

CUMBERLAND COUNTY FINANCE COMMITTEE  
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
NOVEMBER 2, 2017 – 9:30 AM  
REGULAR MEETING MINUTES

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

OTHERS: 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  
Deborah Shaw, Budget Analyst  
Heather Harris, Budget Analyst  
Vicki Evans, Finance Director  
Ivonne Mendez, Accounting Supervisor  
Tammy Gillis, Director of Internal Audit and Wellness Services  
Jeffrey Brown, Engineering and Infrastructure Director  
Brenda Jackson, Social Services Director  
Tim Kinlaw, Cumberland County Schools Interim Superintendent  
Clyde Locklear, Cumberland County Schools Chief Financial Officer  
Candy York, Health Department Accountant  
Candice H. White, Clerk to the Board

Commissioner Faircloth called the meeting to order. Consensus followed to have Item 4. moved forward on the agenda to become Item 2. and for the remaining items to be renumbered accordingly.

1. APPROVAL OF MINUTES – OCTOBER 5, 2017 REGULAR MEETING OF FINANCE COMMITTEE

MOTION: Commissioner Keefe moved to approve the minutes of the October 5, 2017 regular meeting of the Finance Committee.

SECOND: Commissioner Council

VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF FUNDING AGREEMENT WITH CUMBERLAND COUNTY SCHOOL SYSTEM

BACKGROUND:

The current funding agreement with the Cumberland County School System(CCSS) expires June 30, 2018. This funding agreement allows both the County and CCSS to more accurately plan and

prepare annual budgets. The current agreement provides CCSS revenue derived from \$0.3406 on the County's ad valorem property tax rate. It also provides that actual taxes collected above the budget are split 75% (County) / 25% (CCSS).

As discussed at the October Finance Committee meeting, the renewal of this agreement will need consideration over the next few months to ensure a timely resolution prior to the Fiscal Year 2018-19 budget process. To assist with this effort, a snapshot of information is recorded below.

**RECOMMENDATION/PROPOSED ACTION:**

No action needed at this time. Information is for discussion purposes and to move an agreement renewal forward by February 1, 2018.

**Cumberland County Schools K-12 Enrollment (as used for resource allotment)**

Fiscal Year	CCSS	Charter Schools	Total	% Change (Cumulative)
2012-13	51,890	263	52,153	
2013-14	51,855	410	52,265	0.21%
2014-15	50,939	628	51,567	(1.12%)
2015-16	50,662	887	51,549	(1.16%)
2016-17	50,558	1,019	51,577	(1.10%)

**Cumberland County Schools Impact Aid – (used to pay teacher supplements)**

Fiscal Year	Funds Received	% Change (Cumulative)
2012-13	\$5,834,185	
2013-14	\$4,480,986	(23.19%)
2014-15	\$4,907,172	(15.89%)
2015-16	\$4,332,425	(25.74%)
2016-17	\$4,033,227	(30.87%)

**Annual Funding from Cumberland County to CCSS**

Fiscal Year	County Funding	Cumulative Increase	% Change (Cumulative)
2012-13	\$76,220,676		
2013-14	\$76,220,676	\$0	
2014-15	\$76,982,883	\$762,207	1.00%
2015-16	\$78,345,062	\$2,124,386	2.79%
2016-17	\$79,463,109	\$3,242,433	4.25%

**Cumberland County Schools Unassigned Fund Balance**

Fiscal Year	Unassigned Fund Balance
2012-13	\$28,150,619
2013-14	\$22,640,043
2014-15	\$23,371,510
2015-16	\$28,441,184
2016-17	Not available

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Melissa Cardinali, Assistant County Manager, reviewed the background information recorded above and stated the agreement is beneficial for both parties because it allows the County and the school system to prepare their budgets. Ms. Cardinali referenced the snapshot of information recorded above and stated the information was derived from the school system, the County's books and the Comprehensive Annual Financial Report (CAFR). Ms. Cardinali stated the hope is to have the agreement finalized by February 1, 2018. Tim Kinlaw, Cumberland County Schools Interim Superintendent, stated the Board of Education likes the formula because it is fair and makes it easy to plan. Mr. Kinlaw stated the school system is available to answer questions or provide additional information, especially in regards to the growth in fund balance. Mr. Kinlaw stated Cumberland County ranks 57 across the state in ability to pay and ranks 12 in contributing which demonstrates the Board of Commissioners' commitment to education. A brief discussion followed about accommodating changes at the state level and changes in demographics.

### 3. CONSIDERATION OF ENGAGING OUTSIDE LEGAL COUNSEL FOR DSS FOR CHILDREN'S SERVICES

#### BACKGROUND:

The overriding and primary need for this contract is to have a knowledgeable and capable attorney to handle the many cases being appealed from Juvenile Court to the North Carolina Court of Appeals. Cases are being appealed in record numbers. Seven cases are pending. Every case must be professionally addressed meeting stringent Court of Appeals requirements. These cases are time consuming with drop dead deadlines. These cases are decided on the written, not oral argument. They required research, extensive knowledge of the law, and excellent writing ability which allows this work to be managed remotely. When time allows, this contract attorney would be able to assist with legal research, termination of parental rights petitions and other legal duties as assigned.

#### RECOMMENDATION/PROPOSED ACTION:

DSS respectfully requests the Finance Committee's approval to contract with Elizabeth Gurnee in the amount of \$40,000 (not to exceed 32 hours per week) effective December 1, 2017 through June 30, 2018. Ms. Gurnee has a record of successful appeals for this agency. At this time, no other Cumberland County Department of Social Services attorney can take on this added work.

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Brenda Jackson, Social Services Director, reviewed the background information recorded above and stated these cases involve legal proceedings in which the parents have the right to bring their

cases before the N. C. Court of Appeals for determination. Ms. Jackson stated DSS is finding that more and more parents are exercising their rights to appeal the decisions of the local Juvenile Court. Ms. Jackson explained the work required and the Elizabeth Gurnee's qualifications to take on the seven cases that are pending.

Chairman Adams expressed concern about spending tax payer dollars on an attorney that resides in Colorado when the work can be handled locally and also about cases that may require oral arguments. Ms. Jackson stated in this day and time being able to successfully work remotely is an achievable goal and most of the cases involve written arguments. Ms. Jackson stated to have an individual who has worked with DSS a number of years and has the expertise and knowledge of the work and a proven track of success in these cases is worth the dollars. Commissioner Boose stated appellate work is specialized and no one else would touch the work for \$41 per hour. In response to a question from Commissioner Keefe, Ms. Jackson explained the growth in the number of cases and the complexities involved therein and stated this is likely the new normal. Ms. Jackson stated DSS workloads and legal needs are being evaluated to determine whether to continue the outside legal contracts or request a full-time attorney in the FY19 budget. Ms. Jackson stated should these number constitute a new normal, there also needs to be efficiencies in the court system because the way cases currently move through the courts creates a lot of issues that contribute to the DSS workload. Additional questions and discussion followed. Commissioner Council stated as part of the upcoming budget process, she would like to know how many outside attorneys are under contract and the dollar amount spent for outside legal counsel.

MOTION: Commissioner Council moved to approve the contract with Elizabeth Gurnee in the amount of \$40,000 (not to exceed 32 hours per week) effective December 1, 2017 through June 30, 2018.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

MOTION: Commissioner Council moved to request a tabulation of outside legal counsel used for all County departments and a listing of when the contracts come due or expire.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

#### 4. CONSIDERATION OF HEALTH DEPARTMENT NEW CLINICAL SERVICES FEES

##### BACKGROUND:

The Board of Health approved proposed new clinical services at their meeting, October 17, 2017.

The Department of Public Health has partnered with Stedman-Wade Health Services, Inc. to resume Adult Health and Dental services beginning October 3. New clinical services will be provided which will benefit the Cumberland County citizens. The new fees are recorded below.

Incision & Drainage of Abscess (Simple or Single)	\$ 80.14
Incision & Drainage of Abscess (Complex or Multiple)	\$ 137.99

Skin Tag Removal Up to 15	\$ 59.46
Skin Tag Removal-Next 10	\$ 14.05
Avulsion of Nail Plate	\$ 72.54
Additional Avulsion of Nail Plate	\$ 33.86
Excision of nail and Nail Matrix-Partial	\$ 157.05
Injection of small joint	\$ 41.20
Injection of intermediate joint	\$ 44.13
Injection of major joint	\$ 56.80
Measurement of Lactic Acid	\$ 13.58
CD4/CD8 Absolute Count	\$ 57.95
Bexsero-Meningococcal Group B Vaccine	\$ 185.00
Comprehensive Periodontal	\$ 60.00

**RECOMMENDATION/PROPOSED ACTION:**

The Health Department recommends approval of the new clinical services fees as adopted by the Board of Health and revision of the FY18 Budget Ordinance to reflect the new fees.

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Candy York, Health Department Accountant, reviewed the background information and recommendation/proposed action recorded above. Ms. York noted these are new fees for new clinical services being offered which will benefit citizens of the County.

**MOTION:** Commissioner Council moved to approve the new clinical services fees as adopted by the Board of Health and revision of the FY18 Budget Ordinance to reflect the new fees.

**SECOND:** Commissioner Keefe

**VOTE:** UNANIMOUS (3-0)

**5. UPDATE ON PUBLIC SAFETY TASK FORCE**

**BACKGROUND:**

In February of 2017, staff sought and received approval from the Board of Commissioners to re-institute the Cumberland County Public Safety Task Force (PSTF). In short order, County Management retained the services of retired Fire Chief Greg Grayson with North Carolina Fire Rescue Innovative Solutions, LLC to facilitate the meetings and work processes of the task force. The task force has met several times since April and has discussed many important issues and concerns impacting the current and future delivery of fire services in Cumberland County. It is the goal of County Management and the Task Force to develop short and long-term recommendations that address the funding and operations of the fire departments under contract to provide services in Cumberland County. This project is planned for completion in time for the FY19 Budget process.

**RECOMMENDATION/PROPOSED ACTION:**

This item is for information only, and no action is being requested.

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Tracy Jackson, Assistant County Manager, reviewed the background information recorded above. Mr. Jackson stated Mr. Grayson with North Carolina Fire Rescue Innovative Solutions, LLC is charged with helping the task force achieve the scope of work it established which includes: reviewing recommendations of the previous task force and providing a list of what has been fulfilled and not fulfilled; appointing representatives for fire service; re-evaluating any recommendations coming out of the task force; finding existing inefficiencies; developing recommendations based on a review of old recommendations; and developing an action plan that will address the updated recommendations. Mr. Jackson stated the task force consists of appointed representative from Cumberland County Fire Chiefs' Association, Commissioner Liaison Jimmy Keefe, volunteer fire departments, City of Fayetteville fire departments, EMS and County staff. Mr. Jackson stated subcommittees are stood up as needed to research and discuss special issues, and subject matter experts have been brought in to discuss best practices in a number of different areas. Mr. Jackson stated the task force has met nine times since April 2017, and the meetings have been well attended by task force members and members of fire service. Mr. Jackson stated topics of discussion to date include short and long range priorities along with a SWAT analysis, current system of county-wide fire protection, communication needs and expectations, county fire contracts, recruitment and retention of volunteers, technology and management of records and data, and performance measures. Mr. Jackson stated the end goal of this work is to provide a report and recommendations to the Board by early spring 2018. Mr. Jackson provided highlights of the SWAT analysis of the current fire service. Commissioner Keefe spoke to the knowledge he has gained as a member of the task force and the complexities therein. Commissioner Keefe stated the funding formula and fire service must change because it is not sustainable as is. Ms. Cannon stated staff are working with a committee of the task force made up of volunteer fire departments on is a sustainable and equitable funding formula.

## 6. MONTHLY FINANCIAL REPORT

### BACKGROUND:

The financial report recorded below shows results of the general fund for the first quarter of fiscal year 2018. Results for fiscal year ending 2017 will be added upon completion of the audit. The layout is closer in format to the Schedule of Revenues, Expenditures, and Changes in Fund Balance found in the Comprehensive Annual Financial Report.

The goal is to provide the Committee a report that is more reader-friendly. Expenditure information is provided at the department level and at the expenditure type level. Revenue information is provided at the line level for the largest revenue sources and summarized by category for smaller revenue sources. As always, modifications to the report can be implemented to provide the Finance Committee the most useful information.

### RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.



	FY17-18	FY17-18	AS OF	PERCENT OF
REVENUES	ADOPTED BUDGET	REVISED BUDGET	SEPTEMBER 30, 2017	BUDGET TO DATE
Ad Valorem Taxes				
Current Year	\$ 160,312,162	\$ 160,312,162	\$ 15,356,507	9.6%
Prior Years	1,121,000	1,121,000	465,027	41.5%
Motor Vehicles	18,070,242	18,070,242	3,251,512	18.0%
Penalties and Interest	667,602	667,602	103,270	15.5%
Other	930,279	930,279	249,215	26.8%
Total Ad Valorem Taxes	181,101,285	181,101,285	19,425,532	10.7%
Other Taxes				
Sales	41,760,036	41,760,036	-	0.0%
Real Estate Transfer	700,000	700,000	261,670	37.4%
Other	1,111,500	1,111,500	171,351	15.4%
Total Other Taxes	43,571,536	43,571,536	433,021	1.0%
Unrestricted & Restricted Intergovernmental Revenues	67,300,253	68,096,560	7,904,565	11.6%
Charges for Services	12,056,608	12,066,608	2,250,678	18.7%
Other (includes Transfers In)	6,988,890	7,028,020	393,192	5.6%
Proceeds Refunding Bonds	-	23,005,000	23,005,000	100.0%
Premium on COPS Sold	-	4,285,558	4,285,557	100.0%
County Closing Contribution	-	254,736	254,735	100.0%
Lease Land CFVMC	3,714,637	3,714,637	3,474,492	93.5%
Total Other	10,703,527	38,287,951	31,412,976	
<b>Total Revenue</b>	<b>\$ 314,733,209</b>	<b>\$ 343,123,940</b>	<b>\$ 61,426,771</b>	<b>17.9%</b>
Fund Balance Appropriation	8,889,652	10,126,328	-	0.0%
<b>Total Funding Sources</b>	<b>\$ 323,622,861</b>	<b>\$ 353,250,268</b>	<b>\$ 61,426,771</b>	<b>17.4%</b>

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Vicki Evans, Finance Director, stated the financial report on the first quarter results of fiscal year 2018 is in a different format and updated to be more in line with the report within the CAFR with the schedule of revenues, expenditures and changes in fund balance. Ms. Evans stated the report is on general fund and expenditure information is reported at the department level. Ms. Evans stated revenue information is provided at the line item level for the higher dollar amounts and combined for other revenue sources. Ms. Evans stated the report contains a summary by type of expenditure. Feedback and discussion followed.

## 7. MONTHLY HEALTH INSURANCE REPORT

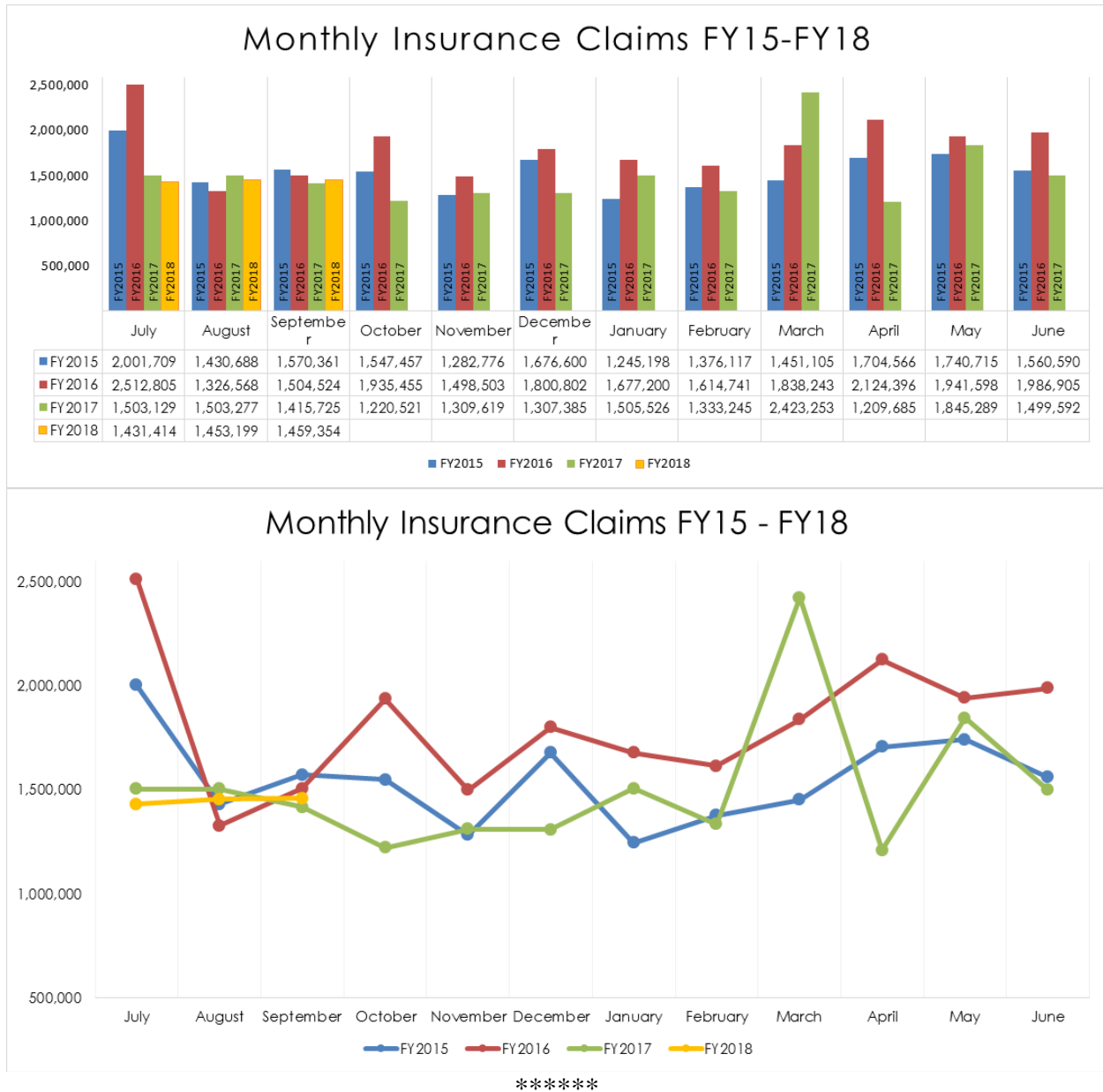
### BACKGROUND:

Health insurance claims remain flat as the end the first quarter of the fiscal year. The average monthly claims are trending 3.8% below Fiscal Year 2017.

### RECOMMENDATION/PROPOSED ACTION:

No action needed – for information only.





Ms. Cardinali reviewed the background information recorded above and referenced the graphs on monthly insurance claims for FY15-FY18. Ms. Cardinali stated after the fiscal information is audited for FY17, she will be able to plot more data. Ms. Cardinali stated the good news is that the County is still trending at \$1.4 million for claims.

## 8. OTHER ITEMS OF BUSINESS

Mr. Jackson briefed the Committee on two items that will go directly to the Board's November 6 agenda: Soil and Water Conservation's stream debris removal \$1.2 million grant related to Hurricane Matthew that will require a \$5,000 match and FY18 parks and recreation projects.

There being no further business, the meeting adjourned at 11:15 a.m.