

CUMBERLAND COUNTY POLICY COMMITTEE
JUDGE E. MAURICE BRASWELL CUMBERLAND COUNTY COURTHOUSE
117 DICK STREET, 5TH FLOOR, ROOM 564
FEBRUARY 15, 2018
SPECIAL MEETING MINUTES

MEMBERS PRESENT: Commissioner Michael Boose
 Commissioner Larry Lancaster

MEMBERS ABSENT: Commissioner Charles Evans

OTHER COMMISSIONERS
PRESENT: Commissioner Jeannette Council
 Commissioner Glenn Adams

OTHERS PRESENT: Amy Cannon, County Manager
 Tracy Jackson, Assistant County Manager
 Sally Shutt, Assistant County Manager
 Melissa Cardinali, Assistant County Manager
 Duane Holder, Assistant County Manager
 Rick Moorefield, County Attorney
 Vicki Evans, Finance Director
 Heather Harris, Budget Analyst
 Jeffery Brown, Engineering
 Candice White, Clerk to the Board
 Press

Commissioner Lancaster called the meeting to order.

1. APPROVAL OF AGENDA

MOTION: Commissioner Boose moved to approve the agenda as presented.

SECOND: Commissioner Lancaster

VOTE: UNANIMOUS (2-0)

2. CONSIDERATION OF THE DRAFT 2018 CUMBERLAND COUNTY GOALS
 AND ACTION PLAN

BACKGROUND

The Cumberland County Board of Commissioners agreed on six major goals for 2018 during a planning session on January 26, 2018 at Cape Fear Valley Medical Center.

The board agreed to focus on capital projects; public water expansion; economic development; financial strength; performance and efficiencies, which includes reviewing

the structure of County human services; and completing negotiations on several projects, including sales tax, baseball and school funding agreements among others.

Management has drafted the action plan recorded below based on the six goal areas outlined by the commissioners during the retreat and is seeking feedback and recommendations from the Policy Committee.

RECOMMENDED/PROPOSED ACTION

Consider the attached DRAFT 2018 Cumberland County Goals and Action Plan and provide feedback before sending the plan to the full Board of Commissioners.

Capital Projects

Use the Capital Planning Model as a tool to assist in funding capital and large recurring expenses such as repairs/maintenance and information technology.

- Review and approve the DRAFT Capital Planning Model policy
- Establish the annual funding commitment for the specific capital projects and recurring expenses
- Incorporate the Capital Planning Model into the annual budget process with more detailed discussion on project specifics

Public Water Expansion

Create a plan and identify funding sources for countywide water, starting with areas contaminated by GenX.

- Partner with the Public Works Commission to complete a preliminary engineering study and environmental assessment for the GenX contaminated areas
- Stay engaged with state agencies
 - Participate in weekly conference calls
 - Attend Science Advisory Board meetings
- Engage with state legislators about funding needs and public health concerns in contaminated areas
 - Request funding for extending water lines
 - Maintain awareness of the impact on our citizens
 - Stress importance of holding Chemours accountable
- Identify funding sources; seek grants and state and federal legislative actions and assistance
- Continue to provide information to citizens about GenX contamination through website and other platforms
- See attached detailed plan

Economic Development

Promote economic development, job retention and growth.

- Work with the Fayetteville Cumberland Economic Development Corporation to develop and establish goals and strategies for economic development
 - Strategy should include working with municipalities on initiatives
- Streamline regulatory, permitting processes
 - Acquire new software solution for central permits, inspections, code enforcement, land use, parcel/address management and environmental health
- Consider pursuing legislative action allowing the County to have a small business enterprise program to promote the development of small businesses in the county

Maintaining the County's Financial Strength

Maintain the County's strong financial position by pursuing initiatives that advance long-term sustainability.

- Capital Planning Model
- Business Intelligence
- Continued involvement in Government Finance Officers Association Excellence in Financial Reporting Program (Comprehensive Annual Financial Report)

Performance and efficiencies, including review of human services governance structure

Optimize service delivery through staff development, business process review and innovation.

- Human Resources projects
 - Performance Development and Management System through NeoGov
 - Salary review
 - Leadership Academy
- Prioritize business process review/improvement
- Explore the merger of county functions (technology, human resources, public information, facilities maintenance)
- Continue investment in technology
- Human Services Governance Review
 - Department of Public Health
 - School of Government presentation on Feb. 27
 - Develop next steps

Completing project negotiations

Pursue discussions with appropriate entities and reach decisions related to projects that have been under long-term consideration.

- 911 Center
- Sales Tax Distribution
- School Funding

- Shaw Heights
- Baseball Funding/Parking Deck (City and County approved agreements Feb. 5, 2018)

A proactive plan for working with local, state, Chemours and the citizens affected by the contamination.

Local

- PWC partnership – assess the area and determine cost of running water lines. The utility is willing to pay half the cost of hiring an engineering firm to review the earlier feasibility study and determine the engineering requirements and cost of extending water lines into the Gray's Creek Water and Sewer District.
- Complete a preliminary engineering study and environmental assessment
- Communicate with Bladen and other counties in the river basin to compare and share information about activities to assist and inform citizens and collectively work with state and federal authorities to hold Chemours accountable and ensure safe water and air quality

State

- County Management and Health Department continue to participate in weekly conference calls with NCDHHS (DEQ and DPH) and stay updated on:
 - o Ground and surface water testing
 - o Discharge and other regulatory issues
 - o Air quality
 - o Health impact
- Health Department officials attend Science Advisory Board meetings (NC Division of Public Health) to stay updated on the health effects findings
- State Legislature (County delegation, House and Senate select committees on water quality)
 - o request funding for extending water lines
 - o maintain awareness of the impact on our citizens
 - o stress importance of holding Chemours accountable
- Seek grant and loan funding for projects

Federal

- Seek federal support for water infrastructure
- Involve federal delegation in seeking EPA assistance on testing and setting regulatory standards

Chemours

- Set up meetings between the company and the commissioners and management to learn about the company's action plan and share citizen concerns

Citizens

- Provide information and facilitate communication with state officials
- Serve as a link to state resources
- Communicate appeals process currently in place to address possible tax relief for contaminated properties
- Use various platforms to provide information to citizens, including County's GenX webpage, social media and press releases

Sally Shutt, Assistant County Manager, reviewed the background information, recommendation and proposed Draft 2018 Cumberland County Goals and Action Plan as recorded above.

MOTION: Commissioner Boose moved to recommend to the full board approval of the Draft 2018 Cumberland County Goals and Action Plan with the following language added under Economic Development "Invite municipalities to attend meetings where items in or near their towns are discussed" and to Consider pursuing legislative action allowing the County to have a small business enterprise program to promote the development of small businesses in the county and "that mirrors legislation passed for the City of Fayetteville".

SECOND: Commissioner Lancaster

VOTE: UNANIMOUS (2-0)

3. CONSIDERATION OF THE DRAFT 2018 CUMBERLAND COUNTY STATE LEGISLATIVE AGENDA

BACKGROUND

The Board of Commissioners will meet with the N.C. Legislative Delegation on March 9, 2018 at 8:30 a.m. in Room 119 of the Judge E. Maurice Braswell Courthouse. Commissioners were asked to send items they wanted included on the state agenda. The draft 2018 State Legislative Agenda which is recorded below has been prepared for your consideration in preparation for that meeting and helps outline the County's legislative priorities.

RECOMMENDATION/PROPOSED ACTION

Consider the Draft 2018 State Legislative Agenda that is recorded below and provide feedback to staff before the agenda is sent to the full board for consideration and approval.

GENX Contamination

- Funding and support for extending public water lines in contaminated areas

- Determining health impact and holding Chemours accountable

Background:

The General Assembly approved HB56 in October that included allocating **\$435,000**.

- **\$185,000** to the Cape Fear Public Utility Authority to study methods to remove GenX from the water supply and to pay for ongoing monitoring
- **\$250,000** to UNC-Wilmington to study GenX and prepare a final report on findings and recommendations for legislative action by April 1 to the Environmental Review Commission.

[House Bill 189](#) - An Act to Implement Measures to Address "Genx" and Other Emerging Contaminants

- House approved. Senate made changes. Bill will go back to the House.
- Directs the NCDEQ to review historical discharge permits and coordinate with other state and federal agencies to share water quality information.
- Sets up a process for the North Carolina Policy Collaboratory at UNC-Chapel Hill to coordinate efforts using technology and instrumentation to measure discharge and emerging contaminants in the event the U.S. Environmental Protection Agency no longer provides free access to its analytical instrumentation and technology (often referred to as mass spectrometers).
- The bill authorizes the collaboratory to use \$1 million in funds each year over the next two years for this purpose and appropriates \$2.4 million in additional funds to DEQ to implement the bill.

Cumberland County is asking for funding to extend water lines in the contaminated areas.

Tax and Finance

- **Food & Beverage Tax**

- Amend the Prepared Food and Beverage Tax (Session Law 1993-413) to repeal the sunset provision. Request the removal of the provision that the tax be repealed when the debt service on the Crown Coliseum Complex is paid in 2024. (See attached bill and copy of letter that was sent to the delegation in September.)

Expand the permitted uses of the tax proceeds to allow greater flexibility.

Background:

Food and Beverage tax proceeds are now restricted to capital needs and operating, marketing and promoting the Crown Complex. The existing debt service will be paid in 2024 and the current tax will be repealed; however, the County will need to continue to maintain the Crown's facilities and subsidize the operations.

Request that Session Law 1993-414 be amended by removing the sunset requirement and expand the permitted uses of the tax proceeds to any purpose that will promote or enhance tourism, travel, arts, entertainment and sports venues and activities within Cumberland County.

- **Local Occupancy Tax**

- Be allowed to operate under House Finance Committee guidelines for the Local Occupancy Tax

Background:

Please see attached copies of [Session Law 2001-484/SB348](#) and [House Finance Committee's Guidelines for Occupancy Tax Legislation](#).

The County is seeking changes in the local occupancy tax legislation to allow it to comply with the [House Finance Committee's guidelines](#). This change is being requested after reviewing disbursement methods, oversight and protocols for ensuring funding is spent in accordance with the original intent of the legislation.

The County wants to operate under the same rules as other counties that collect local occupancy tax. This change will allow for a more inclusive and representative Tourism and Development Authority Board and allow for funding to go toward capital projects related to tourism.

Cumberland County's local occupancy legislation ([Session Law 2001-484](#)) dictates the makeup of the Tourism Development Authority and limits the number of eligible individuals to:

The Authority shall be composed of the following members: (1) Two representatives nominated by hotels and motels within the county which have in excess of 100 rooms subject to this occupancy tax and appointed by the county board of commissioners. (2) Two representatives nominated by hotels and motels within the county which have fewer than 100 rooms subject to this occupancy tax and appointed by the county board of commissioners. (3) The President of the Fayetteville Area Chamber of Commerce, in an ex officio capacity. (4) The County Manager of Cumberland County, in an ex officio capacity. (5) One member of the public who is not affiliated with travel and tourism and who reflects the cultural diversity of the county.

The House Finance Committee guidelines provide that "at least ½ of the members must be currently members active in the promotion of travel and

tourism in the taxing district and 1/3 of the members must be affiliated with organizations that collect the tax.”

House guidelines allow for 1/3 of funding to be used for tourism-related capital expenditures.

The Crown facilities have ongoing capital needs, including updating and retrofitting. In addition, the Board of Commissioners has established capital planning priorities that include renovating the Crown Theater or constructing a performing arts center and supporting a Civil War History and Reconstruction Center. These priorities could benefit from local occupancy taxes if the legislation were changed to allow for tourism-related capital expenditures.

- **Sales Taxes**

- Discuss the potential for Article 43 sales tax as an option for public safety funding.

Background:

The Public Safety Tax Force is exploring options for funding of fire service. Volunteer fire departments are facing decreasing numbers of volunteers and increasing demands such as medical calls. Cumberland County is at the maximum for Article 46 and would like the flexibility to use Article 43 (transit) for public safety.

[H333](#) An Act to Give Counties Additional Flexibility with Regard to the Local Option Sales and Use Tax Without Increasing the Existing Maximum Tax Rate was introduced in the long session and approved in the House. It was sent to a Senate Committee. It calls for using “Article 43A” for public education and general purposes “as provided in Article 46.”

- Discuss changes in sales tax collections (taxes on services and remote sales) and their impact on Cumberland County.

Background:

Online sales – Counties are losing millions of dollars in sales tax revenue due to online sales. Vendors who have a physical location in North Carolina are required to send in tax payments, which include both over-the-counter and online sales. Vendors who do not have a physical presence in North Carolina are not required to send these in and if they do, they are doing so on the honor system.

The Supreme Court will hear a case to determine if states and local governments can require retailers to collect sales tax even if they don't have a physical location in the state. This is a NACO legislative priority.

The County does not have access to sales information by type of sale. The tax dollars come in as one bucket of money, with a breakdown by Article of Sales Tax only. There is no distinction between goods and services in the reports, therefore, no way to determine how collections are going related to services.

Schools

- Support the legislation to repeal the statutory authority under N.C. Gen. Stat. 115C-4319(c) that allows a local school board to file suit against a county board of commissioners over county appropriations for education.

Background:

This is one of the top legislative priorities for the North Carolina Association of County Commissioners. This statutory authorization creates an adversarial relationship between the school boards and the boards of county commissioners and has cost taxpayers millions of dollars in legal fees and litigation expenses.

S531/H305 amends the statute that establishes the dispute resolution process for boards of county commissioners and boards of education. The proposed legislation was held up in the House during the long session and is eligible for the short session.

- Lottery Funds for School Construction: The biennium budget passed in 2017 created the Needs-Based Public School Capital Fund, which provides targeted grants to counties in Tiers 1 and 2 using lottery funds. However, as a Tier 2 county, Cumberland County will not be eligible for grant funds until 2020-21.

Human Services

- **Social Services:** Continue support of county administered social services system as the Social Services Regional Supervision and Collaboration Working Group (established pursuant to Session Law 2017-41) holds ongoing meetings and explores a “vision” for county social services that may include a state administered system in the future.

Background:

The County has concerns about moving to a full state-administered social services system but supports the state establishing regional offices to provide oversight and assistance to local county-administered agencies.

- **Public Health:** Approve funding for Communicable Disease Nurse positions in county public health departments.

Background:

The Cumberland County Department of Public Health supports the request from the N.C. Association of Local Health Directors in asking the General Assembly for \$8 million to be spread among all 100 counties to fund a Communicable Disease Nurse position. For Cumberland County, that would be about \$80,000. The increased funding to Local Public Health will help address rapidly emerging infectious disease (e.g. ZIKA, Hepatitis C, Escherichia coli (E. coli) O121 or E. coli O26, Antibiotic Resistant Infections, Coronavirus (MERS), Meningitis, Drug Resistant Tuberculosis, Influenza, etc.) Considering recent national and international concern around communicable disease outbreaks, it is imperative that local health departments have a minimum set of resources available to perform local communicable disease control and community and public health surveillance activities, and to communicate clearly about disease threats within their jurisdictions.

Support for the basic core functions of local public health departments is waning, along with infrastructure funding, impacting local public health ability to accomplish mandated services. Local control of communicable diseases is a well-recognized core public health function here in N.C. and nationally, a role comparable to the public safety mission of law enforcement.

- **Mental Health:** Support increased state funding for mental health services and support public managed care for the mental health, substance use and intellectually/developmentally disabled population.

Background:

For FY18 and FY19, the General Assembly ([Session Law 2017-206](#)) has cut funding to the statewide mental health system by more than \$67 million in recurring funds and \$110 million in non-recurring funds. For Alliance Behavioral Healthcare, of which Cumberland County is a member county, reductions have totaled more than \$17.7 million in recurring funds and \$17.8 million in non-recurring, for a total of more than \$35.5 million.

The LME/MCOs were required to utilize their fund balance reserves to maintain service levels to the uninsured/indigent population. As fund balance levels continue to dwindle, services to this most vulnerable segment of our population will be drastically reduced. Support for ceasing all further reductions to state appropriations for mental health funding is requested. Increased state appropriation to match service demands is also requested. Additionally, as Medicaid reform continues to be implemented in the state, support for publicly operated managed care organizations is also requested. The LME/MCOs have unique experience and expertise in managing the needs of this special population in the State of North Carolina.

Libraries

- **Increase State Aid to Libraries** – The Cumberland County Public Library & Information Center Board of Trustees supports increased state funding for the important services provided through the library system.

Other topics:

- Seek legislation to allow Cumberland County the flexibility to participate with local companies and vendors through a small business enterprise program like the legislative action approved last year for the City of Fayetteville. ([Session Law 2017-81](#))
- Seek update on the status of the N.C. Military Hall of Fame project and site selection. The N.C. Department of Military and Veterans Affairs recommended the N.C. Museum of Natural History. Consider endorsing Cumberland County as the location.
- Discuss the General Assembly's position on funding for 911 services and the responsibilities of counties to provide this service to municipalities and unincorporated areas. In 2015, there was proposed legislation to require counties to provide 911 services if requested by municipalities.

Sally Shutt, Assistant County Manager, reviewed the background information, recommendation and Draft 2018 Cumberland County State Legislative Agenda as recorded above.

MOTION: Commissioner Boose moved to recommend to the full board approval of the Draft 2018 Cumberland County State Legislative Agenda as presented.
SECOND: Commissioner Lancaster
VOTE: UNANIMOUS (2-0)

MEETING ADJOURNED AT 3:50 PM