2)
Penalties and Interest	650,368	667,602	667,602	134,494	20.1%	
Other	1,018,563	930,279	930,279	385,098	41.4%	
Total Ad Valorem Taxes	176,531,054	181,101,285	181,101,285	43,004,918	23.7%	
Other Taxes						
Sales	41,517,943	41,760,036	41,760,036	3,474,845	8.3%	(3)
Real Estate Transfer	1,091,362	700,000	700,000	348,508	49.8%	
Other	1,114,408	1,111,500	1,111,500	180,948	16.3%	
Total Other Taxes	43,723,713	43,571,536	43,571,536	4,004,301	9.2%	
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	69,608,463	15,004,580	21.6%	(4)
Charges for Services	13,832,010	12,056,608	12,071,608	3,152,198	26.1%	
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,028,020	524,697	7.5%	(5)
Proceeds Refunding Bonds	-	-	23,005,000	23,005,000	100.0%	(6)
Premium on COPS Sold	-	-	4,285,558	4,285,557	100.0%	(6)
County Closing Contribution	-	-	254,736	254,735	100.0%	(6)
Lease Land CFVMC	3,714,637	3,714,637	3,714,637	3,474,492	93.5%	(7)
Total Other	10,703,527	38,287,951	38,287,951	31,544,481	82.4%	
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 344,640,843	\$ 96,710,478	28.1%	
Fund Balance Appropriation		8,889,652	10,357,328	-	0.0%	(8)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 354,998,171	\$ 96,710,478	27.2%	

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Fiscal Year 2018 - October Year-to-Date Actuals	
Additional Detail	
General Fund Revenues	
*	
(1)	Current Year Ad Valorem 23.2% - the bulk of revenues are typically recorded between November - January.
(2)	Motor Vehicles 25.8% - YTD Actual reflects 3 months of collections.
(3)	Sales Tax 8.3% - YTD Actual reflects one month of collections.
(4)	Unrestricted/Restricted Intergovernmental Revenues 26.1% - lag in revenue is typically one month.
(5)	Other Sources (includes Transfers In) 7.5% - Rental income makes up majority of actual receipts. The majority of remaining balance is budgeted as a transfer in to fund the Board of Ed debt payment toward year-end.
(6)	Proceeds, Premium, Closing 100% - COPS/LOBS refunding of \$23M closed in August 2017. (Correlates with item (11) on report of expenditures.)
(7)	Lease Land CFVMC 93.5% - typically paid in the beginning of the fiscal year. Staff are following up on the balance remaining.
(8)	Fund Balance Appropriation 0% - Direct entries are not made to fund balance throughout the fiscal year.
General Fund Expenditures	
**	
(1)	Board of Elections 11.7% - capital purchase budgeted for \$809,045 has not yet been purchased.
(2)	Debt Service 16.4% - a large debt payment was incurred in late November. The percentage of actual will be more in line after that payment.
(3)	Youth Diversion .9% - expenditures for this program tend to occur later in the fiscal year. Conference scheduled during the month of December.
(4)	Mental Health - as discussed during the November finance committee meeting, a budget revision was completed to decrease the budgeted amount for payment to Alliance Behavioral Health to be in accordance with the FY18 agreement.
(5)	Soil Conservation 2.9% - Revised budget reflects \$1.2M addition for stream debris removal grant for which no expenditures have been incurred.
(6)	Economic Physical Development 100% - NC Southeast contribution has been paid in full.
(7)	Industrial Park 1.2% - maintenance at Cedar Creek Industrial Park has not yet been completed.
(8)	Economic Incentive 4% - economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
(9)	Water and Sewer 0% - Funds budgeted for Overhills W&S have not yet been expended.
(10)	Transfers Out 1% - transfers out typically occur near year-end.
(11)	Refunding of 2009A and 2011B LOBS 100% - refunding of \$23M closed in August 2017. (Correlates with item (6) on report of revenues.)
(12)	Capital Outlay 15.8% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.

Ms. Evans reviewed the background information recorded above and highlighted additional details that will be provided in the monthly reports for percentages that may appear off from year-to-date expectations. Ms. Evans responded to questions about the new format and the report. Consensus was for the November year-to-date report to be provided in the new format.

In response to a question from Commissioner Keefe about Soil Conservation, Ms. Cannon explained a change will be forthcoming to move the grant funds under the Engineering budget as they will manage and monitor the grant.

6. OTHER ITEMS OF BUSINESS

Following a brief discussion, a report on jail health was requested.

There being no further business, the meeting adjourned at 2:20 p.m.



BOARD OF COMMISSIONERS' OFFICE

MEMORANDUM FOR BOARD OF COMMISSIONERS AGENDA OF JANUARY 2, 2018

TO: BOARD OF COUNTY COMMISSIONERS

FROM: KELLIE BEAM, DEPUTY CLERK TO THE BOARD

DATE: 12/19/2017

SUBJECT: FAYETTEVILLE CUMBERLAND COUNTY ECONOMIC DEVELOPMENT CORPORATION (1 VACANCY)

BACKGROUND

At their December 18, 2017 meeting, the Board of Commissioners nominated the following two (2) individuals to fill **one (1) vacancy** on the Fayetteville/Cumberland County Economic Development Corporation:

NOMINEE(S)

At-Large Representative:

Kelvin Farmer

Tim Richardson

I have attached the current membership list for this Board.

RECOMMENDATION / PROPOSED ACTION

Appoint individual to fill the **one (1) vacancy** above.

ATTACHMENTS:

Description

Fayetteville Cumberland Economic Development Corporation

Type

Backup Material

FAYETTEVILLE/CUMBERLAND COUNTY ECONOMIC DEVELOPMENT CORPORATION
(County Appointees)
Initial staggered terms followed by three-year terms

Name/Address	Date Appointed	Term	Expires	Eligible For Reappointment
<u>Elected Official – Chairman or Designee</u>				
Glenn Adams 407 Hilliard Drive Fayetteville, NC 28311 822-4578/223-1400	1/17			
	*Appointment of Elected Official is a Chairman’s liaison appointment for only one year; can be the Chairman or a designee			
<u>At-Large</u>				
Timothy S. Richardson 125 Magnolia Ave Fayetteville, NC 28305 484-8486/307-9110	11/15	1 st	Jan/18 1/1/18	
	appointed for an initial two-year term			
Juanita Pilgrim 621 Hilliard Ct Fayetteville, NC 28311 822-1794/964-5778	11/15	1 st	Jan/19 1/1/19	
	appointed for an initial three-year term			

**A copy of the interlocal agreement approved by the Board of Commissioners on September 21, 2015 is in the file.

***Per Article II, Section 2.4 of the Bylaws of the FCEDC "The terms of all appointed directors shall commence on the first Monday in December in the year of their appointments".

Contact: Robert Van Geons, President/CEO 678-7644/ Amber Quinn

Meetings: 2nd Tuesday monthly at 7:30 a.m. at 201 Hay Street, R. B. Williams Building, 4th floor, Fayetteville, NC 28303