

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MONDAY, OCTOBER 7, 2013 – 9:00 AM
117 DICK STREET, 1ST FLOOR, ROOM 118
REGULAR MEETING
MINUTES

PRESENT: Commissioner Jimmy Keefe, Chairman
Commissioner Jeannette Council, Vice Chair
Commissioner Kenneth Edge
Commissioner Charles Evans (departed at 9:45 a.m.)
Commissioner Marshall Faircloth
Commissioner Ed Melvin
James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Rick Moorefield, County Attorney
Melissa Cardinali, Finance Director
Sally Shutt, Public Information Director
Buck Wilson, Public Health Director
Brenda Jackson, DSS Director
Karen Long, Crown Coliseum Complex General Manager
George Tucker, Civic Center Commission Chairman
Joel Strickland, Mid-Carolina Rural Planning Organization
Planning Director
Kristine Wagner, Transportation Program Coordinator
Candice H. White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

ASSENT: Commissioner Billy King

Chairman Keefe called the meeting to order.

INVOCATION AND PLEDGE OF ALLEGIANCE – Chairman Keefe provided the invocation followed by the Pledge of Allegiance to the American Flag.

Recognition of Health Director, Buck Wilson for his Appointment to the North Carolina Child Fatality Task Force by Governor McCrory

Chairman Keefe called on Commissioner Faircloth who recognized Buck Wilson, Public Health Director.

Commissioner Faircloth stated Mr. Buck Wilson was appointed by Governor Pat McCrory to serve as a member of the North Carolina Child Fatality Task Force. Commissioner Faircloth stated the term began upon the governor's appointment on September 9, 2013 and will expire in 2015.

Commissioner Faircloth explained the Child Fatality Task Force is a legislative study commission which makes recommendations to the General Assembly and the governor for their consideration. Commissioner Faircloth stated over the past twenty (20) years, the recommendations made by the task force that have become law have contributed to an estimated 9,000 more children living to adulthood. Commissioner Faircloth further stated their recommendations are also credited with cutting the caseloads for Child Protective Services across the state by a third since 1991.

Commissioner Faircloth recalled in January, 2013, Mr. Wilson was also named North Carolina Health Director of the Year by the N.C. Association of Local Health Directors. Commissioner Faircloth stated Mr. Wilson has been Cumberland County's health director since 2009.

MOTION: Chairman Keefe moved that Item 9. be moved forward to become Item 2. and that the remaining items be renumbered accordingly.

SECOND: Commissioner Edge

VOTE: UNANIMOUS (6-0)

1. Approval of Agenda

MOTION: Commissioner Edge moved to approve the agenda as amended.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

2. Update on Current Understanding of Federal Budget Impact

James Martin, County Manager, called on Melissa Cardinali, Finance Director, who provided the following presentation about the federal budget impact.

Ms. Cardinali stated there are several disclaimers that need to be kept in mind before discussion begins about the impact of the federal shutdown on Cumberland County. Ms. Cardinali stated there are many unknowns, the county is not sure how long the federal shutdown will last, the county is not sure of the status of reimbursements and staff are monitoring daily actions of federal and state agencies, which has been made much more difficult by federal and state furloughs.

Disclaimer:

- o Many unknowns
- o Constantly changing guidance
- o Monitoring actions of federal and state agencies
- o Federal and state furloughs

Ms. Cardinali stated it is important to understand how federal funding works when discussing a federal shutdown. Ms. Cardinali explained the county provides the service and incurs the

expense for the service, then requests reimbursement from the federal government. Ms. Cardinali stated the significance of this funding structure impacts what is at risk.

How Federal Funding Works:

- County Provides Service
- Incurs the Expense
- Seeks reimbursement from federal government

Ms. Cardinali stated potentially at risk is reimbursement for September services the county has already provided as well as reimbursement for October services until a budget or a continuing resolution is approved by the federal government. Ms. Cardinali also stated as of today, because of a lack of definitive guidance as well as no known end date for the shutdown, management does not know the extent of the county's financial exposure.

What is at Risk?

- Reimbursement for September services
- Reimbursement for October services
- Extent of financial exposure unknown
 - Lack of definitive guidance
 - End date unknown

Ms. Cardinali advised the following county departments receive federal funding.

County Departments that Receive Federal Funding:

- Department of Public Health
- Department of Social Services
- Child Support
- Community Development
- Planning/Transportation
- Soil and Water Conservation
- Senior Aides

Ms. Cardinali stated as of late Sunday, October 6th, management believes the departments primarily affected by the shutdown are the Department of Public Health and the Department of Social Services; however, this is subject to change as management continues to seek definitive guidance from North Carolina Department of Health and Human Services and other state agencies.

Departments Believed to be Affected as of October 6th:

- Department of Public Health
- Department of Social Services

Ms. Cardinali stated in the Health Department, the Women, Infants and Children's Program is 100 percent federally funded, and as of last Thursday, October 3rd, the guidance from the state was that WIC was to continue to enroll new participants through at least Tuesday, October 8th. Ms. Cardinali stated Public Health staff were on a webinar earlier in the day with the state to receive more funding guidance. Ms. Cardinali stated based on the initial guidance from the Division of Public Health, it appears the county may not receive reimbursement for the

Community Transformation Grant for September and October expenses in the amount of \$194,000.

Health Department:

- Women, Infants and Children (WIC)
- Community Transformation Grant

Ms. Cardinali advised the Department of Social Services receives more federal funding than any other county department and it also has the most complex funding reimbursement mechanism in the county. Ms. Cardinali stated for example, Social Services Block grant funds do not directly support one particular program or service at DSS; instead, these federal dollars reimburse a portion of the costs of all programs, all services and all administrative costs.

Department of Social Services (DSS):

- Majority of federal funds in the county
- Funding reimbursement mechanism is the most complex
 - Program reimbursement
 - Administrative reimbursement
 - All positions at DSS have some level of federal funding

Ms. Cardinali reported as of this morning, it appears that the specific DSS programs that may be affected by the shutdown are as follows:

DSS Programs:

- Temporary Assistance for Needy Families (TANF)
- Child Care Subsidy
- Child Protective Services
- Foster Care
- Adoption Assistance
- Adult Protective Services
- Guardianship

Ms. Cardinali also reported the potential impact on our community can be seen in the following and the county has about 1,300 families facing the possible elimination of temporary assistance.

Potential Community Impact:

- 700 children in foster care
- 3,400 children in subsidized day care
- 408 child care providers in county
- Possible elimination of temporary assistance to 1,300 needy families (TANF)

Ms. Cardinali stated in the last week, county departments have remained in constant contact with their state agencies but getting definitive information has been complicated by the federal furloughs. Ms. Cardinali also stated the county has reached out to North Carolina Association for County Commissioners (NCACC) for guidance and county management also met with DSS leadership on Friday, October 4th, to review program specifics because these services face the greatest potential financial exposure. Ms. Cardinali stated in addition, management met with all

department heads on Friday, October 4th, to outline an immediate action plan and engaged department heads in the appropriate response to the potential impact of the federal shutdown.

Actions Taken by Management:

- Monitoring of state agencies
 - Challenging due to federal furloughs
- North Carolina Association of County Commissioners
- Met with DSS leadership
- Department head meeting

Ms. Cardinali stated in addition, the county manager has taken the actions outlined below effective Friday, October 4th, and while it is realized that all county functions cannot cease, the manager has implemented a freeze on hiring, training and travel, as well as operating and capital purchases. Ms. Cardinali advised mission-critical requests may be submitted to the county manager for consideration.

- Hiring Freeze
- Training/Travel Freeze
- Operating and Capital Purchases

Ms. Cardinali advised management developed recommendations based on the fluidity of situation, the lack of definitive guidance from state and federal agencies, and the uncertainty of the extent of our financial exposure. Ms. Cardinali stated after a federal budget is adopted or a continuing resolution approved, the county may be reimbursed for September program expenses, which would significantly limit the loss of federal funding. Ms. Cardinali also stated in addition, there are unintended consequences of this federal shutdown that highlight the need for a countywide solution. Ms. Cardinali stated whatever the ultimate impact is, it will be broader than a specific department and as a result of fewer funds flowing into the local economy, there will be an even greater demand for these health and human services.

Basis for Recommendations:

- Fluidity of the situation
- Lack of definitive guidance
- Uncertainty of the extent of our financial exposure

Management Recommendations:

- Continue actions taken to date by management
- Daily monitoring of federal shutdown
- Analyze definitive guidance when available
- Make specific recommendations, if necessary, based on known dollar amount

Ms. Cardinali stated management believes the actions taken to date are prudent and leave the county in a position to manage the unfolding and indefinite situation. Ms. Cardinali advised staff will continue to monitor the situation on a daily basis. Ms. Cardinali stated because the county's fiscal year began only a couple of months ago, staff have the opportunity to develop an appropriate countywide plan that will address financial exposure when known without taking measures that may be premature or too drastic.

In conclusion, Ms. Cardinali repeated there are many unknowns and staff are not sure how long the shutdown will last. Ms. Cardinali also repeated staff are not sure to what extent September and October services will be reimbursed and believe the freezes on hiring, training and travel, and purchases are the prudent actions for now. Ms. Cardinali stated staff hope to have more definitive information at the October 21st commissioners' meeting.

Questions and comments followed.

Commissioner Faircloth asked how much was at risk each day. Mr. Martin stated at DSS, the approximate amount at risk each working day is \$100,000. Commissioner Faircloth asked how many days the county was prepared to move forward considering how much of this is currently unknown. Mr. Martin responded that without knowing the length of time the shutdown may continue, it is difficult to determine. Mr. Martin stated the board will receive another report on October 21st and hopefully more will be known at that time. Mr. Martin stated he believes it is more prudent to monitor the situation and come back to the board with a plan in the next two weeks. Mr. Martin stated if the federal funds cannot be recovered, it could involve not only what has already been put into place, but also furloughs of positions and delays in expenditures.

Commissioner Faircloth stated the Finance Committee at its meeting on October 3rd and other commissioners who attended made it clear that they did not want to risk spending county money to supplant federal money. Commissioner Faircloth stated more than \$1 million could be at risk between now and October 21st. Mr. Martin stated management heard that the board is not interested in making up any federal shortfall, but the belief is that if furloughs are made today and budget matters are resolved and the county is reimbursed, then actions will have been taken for no real reason.

Commissioner Evans asked that citizens contact their legislative representatives.

MOTION: Commissioner Evans moved that staff prepare a statement or letter to elected officials that serve us in Washington, D.C. indicating the board of commissioners' discontent with the government shutdown and that the board would like to see an immediate resolve to the problem.

SECOND: Commissioner Faircloth

DISCUSSION: Commissioner Faircloth suggested that staff bring a resolution to the October 21st meeting. Commissioner Edge stated the resolution should indicate how matters could potentially affect the county and the programs it provides. Commissioner Council asked to have the resolution forwarded to other boards of commissioners across the state.

VOTE: UNANIMOUS (6-0)

3. Consent Agenda

A. Approval of minutes for the September 16, 2013 regular meeting

- B. Approval of Bid #14-11-SO Award for the Cumberland County Sheriff's Office for Tasers and Approval to Trade-In Surplus Tasers

BACKGROUND:

Cumberland County Purchasing received bids September 25, 2013 for a new model of tasers for the Cumberland County Sheriff's Office. Lawmen's Safety Supply, Inc., was the sole bidder and is approved by Taser Inc. to distribute their product line in this area. Lawmen's has offered a trade-in allowance of \$21,000 for the old model tasers the Sheriff's office currently carries.

RECOMMENDATION/PROPOSED ACTION:

Approval of the purchase of 175 tasers per formal bid and approval of declaring as surplus the current model of Tasers used by the Sheriff's Office.

- C. Approval of Sole Source Purchase for Work Stations for SafeLink Renovation

BACKGROUND:

Cumberland County Engineering & Infrastructure Department is requesting a sole source approval under general statutes 143-129(e)(6). The renovation project for SafeLink (located on the third floor of the Courthouse) and necessary funding for this project was approved by the Board of Commissioners on August 19, 2013.

The Clerk of Court wants the new work stations to match existing workstations. Office Sales Inc. installed the original workstations and has provided a quote within the budget allocated for this portion of the project. The only way to assure the new workstations match the existing ones is to go through Office Sales Inc.

RECOMMENDATION/PROPOSED ACTION:

Approval of sole source exception (GS 143-129)(e)(6) since standardization or compatibility is the overriding consideration in this case.

- D. Approval of Sole Source Purchase Request from Cumberland County Information Services for the County's Voice Over IP Telephony Equipment

BACKGROUND:

In 2009, Internetwork Engineering was awarded the bid for implementation of the County's VOIP telephony system for the Health Department and then again in 2012 for the County Libraries. The current VOIP telephony system maintenance and engineering support is established with Internetwork Engineering. Any diversions from the original engineering design could result in major disruption to the entire County VOIP phone system.

Internetwork Engineering has provided the County with extraordinary technical support by having local engineers available to handle any issues that may arise. They have helped Cumberland County Information Services implement a reliable, durable, and dependable core infrastructure by ensuring compatibility and interoperability with the existing system.

RECOMMENDATION/PROPOSED ACTION:

Approval of sole source exception (GS 143-129)(e)(6) for Internetwork Engineering since standardization or compatibility is the overriding consideration in this case.

- E. Approval of Amendments to the North Carolina Records Retention Schedule for County Management, Register of Deeds and Tax Administration

BACKGROUND:

The State Archivist and the Secretary of the Department Cultural Resources officially approved amendments to the following Local Government Departments:

<u>Schedule Title</u>	<u>Issued Date</u>	<u>Amendment Date</u>
<u>County Management</u> Amended: Standard 4 – Budget, Fiscal and Payroll Records; Standard 11 – Personnel Records	April 15, 2013	August 28, 2013
<u>Register of Deeds</u> Amended: Standard 2 – Budget, Fiscal and Payroll Records; Standard 5 – Personnel Records	October 10, 2012	August 29, 2013
<u>Tax Administration</u> Amended: Standard 5 – Personnel Records, Standard 12 – Program Records; Business and Other Tax Records	April 17, 2013	September 3, 2013

The Schedules are available on the Government Records Branch of North Carolina under Local Records in the Department of Cultural Resources website at this direct link:

<http://www.ncdcr.gov/archives/ForGovernment/RetentionSchedules/LocalSchedules.aspx>

RECOMMENDATION/PROPOSED ACTION:

Adopt the abovementioned amendments to the County Management, Register of Deeds and Tax Administration Records Retention Schedule and have appropriate representatives sign the Records Retention Schedule Amendments.

- F. Approval of Proclamation Designating October 17, 2013 as “Leadership Fayetteville Youth Academy Government Day”

COUNTY OF CUMBERLAND

NORTH CAROLINA

PROCLAMATION

WHEREAS, the Fayetteville Regional Chamber of Commerce is dedicated to educating high school students about local government through the annual Youth Leadership Fayetteville Government Day; and,

WHEREAS, obtaining knowledge about government and participating in government are significant aspects of building leadership; and

WHEREAS, the Fayetteville Regional Chamber of Commerce values government and its contributions to the quality of life in our community and includes government in their Youth Leadership Fayetteville annual curriculum; and

WHEREAS, Cumberland County, with an estimated population of 324,000, provides leadership opportunities through elected seats and 37 volunteer citizen boards; and

WHEREAS, strong leadership promotes Cumberland County's vision to grow as a regional destination for employment, economic development, commerce and cultural pursuits; and

WHEREAS, the Youth Leadership Fayetteville Class of 2013 represents future strong and capable leadership for our great county.

NOW, THEREFORE, the Board of Commissioners of Cumberland County, hereby proclaims October 17, 2013 to be "YOUTH LEADERSHIP FAYETTEVILLE GOVERNMENT DAY" in Cumberland County and commends this observance to our citizens.

Adopted this 7th day of October, 2013.

G. Approval of Proclamation Designating the Week of October 23-31, 2013 as "Red Ribbon Week" in Cumberland County

COUNTY OF CUMBERLAND

NORTH CAROLINA

PROCLAMATION

WHEREAS, gun violence, alcohol, and drug abuse have been identified as significant dangers to young people and our communities today; and

WHEREAS, violence and substance abuse among the nation's youth have emerged as some of the nation's greatest threats to a healthy lifestyle among our young people; and

WHEREAS, the National Family Partnership for a Drug-free North Carolina and the C.A.R.E.S Coalition (Coalition for Awareness, Resources, and Education of Substances) are sponsoring the local Red Ribbon Campaign, October 23 through October 31, 2013, which offers community members the opportunity to display their commitment to a drug-free lifestyle by wearing a red ribbon; and

WHEREAS, Local government, businesses, law enforcement, school systems, citizens, and students will express their commitment to a lifestyle free of youth substance usage by signing the Red Ribbon Pledge and by wearing a red ribbon during the campaign.

NOW, THEREFORE, the Board of Commissioners of Cumberland County PROCLAIMS the week of October 23-31, 2013 “Red Ribbon Week” and encourages all citizens to take active roles in preventing substance abuse and gun violence among youth in our communities during these dates and indeed, throughout the year.

Adopted this 7th day of October, 2013.

- H. Approval of Proclamation Designating October 24, 2013 as “Healthy Food Day” in Cumberland County

COUNTY OF CUMBERLAND

NORTH CAROLINA

PROCLAMATION

WHEREAS, the health and well-being of our citizens is of primary concern for the County of Cumberland; and

WHEREAS, promoting safer, healthier diets is a critical factor in improving citizens’ overall health; and

WHEREAS, local agriculture benefits the local economy; and

WHEREAS, expanding access to healthy food is of importance to producers, consumers and our local food security.

NOW, THEREFORE, the Board of Commissioners of Cumberland County do hereby proclaim Thursday, October 24, 2013 as

HEALTHY FOOD DAY

in the County of Cumberland, and urge all citizens to recognize the importance of healthy foods.

Adopted this 7th day of October, 2013.

- I. Budget Revisions:

(1) Health

- a. Health Promotion: Revision in the total amount of \$6,475 to appropriate fund balance to re-budget unexpended Wolfe Mini Grant funds of \$1,475 from the prior year and to recognize additional grant funds of \$5,000 all to be used for a Baby Store Project. (B14-140) Funding Source – Fund Balance Appropriated and Grant
- b. Adult Health: Revision in the amount of \$15,500 to appropriate fund balance to pay a permanent placement fee as per contract with Locum

Tenen Agency for the placement of Physician III-A position. (B14-141) Funding Source – Health Fund Balance Appropriated

(2) Eastover Sanitary District

Revision in the amount of \$74,500 to appropriate fund balance to pay PWC the required Facility Investment Fees as stipulated in the Wholesale Sewer Agreement with PWC. (B14-103) Funding Source – Eastover Sanitary District Fund Balance Appropriated

(3) Community Development

a. PATH Program - Revision in the amount of \$10,110 to recognize additional grant funds awarded to the PATH (Project for Assistance in Transition from Homelessness) program. (B14-121) Funding Source – Grant

b. Supportive Housing Program - Revision in the amount of \$135,186 to roll-forward unexpended grant funds in the amount of \$114,979 for Robin's Meadows and Safe Homes and to appropriate fund balance of \$20,207 for additional homeless services. (B14-142) Funding Source – Grant and Fund Balance Appropriated

MOTION: Commissioner Melvin moved to approve consent agenda Item 3.A. – Item 3.I.3.b.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

Public Hearings

Mr. Martin explained the Board of Commissioners' procedures for public hearings.

4. Public Hearing on the FY 2013-2014 Annual Rural Operating Assistance Program (ROAP) Grant

BACKGROUND:

The FY 2014 Rural Operating Assistance Program Grant Application requires a public hearing. The public hearing was advertised in the Fayetteville Observer on Monday, September 23, 2013 and in the Acento Latino on Tuesday, September 24, 2013. In addition to holding the public hearing on that date, it is requested that the Board of Commissioners approve the application. The due date for the project to be turned in to the NCDOT Public Transportation Division is October 18, 2013.

The ROAP Grant incorporates three parts of the Community Transportation Program, the Elderly and Disabled Transportation Assistance Program (EDTAP) allotment, the Employment Transportation Assistance Program (EMPL) allotment and the Rural General Public Program (RGP) allotment. The total awarded amount for the FY 2014 ROAP Grant is \$375,952. The breakdown of funding is as follows: EDTAP: \$150,182; EMPL: \$90,719; and RGP: \$135,051.

There is no local match required for the EDTAP or EMPL funds. RGP funds do require a 10% local match. A fare will be charged in order to cover the 10% local match.

RECOMMENDATION/PROPOSED ACTION:

Conduct a public hearing and approve the FY 2014 Application for ROAP grant funds.

Kristine Wagner, Transportation Program Coordinator, reviewed the background information as recorded above and explained the county applies for the ROAP grant annually. Ms. Wagner stated the FY 2014 ROAP Grant is \$375,952.

This is the duly advertised/noticed public hearing set for this date and time.

Chairman Keefe opened the public hearing.

The clerk to the board advised there were no speakers.

Chairman Keefe closed the public hearing.

MOTION: Commissioner Evans moved to approve the FY 2014 Application for ROAP grant funds.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

ITEMS OF BUSINESS

5. Presentation by Mark Culbreth of the Cumberland County School System on the "Reading Rocks" Program

BACKGROUND:

This year Cumberland County Schools, in partnership with the Cumberland County Education Foundation, is pleased to announce its "Tremendous Tenth Year" *Reading Rocks!* Walk-a-thon on October 19, 2013 at 9:00 a.m. in Festival Park, Downtown Fayetteville. Last year law enforcement officials estimated that over 15,000 walkers participated, and over \$245,000 was raised by our schools and donated by many generous sponsors. All money has gone directly back to our schools to support literacy efforts throughout our school system. Our slogan for this year is "Tremendous Tenth Year...20,000 Walkers!"

Belinda Cashwell, Cumberland County Schools Director of Media Services and *Reading Rocks!* Walk-a-thon Chair, stated Mark Culbreth was unable to attend the meeting. Ms. Cashwell reviewed the background information as recorded above and thanked the board of commissioners for their support on behalf of the over 53,000 Cumberland County School students. Ms.

Cashwell stated she hopes to see board members on October 19th as Cumberland County Schools celebrate literacy and its power to create an informed citizenry.

6. Presentation by Joel Strickland of the Mid-Carolina Council of Governments on the 2013 Locally Coordinated Human Service Transportation Plan

BACKGROUND:

The Locally Coordinated Human Service Transportation Plan develops a list of human service transportation needs where the current services leave off. The plan is required by the North Carolina Department of Transportation and must be updated every five (5) years. It is time for the plan to be updated; therefore the new plan must be approved by the County Commissioners in each of the four counties represented by the Mid-Carolina Rural Planning Organization. A public input meeting was held on April 18 with an attendance of 21 participants.

The Locally Coordinated Human Service Transportation Plan allows transportation agencies to apply for additional funding from the North Carolina Department of Transportation to address needs listed within the plan. Cumberland County received a \$400,000 grant in 2011 based upon the previous plan and has applied for an additional grant which is awaiting approval. The plan itself does not require any funding from the County; if the County decided to apply for a grant, a match would then be required. However, the grants that the Cumberland County Community Transportation Program have applied for use fare box revenue as the match, therefore not requiring Cumberland County to provide the money for the match.

RECOMMENDATION/PROPOSED ACTION:

Approval.

Joel Strickland, Mid-Carolina Rural Planning Organization Planning Director, reviewed the background information as recorded above and stated the plan is essentially an inventory of human transportation available in all four counties. Mr. Strickland stated feedback from each of the four counties is obtained during public meetings so counties can indicate their additional transportation needs. Mr. Strickland stated the plan enables programs such as the county's Community Transportation Program or private organizations to apply for additional funding from the North Carolina Department of Transportation to address the needs within the plan. Mr. Strickland stated Sampson County has endorsed the plan and he will present the plan to Bladen and Harnett counties for their approval.

MOTION: Commissioner Edge moved to approve the Mid-Carolina Council of Governments 2013 Locally Coordinated Human Service Transportation Plan.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS (6-0)

Chairman Keefe requested an annual update on the activities of Mid-Carolina Council of Governments.

7. Consideration of Contract with Global Spectrum for Management of the Crown Center Complex

BACKGROUND:

At its September 24, 2013 meeting, the Civic Center Commission unanimously voted to approve a draft of the proposed contract with Global Spectrum LP for management of the Crown Center Complex and to recommend the proposed contract to the Board of Commissioners. Global Spectrum LP is Delaware limited partnership with one general partner, Global Spectrum, Inc., a Pennsylvania corporation owned by Comcast-Spectator. The parent company of Comcast-Spectator is Comcast Corporation. Comcast Corporation's two primary businesses are Comcast Cable and NBCUniversal. Global Spectrum started in 1994 and was bought by Comcast-Spectator in 2000. It currently manages 112 venues.

Bond counsel has reviewed the proposed contract and advised the county attorney that it will not impact the status of the tax exempt financing on the facility. Bond counsel will provide a formal opinion before the contract becomes effective. The Finance Officer also reviewed the financial provisions in the contract.

The parties have discussed an effective date of November 1, 2013. A RIF notice was provided to the Crown employees on September 17 which makes the transition to private management possible by October 17.

Doug Higgons, Regional Vice-president for Global Spectrum, has met with all the Crown employees and discussed their employment prospects with the company. Mr. Higgons has reported to the Commission that Global Spectrum stands ready to fill key management-level positions with experienced Global Spectrum staff and to immediately commence routing new events to the Crown facilities. This is important because the Crown has lost personnel in key positions within the last two months, including the Directors of Finance, Marketing and Facilities Maintenance.

At the Civic Center Commission's direction, a brief summary of every section in the contract is recorded below. The current statute governing the Commission is also recorded below because some aspects of the contract are controlled by that statute.

The summary follows:

ARTICLE 1 – DEFINITIONS

Section 1.1: Definitions are set out in the contract.

ARTICLE 2 - SCOPE OF SERVICES

Section 2.1: Global Spectrum shall be the sole manager.

Section 2.2: Manager's obligations are contingent upon Commission making all budgeted funds available.

ARTICLE 3 – COMPENSATION

Section 3.1: Fixed management fee of \$96,000 shall be paid in monthly installments and shall be increased annually by CPI, capped at 3.5% per year. Note: This is a new expense which is not budgeted.

Section 3.2: Additional incentive fee shall be paid annually. The incentive fee shall be 22% of the increase in gross revenue over the average gross revenue for the three past fiscal years. The parties must agree on the amount of that average revenue within 120 days. The incentive fee is capped at 100% of the amount of the fixed management fee for the same year.

ARTICLE 4 TERM; TERMINATION

Section 4.1: The term is 5 years but the agreement may be terminated by the Commission without cause at the end of 3 years.

Section 4.2(a): The commission may terminate any time upon 30 days' notice if the facility is to be permanently closed.

Section 4.2(b): Either party may terminate upon 30 days' notice, if the other party defaults and the default is not cured within 30 to 90 days, depending on the nature of the default.

Section 4.2(c): Either party may immediately terminate if the other party is judged bankrupt or insolvent, if a receiver or trustee is appointed, or files a voluntary petition in bankruptcy.

Section 4.3(a): If the Commission terminates because the facility is to be permanently closed, the Commission shall pay Manager the following expenses:

- (1) 6 months' severance pay for each of Manager's Management-Level Employees;
- (2) household relocation expenses for Manager's Management-Level Employees,
- (3) other reasonable costs actually incurred by Manager in withdrawing from the provision of services hereunder.

Section 4.3(b): Upon termination or expiration of this Agreement for any reason, Commission shall promptly pay Manager any fees owed and Manager shall promptly cease activities and turn over all resources to Commission.

ARTICLE 5 - OWNERSHIP; USE OF THE FACILITIES

Section 5.1: County shall continue to own all assets. Neither County nor Commission shall have any right to use any software licensed by Manager.

Section 5.2: Manager shall have all rights to use the Facility, including office space and parking.

Section 5.3: County shall continue to pay all debt on the Facility.

Section 5.4: The Commission shall have the right to use the boardroom at the Facilities rent-free for its meetings for any purpose. County shall have the right to use the facility consistent with its current use for Commissioner planning sessions, department head meetings and the employee wellness fair.

Section 5.5: The Cumberland County Livestock Association shall have the right to use the Charlie Rose Agri-Expo Center rent-free to conduct an annual livestock show during the county fair.

ARTICLE 6 - PERSONNEL

Section 6.1: Employees shall be employees of Manager, not the County.

Section 6.2: Commission has the right to approve the General Manager selected by the Manager. Commission does not have any further authority for personnel decisions made by Manager.

Section 6.3: Manager shall employ each current full-time County employee who Manager determines is qualified for a job at the Facility and shall try to place such employees in positions similar to what they already have.

Section 6.4: Commission shall not hire any of Manager's employees for one year after the termination of the agreement.

ARTICLE 7 - OPERATING BUDGET

Section 7.1: The Commission shall increase the current operating budget by a sufficient amount to include the Fixed Management Fee (\$8,000/month) and \$50,000 in Transition Costs, to include:

- (1) employee relocation costs for any new Facility Management-Level Employees;
- (2) corporate travel for the Global Spectrum Regional Vice President;
- (3) operations support personnel;
- (4) human resources support personnel;
- (5) finance support personnel;
- (6) box office training;
- (7) software costs;
- (8) and rebranding that could include web-site overhaul, promotional materials, stationary, business cards, and Facility signage.

Note: Transition Costs are new costs which are not budgeted.

Section 7.2: Manager shall recommend annual operating budget and Commission shall have the right to approve the operating budget.

Section 7.3: Manager shall attempt to adhere to the adopted budget and shall notify the Commission of the need for any budget amendment.

ARTICLE 8 - PROCEDURE FOR HANDLING INCOME

Section 8.1: An Event Account shall be established in the Commission's name and Manager shall maintain the Event Account exclusively for handling all event revenues and expenses.

Section 8.2: An Operating Account shall be established in the County's name and Manager shall maintain the Operating Account exclusively for handling all operating revenues and expenses.

ARTICLE 9 - FUNDING

Section 9.1: Commission will deposit in the Operating Account, on or before the Effective Date, the budgeted expenses for the first five (5) months of the Term. Thereafter, sufficient operating funds shall be deposited for each quarter at the beginning of each quarter with an extra two months of expenses to remain in the account at all times.

Section 9.2: Under no circumstances shall Manager be required to pay for or advance any of its own funds to pay for any Operating Expenses.

ARTICLE 10 - FISCAL RESPONSIBILITY; REPORTING

Section 10.1: Manager agrees to keep and maintain, at its office in the Facilities, usual records in accordance with generally accepted accounting principles. These records will be available to the Commission upon reasonable notice during normal business hours.

Section 10.2: Manager will provide to the Commission, within thirty (30) days after the end of each month during the Term, financial reports and copies of bank statements.

Section 10.3: Commission has the right to approve an independent auditor selected by Manager to perform an annual audit, with the cost of the audit being an Operating Expense.

ARTICLE 11 - CAPITAL IMPROVEMENTS

Section 11.1: Manager shall annually, recommend a Capital Expenditure budget to the Commission.

Section 11.2: The Commission shall be solely responsible for all Capital Expenditures at the Facilities. Manager shall have the right (but not the obligation), upon notice to the Commission, to make Capital Expenditures at the Facilities for Emergency Repairs. In such event, the Commission shall promptly reimburse Manager for the cost of such Capital Expenditure.

ARTICLE 12 - CONTRIBUTIONS BY MANAGER

Section 12.1: Manager shall establish an Event Marketing Fund in the amount of \$150,000 to provide incentives for promoters to bring events to the Facilities and in some cases, offset the financial risk they may incur. This fund shall be replenished with net event revenues to maintain it at no more than \$150,000. Any balance at the end of the contract shall belong to Manager.

Section 12.2: Manager agrees to contribute \$150,000 toward mutually agreed improvements or equipment designed to increase Revenue generated at the Facilities. Anything purchased shall belong to the County. The full amount shall be amortized over 10 years and if the contract ends before 10 years, the County shall pay the unamortized amount remaining.

ARTICLE 13 - FACILITIES CONTRACTS; TRANSACTIONS WITH AFFILIATES

Section 13.1: The Commission shall provide to Manager, on or before the Effective Date, copies of all Existing Contracts. Manager shall administer and assure compliance with such Existing Contracts.

Section 13.2: Manager shall have the full right to enter into contracts on behalf of the Commission but shall obtain approval from the Commission before entering into any contract that extends beyond the term.

Section 13.3: Manager has the right to contract with and procure services or goods from any of its affiliate entities provided that the prices charged and services rendered by such affiliate are competitive with those obtainable from any unrelated parties rendering comparable services. Manager shall, at the request of the Commission, provide reasonable evidence establishing the competitive nature of such prices and services, including, if appropriate, competitive bids from other persons seeking to render such services at the Facilities.

ARTICLE 14 - AGREEMENT MONITORING AND GENERAL MANAGER

Section 14.1: Within 30 days, Commission must appoint a contract administrator who shall monitor such party's compliance with the terms of this Agreement.

ARTICLE 15 - INSURANCE

Section 15.1: All insurance coverage to be provided by Manager is set forth in Exhibit D. (Recorded below.) The cost of this insurance shall be an operating expense, paid by the commission. The county risk manager advises that the Crown currently carries insurance. Karen Long should provide cost of the premiums.

Section 15.2: Standard provision requiring the insurance companies be Best rated and licensed in North Carolina and also, that County and Commission be named as additional insureds.

ARTICLE 16 - REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 16.1 and Section 16.2: These are just standard provisions stating that each of the parties has the authority to enter into this contract and that the facility has no structural defects or unsound operating conditions and is in compliance with all applicable laws and regulations.

ARTICLE 17 - MISCELLANEOUS

Section 17.1: Manager agrees that it will not discriminate against any employee or applicant for employment.

Section 17.2: Manager shall have the right to use throughout the Term (and permit others to use in furtherance of Manager's obligations hereunder), for no charge, the name and all logos of the facility in any manner.

Section 17.3: The Commission agrees that all advertisements placed by the Commission for the Facilities or events at the Facilities, shall include a designation that the Facilities are “managed by Global Spectrum”.

Section 17.4: These are standard provisions related to the parties’ risks for conditions created by acts of God, natural or man-made disasters, work stoppages and other such conditions beyond the parties’ control.

Section 17.5: Manager retains the right to assign the contract to any of its affiliates or successors, which would include any purchaser of Manager’s company.

Sections 17.6 – 17.16: These are just standard boilerplate provisions that do not need to be considered by the Commission.

Schedule A describes the Manager’s duties. (Recorded below.)

Schedule E provides that Karen Long and James Swann will remain as county employees for the times indicated in order for them to reach eligibility for early retirement. (Recorded below.)

EXHIBIT A MANAGER DUTIES

Manager’s obligations under the Agreement shall consist of the following obligations, all of which are subject to the terms hereof and the controls and restrictions in the Operations Manual:

(a) Manage all aspects of the Facilities in accordance with the Operations Manual and the terms of this Agreement, including but not limited to managing purchasing, payroll, fire prevention, security, crowd control, routine repairs, preventative maintenance, janitorial services, promotions, advertising, energy conservation, security, box office, admission procedures, parking (if applicable), and general user services.

(b) Establish and adjust prices, rates and rate schedules for user, license, concessions, occupancy, and advertising agreements, and booking commitments. Manager may deviate from the established rate schedule when entering into any such agreements if determined by Manager, using its reasonable business judgment, to be necessary or appropriate with respect to the specific situation.

(c) Procure, negotiate, execute, administer and assure compliance with Service Contracts, Revenue Generating Contracts, and other contracts related to the operation of the Facilities.

(d) Require that all material vendors and licensees of the Facilities execute vendor/license agreements containing standard indemnification and insurance obligations on the part of each such vendor/licensee.

(e) Provide standard form advertising and sponsorship contracts and user/rental agreements for use at or with respect to the Facilities. Manager shall submit such form agreements to the Commission for review and comment, and the parties shall work together to finalize such forms. Once finalized, Manager shall use such forms in furtherance of its duties hereunder, and shall not

materially deviate from the terms contained in such forms without obtaining the prior approval of the Commission (which shall not be unreasonably withheld). Manager's sole responsibility with regard to providing legal advice or assistance hereunder shall be to provide such standard form contracts.

(f) Operate and maintain the Facilities, including the equipment utilized in connection with its operation and any improvements made during the term of this Agreement, in the condition received, normal wear and tear excepted.

(g) Arrange for and otherwise book events at the Facilities in accordance with a booking schedule to be developed by Manager.

(h) Hire or otherwise engage, pay, supervise, and direct all personnel Manager deems necessary for the operation of the Facilities in accordance with Article 6 of the Agreement, and conduct staff planning, retention and training programs as determined to be necessary by Manager in its sole discretion.

(i) Maintain detailed, accurate and complete financial and other records of all its activities under this Agreement in accordance with generally accepted accounting principles, which records shall be made available to the Commission upon request, in accordance with Section 10.1 of the Agreement.

(j) Submit to the Commission in a timely manner, financial and other reports detailing Manager's activities in connection with the Facilities, as set forth in Section 10.2 of the Agreement.

(k) Prepare a proposed annual Operating Budget and submit such proposed budget to the Commission, both in accordance with Article 7 of the Agreement.

(l) Pay all Operating Expenses and other expenses incurred in connection with the operation, maintenance, supervision and management of the Facilities from the Operating Account or with funds otherwise made available by the Commission.

(m) Secure, or assist the Commission (or any other third party, as applicable) to secure, all licenses and permits necessary for the operation and use of the Facilities for the specific events to be held therein, and for the general occupancy of the Facilities, including without limitation all necessary food and liquor licenses, and renewals thereof. The Commission shall cooperate in this process to the extent reasonably required. All costs associated with this process shall be Operating Expenses.

(n) Collect, deposit and hold in escrow in the Event Account any ticket sale revenues which it receives in the contemplation of or arising from an event pending the completion of the event, as more fully described in Section 8.1 of the Agreement.

(o) Collect in a timely manner and deposit in the Operating Account all Revenue, as more fully described in Section 8.2 of the Agreement.

(p) Subject to the Commission making available sufficient funds in a timely manner, pay all Taxes.

(q) Plan, prepare, implement, coordinate and supervise all public relations and other promotional programs for the Facilities.

(r) Prepare, maintain and implement on a regular basis, subject to the Commission's approval, a Marketing Plan for the Facilities.

(s) Manage and oversee the sale of Commercial Rights at or in connection with the Facilities.

(t) On an annual basis, cause a written inventory to be taken of all furniture, fixtures, office equipment, supplies, tools and vehicles at the Facilities, and deliver a written report of the foregoing to Commission. Manager shall document all major damage to, or loss in, such inventory during the Term as soon as such damage or loss is discovered by Manager, and Manager shall promptly notify Commission of any such damage or loss.

(u) Purchase, on behalf of the Commission and with Commission funds, and maintain during the Term, all materials, tools, machinery, equipment and supplies necessary for the operation of the Facilities.

(v) As agent for the Commission, manage risk management and Facilities insurance needs (not including property insurance, which shall be maintained by the Commission), as more fully described in Article 15 of the Agreement.

(w) Make and be responsible for all routine and minor repairs, maintenance, preventative maintenance, and equipment servicing. Manager shall be responsible for ensuring that all repairs, replacements, and maintenance shall be of a quality and class at least equal to that of the item being repaired, replaced or maintained. Any replacement of an item in inventory, or any new item added to the inventory, which is paid for by the Commission, shall be deemed the property of the Commission.

(x) Cause such other acts and things to be done with respect to the Facilities, as determined by Manager in its reasonable discretion to be necessary for the management and operation of the Facilities following the Effective Date.

EXHIBIT D INSURANCE

At all times during this Agreement, Manager shall:

(a) maintain commercial general liability insurance, including products and completed operations, bodily injury and property damage liability, contractual liability, independent contractors' liability and personal and advertising injury liability against claims occurring on, in, or about the Facilities, or otherwise arising under this Agreement;

(b) maintain umbrella or excess liability insurance;

(c) maintain commercial automobile liability insurance, including coverage for the operation of owned, leased, hired and non-owned vehicles;

(d) maintain appropriate workers compensation and employer's liability insurance as shall be required by and be in conformance with the laws of the State of North Carolina; and

(e) maintain professional liability insurance and self-insured employment practices liability coverage;

Such liability insurance shall be maintained in the following minimum amounts throughout the Term:

Commercial General Liability

\$1,000,000 per occurrence

\$1,000,000 personal and advertising injury

\$1,000,000 products-completed operations aggregate

Automobile Liability

\$1,000,000 per accident (PI and PD combined single limit)

\$1,000,000 uninsured/underinsured motorist

Umbrella or Excess Liability

\$5,000,000 per occurrence and aggregate

Workers Compensation

Workers Compensation: Statutory

Employer's Liability: \$100,000 each accident-bodily injury by accident

\$500,000 policy limit-bodily injury by disease

\$100,000 each employee-bodily injury by disease

Professional Liability/Errors & Omissions (Claims Made)

\$1,000,000 each occurrence/aggregate

Policy is to include:

☐ Entity Coverage

Crime Insurance

Coverage on all on-site Manager employees. Limit: \$500,000.00

EXHIBIT E

SPECIAL CONDITIONS FOR EMPLOYEE TRANSITION

(a) Current General Manager Karen Long shall remain an employee of Cumberland County in all respects through November 30, 2013. The County shall be responsible for paying Ms. Long her compensation and for the provision of all benefits, as well as for all withholding obligations. Through November 30, 2013, she shall be assigned to work at the Facilities under the Manager's direction and supervision in any position assigned to her by the Manager. In addition to her duties as assigned by the Manager, she shall also serve as Transition Manager for the Commission with the responsibility to insure a seamless transition from the current management structure to the new management structure. If she desires to continue employment with the

Manager after November 30, 2013, she shall be considered by the Manager in accordance with the provisions of Section 6.3 of the Agreement.

(b) Current Maintenance Supervisor James Swann shall remain an employee of Cumberland County in all respects through December 31, 2013. The County shall be responsible for paying Mr. Swann his compensation and for the provision of all benefits, as well as for all withholding obligations. Through December 31, 2013, he shall be assigned to work at the Facilities under the Manager's direction and supervision in any position assigned to him by the Manager. In addition to his duties as assigned by the Manager, he shall also serve as Transition Maintenance Supervisor for the Commission with the responsibility to insure a seamless transition from the current maintenance system and programs to the new maintenance system and programs put in place by the Manager. If he desires to continue employment with the Manager after December 31, 2013, he shall be considered by the Manager in accordance with the provisions of Section 6.3 of the Agreement.

(c) The parties acknowledge that these special conditions for these two employees are established to promote the parties' interest in a smooth transition and to accommodate these employees' eligibility to qualify for early retirement.

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 27
HOUSE BILL 215

AN ACT TO MODIFY THE STATUTES GOVERNING THE CUMBERLAND MEMORIAL
AUDITORIUM COMMISSION.

Whereas, the General Assembly, on April 28, 1965, created the Cumberland Memorial Auditorium Commission to provide the most efficient management and beneficial use and enjoyment of the Cumberland County Auditorium and its facilities; and

Whereas, there is a need to change the name, organization, and functions of the Cumberland Memorial Auditorium Commission; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. Section 1 of Chapter 360 of the 1965 Session Laws, as amended by Section 6 of Chapter 983 of the 1984 Session Laws, reads as rewritten:

"(a) ~~Cumberland Auditorium-County Civic Center~~ Commission. There is hereby created in Cumberland County a commission to be known as the Cumberland ~~Memorial Auditorium County Civic Center~~ Commission which shall have the powers and duties hereinafter set forth.

(b) Membership; Terms of Office. ~~The Commission shall consist of fifteen (15) members who shall be residents of Cumberland County appointed by the Board of County Commissioners of Cumberland County immediately after the date when this Act becomes effective. The Commission shall consist of 16 members. Fifteen members shall be residents of Cumberland County and shall be appointed by the Board of County Commissioners. The sixteenth member shall be the County Manager of Cumberland County who shall serve in an ex officio and nonvoting capacity and without limit as to term.~~

- (1) Five ~~(5)~~ of the first members of the Commission shall be appointed for a term of one ~~(1)~~-year, five ~~(5)~~-for a term of two ~~(2)~~-years, and five ~~(5)~~-for a term of three ~~(3)~~-years. Upon the expiration of each of the terms, the Board of County Commissioners shall appoint successor members of the Commission who shall each serve for terms of three ~~(3)~~-years and until their successors are appointed for like terms. Any member of the Commission may be reappointed for successive terms.
- (2) Vacancies occurring on the Commission otherwise than by expiration of a term shall be filled by appointment for the unexpired term of the vacant office.
- (3) From its membership the Commission shall at its first meeting, and annually thereafter, elect a ~~chairman, vice chairman, and secretary.~~ Chairman, Vice-Chairman, and Secretary. These officers shall hold office for one year or until their successors are duly elected. ~~The County Manager of Cumberland County shall by virtue of his office also be the treasurer of the Commission. All funds received or handled by the Commission shall be subject to the control of the treasurer who shall prescribe the way and manner all such funds shall be collected, held, disbursed and accounted for. A yearly budget shall be prepared and submitted to the County Board of Commissioners for approval along with any request for an operation attached levy or any request for public funds to be used in the operation of the auditorium facilities. The Board of County Commissioners shall select the auditor of the Commission's accounts.~~
- (4) The officers elected together with ~~one other member~~ two other members of the Commission, who will also be elected at the first meeting of the Commission and annually thereafter, shall constitute the Executive Committee of the Commission. ~~In order to provide for the most efficient operation of the business of the Commission, the Executive Committee shall have sole power and authority over the management and operation of the facilities and to conduct the Commission's business within the policies as are from time to time adopted by the Commission, and all powers and authority not specifically reserved for action of the full Commission under its bylaws shall be vested in the Executive Committee.~~ The Executive Committee shall perform those duties and functions specified in the bylaws of the Commission.
- (5) Regular meetings of the Commission shall be held ~~quarterly and special monthly.~~ Special meetings may be called by the ~~chairman or any two (2) members of the Executive Committee upon twenty-four (24) hours' written notice to the members stating the purpose of the meeting.~~ Chairman or a majority of the voting members of the Commission. Attendance of ~~not less than eight (8)~~ members shall constitute a quorum for the purpose of transaction of business at any regular or special meeting.
- (6) The Commission may adopt, and from time to time amend, bylaws to implement its organization and provide for the orderly conduct of its affairs.
- (7) All funds received or handled by the Commission shall be subject to the control of the Finance Officer of Cumberland County who shall prescribe the way and manner these funds shall be collected, held, disbursed and accounted for. The Board of County Commissioners shall select the Auditor of the Commission's accounts.
- (8) The Commission shall prepare an annual budget and submit it to the Board of County Commissioners for approval, in a format prescribed by the County

Manager, along with any requests for capital improvements or any requests for public funds to be used in the construction or operation of the Civic Center facilities.

(c) Powers, Purpose and Duties of Commission. The powers, purpose and duties of the ~~Cumberland Memorial Auditorium~~ County Civic Center Commission shall include:

- (1) The establishment and management of a memorial fund as a means by which donations may be solicited, received and used in the construction, equipment, decoration, maintenance or operation of the ~~auditorium~~, Civic Center, its allied facilities and grounds and appropriate recognition made to the memory of persons to be memorialized.
- (2) To assist, in advisory capacity, the Board of County Commissioners in planning for and construction of the facility, and carry out any duty or assignment expressly delegated to it by resolution of the Board of County Commissioners.
- (3) To operate the ~~public auditorium~~ Civic Center facility under the terms and conditions prescribed by the Board of County Commissioners.
- (4) To study, plan, and program for the highest and best use of the facilities committed to it for public use, edification and enjoyment.
- (5) The power to make such reasonable rules and regulations for its own proper organization and procedure and the management, use, control, improvement, equipment, upkeep, and safekeeping of the facilities, properties, and funds committed to its charge, including the receipts and expenditures of such funds as may be or become available for the improvement or management thereof and the use of such facilities as well as spectators' or participants' entrance fees and provided such rules and regulations do not conflict with and are not inconsistent with the laws of the State of North Carolina or ordinances of Cumberland County.
- (6) The employment of a manager and ~~such~~ other employees as may be necessary for the proper implementation of the purposes and duties of the Commission.
- (7) The power to contract and be contracted with, to rent, acquire, hold, exchange, transfer and convey property of any kind, to sue and be sued in its own name or the ~~Cumberland Memorial Auditorium~~ County Civic Center Commission as a corporate body by its officers in the same manner, as a business corporation subject to the limitations herein contained.

(d) Limitation on Powers. The Commission shall not have the power to perform the following:

- (1) Mortgage or encumber property owned by it or under its control or supervision otherwise than as herein provided.
- (2) Borrow money from any source whatsoever, but the Cumberland County Board of Commissioners may in its discretion advance and lend to the Commission in anticipation of uncollected taxes such sums, not exceeding in the aggregate at any time the total amount of taxes theretofore levied for the purposes of the Commission and the remaining uncollected, and shall reimburse itself for such amounts out of such taxes as and when collected. Provided also these limitations shall not be construed to prohibit purchases by the Commission on a time or deferred payment plan or purchase contract.
- (3) Use any property or funds belonging to the Commission or under its control for any pecuniary gain whatsoever of any member of the Commission, nor shall

the Commission purchase from, contract with, nor grant license or concession to any person, firm or corporation in which any member of the Commission has a monetary interest directly or indirectly.

- (4) Collect, receive, deposit, disburse, or otherwise handle, and account for all funds only in such manner as is prescribed by the ~~Treasurer~~ Finance Officer of Cumberland County.
- (5) No member of the Commission shall receive or accept any fee, gratuity or thing of value in payment for any act to be done or not to be done by the Commission save and except such salary as may be prescribed by the Board of County Commissioners.
- (6) Upon dissolution of the Commission or upon termination of its connection with the operation of the facilities by resolution of the Board of County Commissioners, all funds and property acquired, held or accumulated by the Commission shall become the funds and property of Cumberland County."

Sec. 2. Section 3 of Chapter 360 of the 1965 Session Laws, as amended by Section 6 of Chapter 983 of the 1984 Session Laws, reads as rewritten:

"Sec. 3. Special auditorium tax funds, if authorized and levied, and nontax revenues may, in the discretion of the Board of County Commissioners, be turned over to the Commission to be used in operating, equipping, improving and maintaining. Occupancy tax revenues as authorized in AN ACT TO AUTHORIZE AND IMPLEMENT AN OCCUPANCY TAX IN CUMBERLAND COUNTY may be utilized by the ~~Auditorium~~ County Civic Center Commission, as approved by the ~~board of county commissioners~~, Board of County Commissioners, in aiding and encouraging convention and visitor promotion in Cumberland County."

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 1st day of April, 1991.

RECOMMENDATION/PROPOSED ACTION:

The county attorney concurs with the Commission's recommendation to approve the contract with Global Spectrum. Based on his review of the responses to the request for proposals and discussions during the contract negotiation, the county attorney believes Global Spectrum possesses the expertise and resources needed to increase revenue from the facilities as well as the quality and quantity of events offered for the county's citizens.

Rick Moorefield, County Attorney, reviewed the background information as recorded above. Mr. Moorefield advised there is a \$96,000 private management fixed fee to be paid to Global Spectrum at \$8,000 per month for one year regardless of the operations bottom line. Mr. Moorefield stated in addition, there is provision for an incentives payment in the amount of 22% of the increase in gross revenue over what has been the gross revenue over the past three fiscal years. Mr. Moorefield stated that amount has not yet been figured. Mr. Moorefield stated the other new money to be paid to Global Spectrum is a transition fee of up to \$50,000 to cover the personnel relocation and travel needed to set up its management of the Crown Coliseum Complex. Mr. Moorefield stated the contract requires the Civic Center Commission to amend the budget in order to accommodate these payments. Mr. Moorefield advised this will come before the board of commissioners as a budget amendment.

MOTION: Commissioner Melvin moved to approve the contract with Global Spectrum with an effective date of November 1, 2013.

SECOND: Commissioner Council

DISCUSSION: Commissioner Evans questioned the \$50,000 transition fee and Mr. Moorefield explained the fee covered Global Spectrum's set up costs. Mr. Moorefield advised the contract term is for five years and the first year ends June 30, 2014. Mr. Moorefield also advised the Civic Center Commission has the opportunity to terminate the contract for no cause at the end of the third year of operation and if the contract is not terminated, it will continue for the full five years. Mr. Moorefield stated he considered the termination provisions to be reasonable.

VOTE: UNANIMOUS (6-0)

8. Nominations to Boards and Committees

A. Air Quality Stakeholders' Committee (1 Vacancy)

Applicants that Graduated from County Citizens' Academy: None

Commissioner Council nominated Kim Nazarchyk.

B. Board of Adjustment (2 Vacancies)

Applicants that Graduated from County Citizens' Academy: None

Commissioner Melvin nominated Joseph Decosta and Alfonso Ferguson, Sr.

C. Cumberland County Library Board of Trustees (2 Vacancies)

Applicants that Graduated from County Citizens' Academy: None

Commissioner Council nominated Susan Mills and Daniel Montoya.

D. Joint Senior Citizens Advisory Commission (3 Vacancies)

Applicants that Graduated from County Citizens' Academy: Roger Ison

Chairman Keefe nominated Roger Ison.

Commissioner Council nominated Edna Cogdell.

Commissioner Faircloth nominated Elizabeth Deane.

E. Minimum Housing Appeals Board (2 Vacancies)

Applicants that Graduated from County Citizens' Academy: None

Commissioner Melvin nominated Luther McManus and Steven Hogan.

F. Transportation Advisory Board (1 Vacancy)

Applicants that Graduated from County Citizens' Academy: None

Commissioner Faircloth nominated Lisa Chance.

9. Appointments to Boards and Committees

A. Cumberland County Community Child Protection/Fatality Prevention Team (2 Vacancies)

Nominees:

Law Enforcement Officer Position – Sheriff's Office: Sgt. Kimberly Gagnon

Law Enforcement Officer Position – Fayetteville Police Dept: Lt. Timothy Tew

B. Cumberland County Juvenile Crime Prevention Council (JCPC) (1 Vacancy)

Nominee:

At-Large Representatives: Stephanie Glover (Reappointment)

C. Cumberland County Local Emergency Planning Committee (1 Vacancy)

Nominee:

Operators of Facilities Representatives: Mark Faircloth (Reappointment)

There being an equal number of vacancies and nominees,

MOTION: Commissioner Council moved to appoint by acclamation all nominees to their respective positions.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS (5-0)

10. Closed Session: No closed session was called for this meeting.

MOTION: Commissioner Council moved to adjourn.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS (5-0)

There being no further business, the meeting adjourned at 9:52 a.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board