

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MONDAY, JUNE 18, 2018 – 6:45 PM
117 DICK STREET, 1ST FLOOR, ROOM 118
REGULAR MEETING MINUTES

PRESENT: Commissioner Larry Lancaster, Chairman
Commissioner Jeannette Council, Vice Chair
Commissioner Glenn Adams
Commissioner Michael Boose
Commissioner Charles Evans
Commissioner Marshall Faircloth
Commissioner Jimmy Keefe
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Duane Holder, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Deborah Shaw, Budget Analyst
Heather Harris, Budget Analyst
Jeffrey Brown, Engineering and Infrastructure Director
Brenda Jackson, Social Services Director
Tom Lloyd, Planning and Inspections Director
Dee Taylor, Interim Community Development Director
Ifetayo Farrakhan, Transportation Services
Candice White, Clerk to the Board
Kellie Beam, Deputy Clerk
Press

Chairman Lancaster called the meeting to order.

INVOCATION / PLEDGE OF ALLEGIANCE

Commissioner Council provided the invocation followed by the Pledge of Allegiance to the American flag led by Abby Beam, student at William H. Owen Elementary School.

Recognition of the Jack Britt High School Varsity Softball Team on Winning the 4A State Championship

Commissioner Keefe recognized the Jack Britt High School softball team for winning the N.C. High School Athletic Association 4-A state championship on June 3, 2018, the first state championship won by a Cumberland County school for fast-pitch softball. Commissioner Keefe stated the Buccaneers defeated South Caldwell 6-3 in Game 3 of the best-of-three series at Dail Stadium on the N.C. State campus and Mackenzie George was named the Most Valuable Player in the state championship series. On behalf of the Board, Commissioner Keefe congratulated the entire team, Head Coach Sebrina Wilson, assistant coach Joe Myrtle and the Jack Britt community for this outstanding achievement.

Recognition of the New Life Christian Academy Boys Basketball Team on Winning the NACA 2018 Division IV National Championship

Commissioner Adams stated New Life Christian Academy and Prep School is a ministry of New Life Bible Church and is celebrating its 21st year of operation. Commissioner Adams stated in February, the New Life Boys Basketball team, the Monarchs, won their first Division 1 state championship title in the Carolina Athletic Association for School of Choice tournament. This was New Life's first state championship. Commissioner Adams stated New Life traveled to Tennessee in March and participated in the National Association of Christian Athletes (NACA) Division 4 tournament. Commissioner Adams stated New Life was victorious, becoming the Division 4 NACA National champions for 2018.

Commissioner Adams stated this was New Life's second national championship, and they also won the title 15 years ago in 2003. Commissioner Adams stated Arshon King was the tournament's MVP on offense and he was named to the All-Tournament Team, along with Reggie Raynor and Davante Gathers. Commissioner Adams stated New Life is coached by Aaron Parker and supported by booster club members, and Pastor Allen and Dr. Norma McLauchlin are the New Life Principal and CEO.

Recognition of Outgoing Board Member Linda Amos, Human Relations Commission

Commissioner Evans presented a certificate of appreciation to Linda Amos, outgoing member of the Human Relations Commission stating she served two terms from May 2014 through May 2018. Human Relations Commission Chair Sheila Cuffee spoke to Ms. Amos' contributions as a member the Human Relations Commission.

PUBLIC COMMENT PERIOD

Amy Cannon, County Manager, read the public comment policy. Chairman Lancaster recognized the clerk to the board who called the following speakers:

Quince Lanford – Mr. Lanford appeared on behalf of the Vision Resource Center and thanked the Board for their continued funding which allows him to live independently.

Gloria Thomas – Ms. Thomas appeared on behalf of the Vision Resource Center and thanked the Board for their support. Ms. Thomas commented on how much the funding means to her and how important it is to continue to live independently.

Sharon Bennett – Ms. Bennett appeared on behalf of Mt. Vernon Estates residents and spoke to several avenues that have been taken in an effort to restore the dam that was breached in 2016 during the hurricane. Ms. Bennett stated the request of County Commissioners is still for a special assessment on properties in Mt. Vernon Estates to pay for the project.

Ron Elrod – Mr. Elrod appeared on behalf of Mt. Vernon Estates residents and stated with the lake gone, property values will decrease. Mr. Elrod spoke to routes taken to repair the dam and stated the lakebed has been taken over by weeds, mud, snakes and bugs and looks like a war zone. Mr. Elrod stated there is no Homeowners' Association in place to borrow funds for the dam restoration project.

Ian Miller – Mr. Miller did not appear when his name was called.

Amy Cannon, County Manager, requested that public hearing Item 3.B. be changed from a contested rezoning case to an uncontested rezoning case, and that a closed session for Economic Development Matter(s) pursuant to NCGS 143.318.11(a)(4) be added to the agenda as Item 7.B. and a closed session for Personnel Matter(s) pursuant to NCGS 143.318.11(a)(6) be added to the agenda as Item 7.C.

1. APPROVAL OF AGENDA

MOTION: Commissioner Keefe moved to approve the agenda with the changes as requested.
SECOND: Commissioner Faircloth
VOTE: UNANIMOUS (7-0)

Commissioner Adams asked to have Item 2.M.1) pulled from the consent agenda for separate discussion and action. Commissioner Boose asked to pull Item 2.K.7) from the consent agenda followed by a request from Commissioner Keefe to pull Item 2.K.6), Item 2.G. and Item 2.H. and a request from Commissioner Evans to pull Item 2.N.4) for separate discussion and action.

2. CONSENT AGENDA

A. Approval of May 22, 2018 Special Meeting Minutes for FY19 Budget Presentation, May 29, 2018 Special Meeting Minutes for FY19 Budget Work Session, June 4, 2018 Regular Meeting Minutes and June 4, 2018 Special Meeting Minutes for FY19 Budget Public Hearing and Work Session

B. Approval of Proclamation Honoring Community First Responders

BACKGROUND

Commissioner Jimmy Keefe requested a proclamation for the inaugural Public Safety Valor Awards event on June 28. This event was initiated by the Greater Fayetteville Chamber to show community appreciation to First Responders in the County, City and Fort Bragg.

RECOMMENDATION / PROPOSED ACTION

The Board of Commissioners is respectfully requested to consider approval of the proclamation.

COUNTY OF CUMBERLAND

NORTH CAROLINA

PROCLAMATION

WHEREAS, individuals, both career and volunteer, from 9-1-1 Dispatchers, Law Enforcement, Firefighters, Emergency Medical Services, Search and Rescue and other organizations in the Public Safety Sector, come together as First Responders to protect and aid the public in the event of an emergency; and

WHEREAS, First Responders are our first and best defense against all emergencies that may threaten our community, whatever their nature; and

WHEREAS, First Responders stand ready to aid people 24 hours, seven days a week, often risking their own safety in performance of their duties to protect our citizens; and

WHEREAS, members of First Responder organizations undergo significant education, training and personal sacrifice in order to achieve the expertise required to respond to every type of emergency situation; and

WHEREAS, emergencies often command the services of many agencies working together as First Responders; and

WHEREAS, the Greater Fayetteville Chamber of Commerce will honor forty-two public safety personnel at the inaugural Public Safety Valor Awards on June 28, 2018 to show community appreciation to our first responders in the County, City and Fort Bragg; and

WHEREAS, First Responder honorees will be recognized for acts of heroism in the past year with a Certificate of Merit for outstanding work benefitting the department, the Lifesaving Award for personnel who put their own safety at risk to save the life of another and the prestigious Valor Award for incidents in which acts of heroism are performed at extreme risk.

NOW THEREFORE, BE IT PROCLAIMED, that We, the Cumberland County Board of Commissioners, hereby recognize and express deep gratitude to our men and women First Responders and encourage all citizens to join us in thanking those most deserving for a job well done.

Adopted the 18th day of June 2018.

C. Approval of Resolution Supporting the Local Ozone Advance Program

BACKGROUND

The Fayetteville Metropolitan Area Air Quality Stakeholders Committee is requesting a resolution indicating continued support of the local Ozone Advance Action Program. This program is a collaborative effort among local governments, agencies, and other groups interested in protecting and improving the air quality of Fayetteville and Cumberland County.

RECOMMENDATION / PROPOSED ACTION

Staff recommends approval of the proposed resolution.

RESOLUTION SUPPORTING THE
OZONE ADVANCE PROGRAM
RESOLUTION 2018-XX

WHEREAS, the federal Clean Air Act, through the Environmental Protection Agency (EPA), establishes air quality standards to protect public health and welfare; and

WHEREAS, Cumberland County has acknowledged the importance of these standards in promoting quality of life, economic development, and future healthy development; and

WHEREAS, Cumberland County concurs with efforts by the Fayetteville Metropolitan Area Air Quality Stakeholders Committee to maintain at or below the federal standard as set annually by the EPA; and

WHEREAS, in 2003 the Cumberland County Board of Commissioners partnered with all of its municipalities to participate in the EPA's Early Action Compact and created the Air Quality Stakeholders of Cumberland County to proactively improve air quality for our citizens; and

WHEREAS, EPA, in conjunction with state governments, business, industry, and environmental interest, has developed an option known as an "Ozone Advance Program," through which an area, in partnership with the North Carolina Department of Environmental and Natural Resources and EPA, can voluntarily improve conditions through strategies developed through an Action Plan to help avoid a designation of non-attainment; and

WHEREAS, the benefits of participating in an Ozone Advance Program include: clean air sooner, potentially avoiding non-attainment designation; preference during EPA federal grant allocations; flexibility to achieve standards in cost effective ways; development of local standards in partnership with stakeholders and the state, and other benefits;

NOW, THEREFORE, BE IT RESOLVED, that Cumberland County supports the Ozone Advance Program and will participate in the development and implementation of an Action Plan with the purpose of reducing ground-level ozone concentrations.

D. Approval of ABC Board's Request to Adopt Cumberland County's Travel Policy

BACKGROUND:

According to correspondence from Wade Hardin, Chairman of the Cumberland County ABC Board, the ABC Board is requesting that the Cumberland County Board of Commissioners approve the ABC Board's adoption of Cumberland County's Travel Policy Section I: Board Approved Policies; Subsection 3: Cumberland County Financial/Audit; Policy No. 3-2: Travel Policy, in accordance with House Bill 1717: Modernization of the State ABC System; Section 13.

RECOMMENDATION/PROPOSED ACTION:

Consider approval of the ABC Board's request to adopt Cumberland County's Travel Policy Section I: Board Approved Policies; Subsection 3: Cumberland County Financial/Audit; Policy No. 3-2: Travel Policy and direct the Clerk to the Board to send to the ABC Commission written confirmation of said action and a copy of Cumberland County's Travel Policy Section I: Board Approved Policies; Subsection 3: Cumberland County Financial/Audit; Policy No. 3-2: Travel Policy.

E. Approval of Submission of 2018 Community Development Annual Action Plan

BACKGROUND

As part of the Five-Year Consolidated Planning process, an Action Plan is presented each year by Community Development outlining activities to be carried out over the next program year. The 2018 Annual Action Plan is to be submitted to the U.S. Department of Housing and Urban Development (HUD) within 60 days after notification of allocations or by August 16, 2018 (whichever is first). The proposed estimated entitlement funding for this year is as follows: Community Development Block Grant (CDBG) - \$825,817; and HOME Investment Partnership

Act (HOME) - \$399,148. The proposed competitive funding awards for our community for programs administered and managed by Community Development this year is the Continuum of Care (CoC) - \$141,850.

The draft Annual Action Plan was presented, and a public hearing held at the May 21, 2018 Board of Commissioners meeting. This document was made available at several locations throughout the County for a 30-day public review and comment period from April 3, 2018 through May 2, 2018. No comments were received during the public hearing. A final copy of the plan will be available through the Community Development Office.

RECOMMENDATION / PROPOSED ACTION

Community Development recommends that the Board of County Commissioners approve submission of the Annual Action Plan to HUD within 60 days after notification of allocations or by August 16, 2018 (whichever is first).

F. Approval of Formal Bid Award for Disaster Debris Stand-by Contracts

BACKGROUND

In the event of a disaster, debris monitoring, and removal services are required for the management of the resulting debris. Stand-by contracts for these services are imperative to have in place as they allow the County to begin serving the community immediately following an event without waiting for a bid process to be completed, as is mandated by Federal disaster procurement regulations.

Formal bids were solicited, received and evaluated for disaster debris removal and monitoring stand-by contracts. Due to the size and complexity of disaster debris projects, the objective was to contract with a primary and secondary vendor for debris removal and a primary and secondary vendor for debris monitoring.

RECOMMENDATION / PROPOSED ACTION

Based on the lowest, responsive, responsible bidder standard of award, request approval to award as follows:

Debris Removal:

Primary - D&J Enterprise, Inc. Secondary - Ceres Environmental

Debris Monitoring:

Primary: Thompson Consulting Services Secondary: Tetra Tech

G. Pulled for separate discussion and action as recorded below.

H. Pulled for separate discussion and action as recorded below.

I. Approval of the FY 2018-2019 Home & Community Care Block Grant for Older Adults Agreement Between County of Cumberland and Mid-Carolina Area Agency on Aging

BACKGROUND

Cumberland County has received the FY2018-2019 funding request for the Home & Community Care Block Grant, which includes an increase of \$23,275. An additional \$17,000 is available for programmatic allocations due to the Hope Mills Senior Programming no longer qualifying as a Multipurpose Senior Center. The Committee is recommending these funds be allocated to the following services: Elderly Nutrition \$20,135; Transportation \$10,000; Home Improvement \$5,000; Legal Services \$5,140.

RECOMMENDATION / PROPOSED ACTION

Approve the FY2018-2019 Home & Community Care Block Grant for Older Adults Agreement between County of Cumberland and Mid-Carolina Area Agency on Aging which requires the signatures of the Chairman of the Board and the County Finance Director.

J. Approval of Resolution to Lease Certain Real Property to Easter Seals of North Carolina and Virginia, Inc.

BACKGROUND

Easter Seals UCP of North Carolina and Virginia, Inc. provides support and services for children with intellectual developmental disabilities at the Dorothy Spainhour Center, 223 Hull Road in Fayetteville, where specially trained teachers and therapists work with local clients and families. The lease agreement for this 12,310 square foot facility will expire June 30, 2018, and Easter Seals wishes to renew the lease for the same terms which primarily are as follows:

- 3-year term
- \$1 rent/year
- No security deposit required
- Lessee solely responsible for all utility costs
- Lessee solely responsible for all maintenance

The Board adopted the required resolution of intent at its May 7, 2018 Regular Meeting, and a notice of intent to enter into a proposed lease was advertised in the Fayetteville Observer on May 16, 2018. Adoption of the following resolution will authorize the Chairman to execute the lease.

RECOMMENDATION / PROPOSED ACTION

Adopt the following resolution:

The Cumberland County Board of Commissioners finds:

The real property located at 223 Hull Road, Fayetteville, (the Dorothy Spainhour School) will not be needed for government purposes for the term proposed for the lease of property to Easter Seals UCP of North Carolina and Virginia, Inc.;

The Board adopted a resolution of intent to lease the property described herein at its regular meeting held May 7, 2018; and

The notice of intent to lease the property was advertised in the Fayetteville Observer on May 16, 2018.

BE IT RESOLVED that the Chairman is authorized to execute a lease to Easter Seals UCP of North Carolina and Virginia, Inc., a non-profit corporation, for 12,310 square feet of the real property located at 223 Hull Road in Fayetteville, NC for a term of three (3) years commencing on July 1, 2018, at an annual rental rate of One Dollar (\$1.00) per year.

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

LEASE AGREEMENT

Notice Advertised in the Fayetteville Observer May 16, 2018

Approved by the Board of Commissioners June 18, 2018

This Lease Agreement, to be effective July 1, 2018, by and between **Easter Seals UCP of North Carolina and Virginia, Inc.**, a North Carolina non-profit corporation with a place of business at 223 Hull Road, Fayetteville, North Carolina, hereinafter referred to as "LESSEE", and the **County of Cumberland**, a body politic and corporate of the State of North Carolina, hereinafter referred to as "LESSOR".

WITNESSETH:

WHEREAS, the Cumberland County Board of Commissioners finds that the services provided by the LESSEE at the leased premises are critical in nature, there is no alternative resource for these specialized services, and these services were previously provided under the umbrella of the County.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained and subject to the terms and conditions hereinafter set forth, LESSOR does hereby lease and demise to LESSEE that building known as the "Dorothy Spainhour Facility" located at 223 Hull Road, Fayetteville, North Carolina, and being the same space already occupied by Lessee.

TO HAVE AND TO HOLD the leased premises, together with all privileges and appurtenances thereto belonging including easements of ingress and egress, to the said LESSEE, under the terms and conditions hereinafter set forth:

1. **TERM:** The Lease shall commence the July 1, 2018, and unless sooner terminated, continue for three years to June 30, 2021.

2. **RENT:** The rent shall be at an annual rate of \$1.

3. **DEPOSIT:** LESSOR shall not require a security deposit from the LESSEE.

4. **UTILITIES:** LESSEE shall be solely responsible for all utility costs.

5. **MAINTENANCE:** LESSEE shall be solely responsible for all ongoing maintenance of the facility to include the building and grounds; HVAC, plumbing, electrical and telephone systems; parking lots; playground and fencing. Any replacement of mechanical equipment or proposed renovation must be coordinated through the LESSOR. LESSEE shall be responsible to maintain the premises to meet all requirements necessitated by ADA and OSHA requirements. All maintenance shall be done to the LESSOR'S standard.

6. **PARKING:** LESSEE shall have the right to use all parking lots associated with the building and located on the premises.

7. **INSPECTIONS:** The leased premises shall be subject to periodic inspections by LESSOR upon reasonable notice provided to LESSEE. LESSOR shall give LESSEE written notice of any deficiencies with respect to maintenance after inspection and LESSEE shall correct such deficiencies within a reasonable time after receiving such notice.

8. **USE AND OCCUPANCY:** LESSEE must continue to provide the same developmental day programs and services it has provided at the facility for the past several years. If LESSEE proposes to change any services, it must provide the LESSOR thirty days' advance written notice of such change and the reason for the proposed change.

9. **FINANCIAL STATEMENTS:** LESSEE shall provide LESSOR copies of its annual financial statements prepared in the ordinary course of business.

10. **ASSIGNMENT OR SUB-LEASE:** The lease is made for the specific purpose of LESSEE'S continuation of the services it currently provides in the facility. LESSEE shall not assign this lease or sublet the leased premises or any part thereof, without the written consent of the LESSOR.

11. **CONDITION OF PREMISES:** LESSEE shall return the premises to LESSOR at the termination hereof in as good condition and state of repair as the same was at the commencement of this lease except for loss, damage, or depreciation occasioned by reasonable wear and tear or damage by fire or other casualty.

12. **DESTRUCTION OF PREMISES:** In the event the facility is damaged or destroyed by fire or any other casualty so as to materially affect the use of the building and premises, this lease shall automatically terminate as of the date of such damage or destruction, provided, however, that if such building and premises are repaired so as to be available for occupancy and use within sixty (60) days after such damage, then this lease shall not terminate. The decision as to whether or not make repairs shall be LESSOR'S and LESSOR shall have no obligation to make repairs.

13. **CONDEMNATION:** If during the term of this lease or any renewal period thereof, the whole of the leased premises, or such portion thereof as will make the leased premises unusable for the purpose leased, be condemned by public authority for public use, then in either event, the term hereby granted shall cease as of the date of the vesting of title in such public authority, or when possession is given to such public authority, whichever event occurs last. The LESSOR shall be entitled to reasonable compensation for such taking except for any statutory claim of the LESSEE for injury, damage or destruction of the LESSEE'S business accomplished by such taking. If a portion of the leased premises is taken or condemned by public authority for public use so as

not to make the remaining portion of the leased premises unusable for the proposes leased, this lease will not be terminated but shall continue. In no event shall the LESSOR be liable to the LESSEE for any interruption of business, diminution in use or for the value of any unexpired term of this lease.

14. INSURANCE: LESSOR will be responsible for insuring its interest in the building and LESSEE will be responsible for insuring its personal property within the leased premises. LESSEE shall at all times during the term hereof, at its own expense, maintain and keep in force a policy or policies of general and premises liability insurance against claims for bodily injury, death or property damage occurring in, on, or about the demised premises in a coverage amount of no less than \$500,000 per occurrence and naming LESSOR as an additional named insured. Proof of such insurance shall be provided to LESSOR annually.

15. PERSONAL PROPERTY AND IMPROVEMENTS: Any additions, fixtures, or improvements placed or made by the LESSEE in or upon the leased premises, which are permanently affixed to the leased premises and which cannot be removed without unreasonable damage to said premises shall become the property of the LESSOR and remain upon the premises as a part thereof upon the termination of this Lease. All other additions, fixtures, or improvements to include trade fixtures, office furniture and equipment, and similar items, which can be removed without irreparable damage to the leased premises, shall be and remain the property of the LESSEE and may be removed from the leased premises by the LESSEE upon the termination of this lease. LESSEE shall bear the expense of any repairs of the leased premises, other than fair wear and tear caused by such removal.

16. TAXES: LESSEE will list and pay all business personal property taxes, if any, on its personal property located within the demised premises.

17. NOTICE: Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgement of receipt, or mailed by certified mail, return receipt requested, or delivered by receipt controlled express service, to the other party at the following addresses or to such other addresses as either party hereafter from time to time designates in writing to the other party for the receipt of notice:

LESSEE:

Easter Seals UCP
Attn: _____
223 Hull Road
Fayetteville, NC _____

LESSOR:

Cumberland County
Attn: County Manager
P. O. Box 1829
Fayetteville, NC 28302-1829

Such notice, if mailed, shall be deemed to have been received by the other party on the date contained in the receipt.

18. ORDINANCES AND REGULATIONS: LESSEE shall comply with all the rules and regulations of the city, county or state having jurisdiction over the leased premises, and with all ordinances and regulations or governmental authorities wherein the leased premises are located, at LESSEE'S sole cost and expense.

19. INDEMNIFICATION: LESSEE will indemnify LESSOR and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury or damage to property occurring in or about, or arising out of, the demised premises, and occasioned wholly or in part by any act or omission of LESSEE, its agents, licensees, concessionaires, customers or employees. In the event LESSOR shall be made a party to any litigation, commenced by or against LESSEE, its agents, licensees, concessionaires, customers or employees, then LESSEE shall protect and hold LESSOR harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by LESSOR in connection with such litigation, unless such litigation arises out of an injury or injuries claimed as a result of some defective condition existing on the premises for which LESSOR has responsibility to maintain or repair under the terms of this lease and to which LESSOR has been put on notice by LESSEE.

20. MERGER CLAUSE: This instrument is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of its terms. No course

of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this lease agreement.

IN WITNESS WHEREOF, the LESSOR and LESSEE have caused this lease to be executed in duplicate originals by their duly authorized officers, to be effective the date and year first above written.

K. Approval of Budget Ordinance Amendments for the June 18, 2018 Board of Commissioners' Agenda

BACKGROUND

General Fund 101

- 1) Sheriff's Office – Budget Ordinance Amendment B180085 to recognize court ordered forfeited funds in the amount of \$23,075 and contributions in the amount of \$7,000

The Board is requested to approve Budget Ordinance Amendment B180085 in the amount of \$23,075 to recognize court ordered forfeited funds and contributions in the amount of \$7,000. Funds in the amount of \$23,075 will be used to purchase night vision goggles. Contributions in the amount of \$7,000 are to be used to support project lifesaver, purchase a drone, facilitate the summer camp, and support of the special victim's unit.

Please note this amendment requires no additional county funds.

- 2) Child Support – Budget Ordinance Amendment B180597 in the amount of \$21,330 for computer hardware

The Board is requested to approve Budget Ordinance Amendment B180597 in the amount of \$21,330 for computer hardware. The state approved 26 computers and 4 laptops for purchase by the Child Support Enforcement department. The State will contribute \$14,077 towards the equipment. The remaining \$7,253 will be used from contingency.

Please note this amendment requires the use of contingency funds in the amount of \$7,253.

- 3) Social Services – Budget Ordinance Amendment B180207 to recognize revenue in the amount of \$4,619 for the Energy Neighbor Program

The Board is requested to approve Budget Ordinance Amendment B180207 in the amount of \$4,619 representing an increased funding allocation from the Department of Health and Human Services – Division of Social Services for the Energy Neighbor Assistance Program. The source of these funds is Duke Progress Energy and will be used to assist low income customers with their Duke Progress Energy utility payments.

Please note this amendment requires no additional county funds.

- 4) Social Services – Budget Ordinance Amendment B180200 to recognize revenue in the amount of \$704 for the Share the Warmth Energy Program

The Board is requested to approve Budget Ordinance Amendment B180200 in the amount of \$704 representing an increased funding allocation from the Department of Health and Human Services – Division of Social Services for the Share the Warmth Energy Program. The funding source for this program is Piedmont Natural Gas Company (PNG), however assistance is not limited to PNG customers and eligible households may receive funding for all types of fuel utilities. These funds will be used to assist low income customers with their utility payments.

Please note this amendment requires no additional county funds.

- 5) Social Services – Budget Ordinance Amendment B180199 to recognize revenue in the amount of \$98,403 for the Crisis Intervention Energy Program

The Board is requested to approve Budget Ordinance Amendment B180199 in the amount of \$98,403 representing an increased funding allocation from the Department of Health and Human

Services – Division of Social Services for the Crisis Intervention Program. The source of these funds is a federal block grant and will be used to assist low income customers faced with life-threatening or health-related emergencies.

Please note this amendment requires no additional county funds.

6) Pulled for separate discussion and action as recorded below.

7) Pulled for separate discussion and action as recorded below.

Special Fire Districts Fund 220

8) Special Fire Districts – Budget Ordinance Amendment B181423 in the amount of \$75,000 to reverse Budget Ordinance B180599 and show the transfer from the general fund as originally adopted

The Board is requested to approve Budget Ordinance Amendment B181423 in the amount of \$75,000. This amendment will reverse a previous budget revision which approved an allocation of Special Fire Tax District funds towards expenses related to Turnbull Fire Station staffing. Funding for the staffing expenses should have reflected a transfer from the General Fund as originally adopted in FY2018. This revision reverses the previous action and shows the General Fund transfer appropriately.

Please note this revision restores the original FY2018 budget allocation.

Pearces Mill Fire District Fund 232

9) Pearces Mill Fire District - Budget Ordinance Amendment B180196 to recognize additional tax revenue in the amount of \$22,500

The Board is requested to approve Budget Ordinance Amendment B180196 to recognize additional tax revenue of \$22,500 to be used toward expenses within the fire district.

Please note this amendment requires no additional county funds.

Workforce Investment Opportunity Act Fund 255

10) Workforce Investment Opportunity Act - Budget Ordinance Amendment B180542 to recognize grant funds in the amount of \$157,500

The Board is requested to approve Budget Ordinance Amendment B180542 to recognize grant funds in the amount of \$157,500 from the North Carolina Department of Commerce, Division of Workforce Solutions. Cumberland County Workforce Development Board has been chosen as the agency to partner with North Carolina for Military Employment (NC4ME) to host a minimum of eleven events during FY19. NC4ME is a coalition of organizations from the public and private sectors working together to implement a unique, employer-centric approach to military hiring.

Please note this amendment requires no additional county funds.

NC Elderly Handicap Transportation Fund 277

11) Mid Carolina Senior Transportation – Budget Ordinance Amendment B180436 to recognize additional revenue in the amount of \$3,092 from the North Carolina Home and Community Care Block Grant

The Board is requested to approve Budget Ordinance Amendment B180436 to recognize additional grant funds in the amount of \$3,092 from the North Carolina Home and Community Care Block Grant – Community Transportation Program. Funds from this grant will be used towards providing medical, work and/or general transportation services for county residents.

Please note this amendment requires no additional county funds.

Tourism Development Authority Fund 285

12) Tourism Development Authority - Budget Ordinance Amendment B180241 to recognize additional occupancy tax revenue in the amount of \$200,212

The Board is requested to approve Budget Ordinance Amendment B180241 to recognize additional occupancy tax revenue of \$200,212. This revenue represents higher fourth quarter collections than originally budgeted.

Please note this amendment requires no additional county funds.

Solid Waste Fund 625

13) Solid Waste Administration – Budget Ordinance Amendment B180293 in the amount of \$1,060,000 to increase Other Post-Employment Benefits (OPEB) and Pension Expenses to actuarial projections

The Board is requested to approve Budget Ordinance Amendment B180293 in the total amount of \$1,060,000. \$60,000 of this total represents actuarial projections for pension expenses based on historic trends. In addition, the projection for Other Post-Employment Benefits (OPEB) is conservatively estimated at \$1,000,000 due to recently issued Governmental Accounting Standards Board (GASB) statement no. 75.

Please note this amendment requires the use of Solid Waste fund balance.

Workers Compensation Fund 800

14) Workers Compensation – Budget Ordinance Amendment B180250 in the amount of \$111,000 to increase Other Post-Employment Benefits (OPEB), Pension Expenses and Workers Compensation Claims to actuarial projections

The Board is requested to approve Budget Ordinance Amendment B180250 in the total amount of \$111,000.

\$3,000 of this amount represents pension expenses, \$78,000 represents Worker's Compensation Claims – both of which are based on historic trends. The remaining \$30,000 is for Other Post-Employment Benefits (OPEB) and is a conservative estimate due to recently issued Governmental Accounting Standards Board (GASB) statement no. 75.

Please note this amendment requires no additional county funds.

Group Insurance Fund 801

15) Employee Pharmacy – Budget Ordinance Amendment B180239 in the amount of \$391,044 to recognize additional revenue received from pharmaceutical rebates.

The Board is requested to approve Budget Ordinance Amendment B180239 in the amount of \$391,044. This amount represents pharmaceutical rebates/incentives received for medication purchases and will be used to purchase additional drug inventory.

Please note this amendment requires no additional county funds.

Contingency Funds Report – FY18

The County Manager approved the following uses of contingency funds totaling \$50,000:

- \$50,000 was needed for court ordered care due to an increase in the number of cases initiated by the courts.

RECOMMENDATION / PROPOSED ACTION

Approve Budget Ordinance Amendments.

L. Approval of Cumberland County Facilities Committee Report and Recommendation(s)

1. Additional Security Measures in Courtroom 3A

BACKGROUND

Courtroom 3A within the Judge E. Maurice Braswell Cumberland County Courthouse is used for domestic violence cases. Lieutenant Daryll Scales with the Sheriff's Office reached out to Engineering & Infrastructure (E&I) Staff to request that the jury box in Courtroom 3A be modified to hold inmates awaiting their case similar to what has been done in the courtrooms on the second floor. The modification would entail installing a petition atop of the existing jury box wall which would greatly reduce the likelihood of inmates from being able to leave the detainee area.

E&I Staff estimates that the cost of this petition would cost between \$3,000 to \$5,000. If approved, the project would be constructed in July with funding allocated for FY19 in the Courts Facilities budget.

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the recommendation of installing additional security measures in Courtroom 3A at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting.

2. Contract for Room 564 Renovation and Budget Ordinance Amendment #B181457

BACKGROUND

The existing layout of Conference Room #564 located within the Judge E. Maurice Braswell Cumberland County Courthouse is no longer a conducive space for the Board of Commissioners to conduct meetings. The room currently has several technological challenges and the room is very tight and difficult for the Board of Commissioners, County Staff and outside presenters to maneuver when at capacity.

Engineering & Infrastructure (E&I) Staff contacted Gordon Johnson, in November 2017 to begin discussing the challenges associated with the layout and how to best reconfigure the space. It was estimated by the project architect that the construction would cost approximately \$100,000 and the furniture costs would be approximately \$40,000. After consulting with the Information Services Department, it was determined it would cost approximately \$60,000 to equip the room with the necessary technology upgrades. Therefore, it was expected that the entire cost of the renovation would be approximately \$200,000.

On May 10, 2018, a notice to bidders was sent out to all local contractors. A mandatory pre-bid meeting was held on May 17, 2018. On May 29, 2018, bids were opened. The lowest, responsible and responsive bid was submitted by M&E Contracting, Inc., in the amount of \$ 173,947.00.

Since the lowest, responsible and responsive bid is significantly higher than the anticipated construction cost, E&I Staff worked with the project architect and M&E Contracting, Inc. to determine if design changes could be made to reduce the overall project cost. E&I Staff met with the project architect and M&E Contracting, Inc. on June 4th to discuss possible cost savings. These possible design changes and cost savings were presented to the Facilities Committee on June 7th for consideration. The Facilities Committee opted to select a change to eliminate the fire dampers in the duct work for a cost reduction of \$1,758.00. The revised contract price will be \$172,189.00

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the recommendation listed below at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting:

1. Accept the bids for the renovation of Conference Room 564 and award a contract to M&E Contracting, Inc., in the amount of \$172,189.00.
2. Establish a contingency in the amount of \$15,000 to be used for additional work recommended by the E&I Director and approved by the County Manager.
3. Approve Budget Ordinance Amendment #B181457 in the amount of \$208,347 for the proposed renovations to Conference Room 564.

3. Contract for Exterior Building Repairs for Multiple County Facilities

BACKGROUND

The Building Exterior Repairs project includes various repairs to the exteriors of the Historic Courthouse, Bradford Place, E. Maurice Braswell Courthouse, Department of Social Services, Spring Lake Library and Spring Lake Family Resource Center. These repairs were identified as part of the Roof and Exterior Walls assessment completed in 2015. The repairs are included in the capital improvement installment financing plan that was approved by the Local Government Commission (LGC) on September 12, 2017.

A pre-bid meeting was held on April 17, 2018. The project was initially advertised to bid on May 10, 2018. The County did not receive a sufficient number of bidders, therefore the bid received could not be opened. The County re-advertised the project and set a pre-bid on May 17, 2018 and a bid opening on May 29, 2018. The lowest, responsible and responsive bid was submitted by Midwest Maintenance, Inc. out of Augusta, GA in the amount of \$551,479. The other bid was submitted by Stone Restoration of America located in Charlotte, NC.

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the recommendation listed below at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting:

1. Accept the bids for the Building Envelope Repairs Project and award a contract to Midwest Maintenance, Inc., in the amount of \$551,479.
2. Establish a contingency in the amount of \$30,000 to be used for additional work recommended by the E&I Director and approved by the County Manager.
4. Contracts for Reconstruction of Stormwater Detention Ponds at Crown Complex and Budget Ordinance Amendment #B181438

BACKGROUND

The Crown Complex Stormwater Detention Pond A was constructed during the building of the Agri-Expo Center. During an evaluation of the site in 2016, it was noted that Pond A had failed. The riser structure in Pond A failed resulting in an overtopping issue which led the dam to breach. Shortly after this was discovered, the heavy rains from Hurricane Matthew caused Pond B, constructed as part of the Coliseum and Owen Drive Extension projects, to overtop and breach the dam.

Cumberland County E&I staff contracted with Moorman, Kizer, Reitzel, Inc. (MKR), in May 2017 to begin analyzing the ponds. Since Pond B failed as a result of Hurricane Matthew, Engineering & Infrastructure (E&I) Staff reached out to FEMA to see if the repairs would be reimbursable. On June 22, 2017, FEMA communicated to County staff that the project had been approved for reimbursement in the amount of \$527,163.81.

E&I Staff received the final design plans for both ponds on March 28, 2018 from MKR. A pre-bid meeting was held on April 12, 2018, in which all local contractors were invited to attend. An insufficient number of bids were received on April 25, 2018 and the project had to be re-advertised. On May 10, 2018, an additional pre-bid meeting was held in which additional contractors attended. On May 11, 2018, County staff contacted North Carolina Public Safety to discuss the reimbursement of the project, anticipating that bids would be higher than the initial engineering estimate and on May 30, 2018, was informed that the project would be reimbursed at 100% provided the scope of work did not change. On May 29, 2018, bids were opened. The lowest, responsible and responsive bid was submitted by ES&J Enterprises, Inc., in the amount of \$1,347,252.50 for both ponds. The bid price for pond A is \$642,212.50 and the bid price for pond B is \$705,040. The funding for the repairs to Pond A have been programmed into the budget for FY 19. The repairs for both ponds were bid as one project in an attempt to save money as the repairs to each pond are very similar.

Since the Board of Commissioners do not meet in July and we are working against a FEMA deadline for the repairs, E&I Staff is asking the Facilities Committee to consider approval of these contracts prior to FY 19 budget adoption. The County Attorney has stated that the contract could

be approved prior to budget adoption as long as the contract is signed on or after July 1, 2018. It was explained in the Facilities Committee that two separate contracts would be needed for each of these projects based on the funding sources.

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the recommendation listed below at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting:

1. Accept the bid for the repairs of the Crown Complex Stormwater Detention Ponds and award contracts to ES&J Enterprises, Inc. in the amount of \$1,347,252.50.
2. Establish a contingency in the amount of \$40,000 to be used for additional work recommended by the E&I Director and approved by the County Manager.
3. Approve Budget Ordinance Amendment #B181438 in the amount of \$705,040 for the repairs to Stormwater Detention Pond B to be reimbursed by FEMA at 100%.
5. Contract for Parking Lot Improvements at Bordeaux Branch Library

BACKGROUND

The Capital Improvement Plan (CIP) identified repairs for the Bordeaux Branch Library. The project consists of removing and replacing the asphalt for the entire parking lot in which new pavement markings will be installed following placement of the new asphalt.

A pre-bid meeting was held on May 17, 2018, in which all local contractors were invited to attend. Informal bids were received on May 29, 2018 for the repairs of the Bordeaux Branch Library parking lot. The lowest, responsible and responsive bid was submitted by Diamond Constructors, Inc., in the amount of \$103,431.84.

The FY18 Capital Improvement Plan (CIP) estimated the project cost at \$68,000. The lowest bid received is \$35,431.84 more than the project estimate. We believe this difference is the result of the passage of time since the original estimate, a rise in materials cost, and a high demand for construction work. Funds are available in CIP for this project.

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the recommendation listed below at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting:

1. Accept the bids for the parking lot improvements at Bordeaux Branch Library and award a contract to Diamond Constructors, Inc., in the amount of \$ 103,431.84.
2. Establish a contingency in the amount of \$10,000 to be used for additional work recommended by the E&I Director and approved by the County Manager.
6. Contract for Parking Lot Improvements at East Regional Library

BACKGROUND

The Capital Improvement Plan (CIP) identified parking lot repairs for the East Regional Library. The repairs to this parking lot includes removal/replacing asphalt for the access drive, seal coat and pavement markings.

A pre-bid meeting was held on May 16, 2018, in which all local contractors were invited to attend. Informal bids were received on May 29, 2018 for the repairs of the East Regional Library parking lot. The lowest, responsible and responsive bid was submitted by Diamond Constructors, Inc., in the amount of \$147,000.00.

The FY18 Capital Improvement Plan (CIP) estimated the project cost at \$38,100. The lowest bid received is \$108,900 more than the FY18 CIP estimate. The price difference is due to a change of scope and an increase in construction costs. The initial review performed by US Infrastructure only identified a small area of patching. When staff investigated the site 3.5 years later, major failures with the driveway asphalt were discovered. Staff brought on a consulting engineer to assist in

designing the project due to the significant alligator cracking throughout the driveway. Funds are available in CIP for this project.

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the recommendation listed below at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting:

1. Accept the bids for the parking lot improvements to East Regional Library and award a contract to Diamond Constructors, Inc., in the amount of \$147,000.
2. Establish a contingency in the amount of \$10,000 to be used for additional work recommended by the E&I Director and approved by the County Manager.
7. Radio Tower Lease Agreement with The North Carolina Department of Agriculture and Consumer Services

BACKGROUND

The County was contacted by the NC Department of Agriculture and Consumer Services - NC Division of Forest Resources, to renew an existing agreement for radio antennae space on the tower located atop 109 Bradford Avenue, a County-owned facility. The continued use of the space on the tower provides more effective and efficient services to the citizens of Cumberland County without any negative impact to existing operations. This serves as a benefit to the County and surrounding region and more specifically the fire departments of Cumberland County who may need to communicate directly with local NC Forestry agents.

The terms for the agreement are proposed to remain the same and are as follows:

- Three-year term commencing July 1, 2018 and ending June 30, 2021 last negotiated in 2015 Rent of \$10.00 (TEN DOLLARS) for the entire three-year term
- Lessor provides and maintains existing antennae, connections, and headend building while Lessee provides and maintains its headend equipment
- Lessor provides utilities and environmentally controlled headend building (utilities are singly metered for entire facility and therefore cannot be split out)
- Lessee is self-insured

The intent to lease does not have to be advertised since it is between government entities.

RECOMMENDATION / PROPOSED ACTION

The Facilities Committee approved the proposed leased agreement at its June 7, 2018, meeting and forwarded this item to the full Board of Commissioners as a Consent Agenda item at its June 18, 2018, Board of Commissioners' Meeting.

CUMBERLAND COUNTY RADIO TOWER AGREEMENT

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

This Lease Agreement, made and entered into this _____ day of _____, 20____, by and between **CUMBERLAND COUNTY**, hereinafter referred to as "Lessor", and the **STATE OF NORTH CAROLINA**, through the North Carolina Department of Agriculture & Consumer Services, hereinafter referred to as "Lessee".

WITNESSETH

THAT WHEREAS, authority to approve and execute this lease agreement was delegated to the Department of Administration by resolution adopted by the Governor and Council of State on the 1st day of September, 1981; and amended on September 8th, 1999 and April 1, 2003.

WHEREAS, the Department of Administration has delegated to the Department of Agriculture the authority to execute this lease agreement by a memorandum dated the 26th day of March, 1982; and

WHEREAS, the parties hereto have mutually agreed to the terms of this lease agreement as hereinafter set out,

WHEREAS, the Lessor owns, operates and maintains a Radio Signal Tower, (Registration No. 1015942) located on a County facility that is located at 109 Bradford Avenue in Cumberland County, North Carolina, at latitude of 35-03-19N, longitude 78-53-30W, NAD 17, and the Lessor hereby leases to Lessee and the Lessee hereby leases from the Lessor space on the Tower and all access and utility easements, if any, (collectively, the "Premises").

WHEREAS, the Lessor desires to grant to the Lessee a lease to install, operate and maintain an antenna and coaxial cable upon said tower and to install related cabling, wiring and accessories inside the "headend" building located at the base of the radio tower. The headend" building is a masonry environmentally-controlled building which is storage space for all repeaters and accessories related to such antennas and cables on the tower.

NOW THEREFORE, in consideration of the rents, covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

- 1) The Lessor agrees to lease to the Lessee space on its radio tower to install, operate and maintain an antenna and coaxial cable on Lessor's tower and to install, operate and maintain other related cabling, wiring and accessories inside the Lessor's "headend" building located at the base of said radio tower.

<u>TYPE</u>	<u>HEIGHT</u>
VHF Hi Band Repeater	

- 2) The Lessor agrees to furnish such power as may be required by the Lessee for operation of its installation, however, it is expressly understood and agreed that the Lessor will not be responsible for any power outage, but will endeavor to correct the condition causing the outage as soon as it is reasonably possible.
- 3) The term of the lease shall be for a period of 3 years commencing on **July 1, 2018** and terminate **June 30, 2021**. The Lessor or Lessee may terminate this agreement at any time with or without cause, upon thirty (30) days written notice to the other party, sent by certified mail to the address so designated for this purpose; and further provided that this agreement may be canceled on twenty-four (24) hours notice to Lessee in the event that Lessee's base station, antenna or other equipment on said premises of the Lessor are causing or contributing to noticeable degradation of the radio equipment of the Lessor or of any persons with antenna leases on the Lessor's tower.
- 4) The rental fee for the lease shall be **Ten and 00/100 Dollars (\$10.00)** and should be paid with the commencement of this lease.
- 5) The Lessee will have access to the Lessor's tower site and to Lessor's "headend" building. Only personnel or contractors of North Carolina Division of Forest Resources approved by the Lessor will be permitted to go on or install equipment of the tower.
- 6) **Insurance & Liability.**
 - (a) Lessor agrees that Lessee's decision to self-insure satisfies all insurance requirements of this Lease applicable to Lessee.
 - (b) As between Lessor and Lessee, Lessee, subject to the terms of this Lease, will be primarily liable for the negligent or intentional acts or omissions of its agents, contractors or employees. As to third parties, Lessee is an immune sovereign and is not ordinarily subject to suit. However, Lessee has enacted Chapter 143, Article 31, of the North Carolina General Statutes (the "Tort Claims Act"), pursuant to which the Lessee may be liable for the torts of its officers and employees, within the terms of the Tort Claims Act, and accordingly, Lessee will be primarily liable for any claims within the coverage of the Tort Claims Act.
 - (c) Lessor shall be liable to Lessee for any loss or damages suffered by Lessee which are a direct result of the failure of Lessor to perform an act required by this Lease, provided that Lessor could reasonably have complied with said requirement.
- 7) **Utilities / Maintenance.** Lessor shall be responsible for the maintenance and operation of the Tower and the Building, including, but not limited to all utility charges attributable to Lessee's use of the Premises. Lessee shall repair at its own expense damage to the Premises, the Tower, the Building or the Communications Equipment, which is the result of Lessee's use of the Premises except if such cost arises out of the negligent or wrongful acts or omissions of Lessor, its contractors or agents.

- 8) **Security.** Lessor agrees and acknowledges that the Tower and the Building will be secured by a locked fenced. Lessor shall provide Lessee with keys to the locks.
- 9) The Lessee's base station and related equipment shall be installed and maintained in accordance with the following:
 - a) Base Antennae shall have no more than 3.3 square feet of projected wind surface.
 - b) Antennae shall be installed at a location and in a manner designated by the Lessor.
 - c) All mounting brackets, clamps and bolts shall be galvanized.
 - d) All coaxial cable shall be fastened to a designated tower leg at intervals of no more than three feet. Stainless Steel Wraplock or Copper Wire shall be used to fasten coaxial cable to tower leg.
 - e) Form a Drip Loop at building cable entrance.
 - f) Base stations shall be installed at a location designated by the Lessor.
 - g) Base stations shall be ground with AWC #6 Copper Conductor to Ground Buss.
 - h) Install GE Surge Protector or equivalent at Base Station AC Outlet.
 - i) Traps and Filters shall be placed in transmitter output in order to eliminate potential harmful interference with other radio users.
- 10) The Lessee, its agents, or any persons using the Lessee's antenna and equipment for the transmission and reception of radio signals shall comply with all laws and governmental regulations respecting such use and shall hold the Lessor harmless from any responsibility from the failure of the Lessee, its agents or any persons using the Lessee's antenna and equipment. The Lessee shall maintain all licenses required by the FCC for the antenna and other equipment on the Lessor's property, said copy of license to be provided to the Lesser.
- 11) The failure of either party to insist in any instance on strict performance of any covenant thereof, or to exercise any option herein contained, shall not be construed as a waiver of such covenant or option in any other instance. No modification or any provision hereof and no cancellation or surrender hereof shall be valid unless in writing and signed by parties.
- 12) All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed as follows:

To the Lessor: County Manager
Cumberland County
117 Dick Street
Fayetteville, N.C., 28301

To the Lessee: NC Department of Agriculture & Consumer Services
Property & Construction Division
Attn: Real Property Agent
1001 Mail Service Center
Raleigh, NC 27699-1001

Nothing herein contained shall preclude the giving of such notice by personal service. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this instrument the day and year first above written.

8. Cumberland County Facilities Committee Draft Minutes - June 7, 2018 (For Information Only)
- M. Approval of Cumberland County Finance Committee Report and Recommendation(s)
1. Pulled for separate discussion and action as recorded below.

2. Workforce Development Board Recommendation to Award the Workforce Innovation Opportunities Act (WIOA) Title 1 Program Services Contract to Education Data Systems, Inc. (EDSI)

BACKGROUND

Cumberland County receives annual funding from the state to provide workforce development services through the Workforce Innovation & Opportunity Act (WIOA). These important services are focused on the following groups: local employers, the unemployed, underemployed adults, veterans, dislocated workers, In-School Youth (age 14-21) and Out-of-School Youth (age 16-24). These services are currently contracted to ResCare Workforce Services with a contract period ending June 30, 2018. Estimated allocations for FY19 are anticipated to be as follows for these specific program areas in Cumberland County:

1. \$800,000 for adult services programs
2. \$550,000 for dislocated worker programs
3. \$800,000 for youth services programs

These not-to-exceed amounts may be subject to change as it is based upon a prior estimate of available funds. It is anticipated that the exact funding amount will be known at or about the time of the final contract negotiations. All contracts for services will be on a cost-reimbursement basis, based upon performance, and may be extended for two additional years at the discretion of the County.

The Cumberland County Workforce Development Board selected and approved an ad hoc review team consisting of WDB members (Rodney Anderson, Charlene Cross, Isabella Effon, Pam Gibson, and Joy Miller) at the November 8, 2017 meeting. The RFP for WIOA Title I Program Services was released on March 26, 2018 and due by 4 pm on April 23, 2018. Proposals were received from Eckerd Concepts, EDSI, H4 Enterprises, ResCare Workforce Services, and Two Hawk Workforce Services. Proposals were evaluated by the ad hoc committee of Workforce Development Board members utilizing evaluation criteria as follows: customer flow, staffing, statement of work, and program design (40 points); organizational experience, past performance, and references (25 points); transition and staff training plan (10 points); program cost/budget proposal (15 points); and program metrics (10 points). Bidders made oral presentations (10 points) to supplement and explain their proposals on May 1 and 3, 2018. The recommendation below, which was based on the consensus of the review committee, was approved by the Workforce Development Board on May 15, 2018. This recommendation was also approved by the Finance Committee on June 7, 2018.

RECOMMENDATION / PROPOSED ACTION

The Workforce Development Board and Finance Committee recommends approval of EDSI as the successful proposer to provide WIOA Title I Youth, Adult, and Dislocated Worker program services for the Cumberland County NCWorks Career Center and to authorize the County Manager to execute the negotiated contracts.

3. Cumberland County Finance Committee Draft Minutes - June 7, 2018 (For Information Only)
- N. Approval of Cumberland County Policy Committee Report and Recommendation(s)
 1. Policy Revision and Resolution to Engage in Electronic Payments as Defined by G.S. 159-28

BACKGROUND

At the June 7, 2018 Policy Committee meeting the finance director informed the committee that the County has been engaging in electronic transactions for many years. The policy change will reflect that practice. In March 2018, the Local Government Commission provided specific guidance related to what local governments across the state have been practicing. That guidance included a required update to the County's financial policies (see sections 4.3 and 5.2.2 for revisions) and a Board adopted resolution authorizing the County to engage in electronic transactions without affixing a pre-audit certificate. The Policy Committee voted to approve this item after discussion.

RECOMMENDATION / PROPOSED ACTION

Follow the Policy Committee's recommendation to approve the revised financial policies and the resolution authorizing the County to engage in electronic payments as defined by G.S. 159-28.

County of Cumberland
Resolution authorizing County of Cumberland
to engage in electronic payments as defined by G.S. 159-28

WHEREAS, it is the desire of the Board of County Commissioners that the County of Cumberland is authorized to engage in electronic payments as defined by G.S. 159-28;

WHEREAS, the Board of County Commissioners has adopted a written policy for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03.0409;

WHEREAS, the Board of County Commissioners has adopted a written policy for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03.0410;

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of the County of Cumberland

- Section 1. Authorizes the County of Cumberland to engage in electronic payments as defined by G.S. 159-28;
- Section 2. Authorizes the County of Cumberland to disburse public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03.0410; and
- Section 3. This resolution shall take effect immediately upon its passage.

Cumberland County
Section I – Board Approved Policies
Subsection 3: Cumberland County Financial / Audit
Policy No. 3-1: Financial Policies

The original submission of the Cumberland County Financial Policies was approved by the Board of Commissioners on September 2, 2008. The Financial Policies were brought back for revision and approved by the Finance Committee on March 3, 2011 and approved at the March 21, 2011 Board of Commissioners Meeting. The Financial Policies were brought back for revision and approved by the Policy Committee on June 7, 2018 and approved at the June 18, 2018 Board of Commissioners Meeting.

1.0 PURPOSE

The County of Cumberland has established comprehensive financial policies supporting management of our financial resources by providing effective control, prudent decision making and compliance with legal requirements.

2.0 SCOPE

The essential goals to be accomplished through consistent application of these policies include:

- To align long-term financial planning with short-term daily operations and decision-making.
- To maintain and improve the County's financial position.
- To maintain the County's credit ratings by meeting or exceeding the requirements of rating agencies through sound, conservative financial decision making.
- To comply with the North Carolina Budget and Fiscal Control Act and the policies of the North Carolina Local Government Commission (the "LGC").

- To ensure cost effective, efficient and timely procurement of necessary goods and services to enable County departments in achieving their mission of effective service delivery to all citizens.
- To provide credibility to the citizens of the County regarding financial operations through active investment, debt and procurement management as well as financial planning and monitoring.

3.0 STATEMENT OF POLICIES

The financial policies are broken into three separate categories: Operating Budget / Fund Balance Policies, Asset Liability Management Policies and Accounting, Auditing and Financing Reporting Policies.

The Cumberland County Board of Commissioners (the “Board”) is a seven-member board, with each member serving a four-year term. To enhance communication and effective decision making, four subcommittees of the Board have been in existence for many years. These three-member subcommittees have been structured to focus on the following areas; Finance, Policy, Personnel, and Facilities issues. Each committee meets monthly as needed, in a published, open meeting. The Finance Committee serves as the Audit Committee of the County and makes recommendations to the full Board upon review of issues that have a fiscal impact upon the County. Periodically, the Finance Director updates the Committee on the financial condition of the County as a part of their monthly agenda. The annual audit is presented in detail to the Board annually at a night meeting which is televised on a local channel for the citizens of Cumberland County.

4.0 OPERATING BUDGET / FUND BALANCE POLICIES

4.1 Budget Guidelines

4.1.1 The County’s Annual Budget Ordinance will be balanced in accordance with the Local Government Budget and Fiscal Control Act (G.S. 159-8(a)).

4.1.2 The County’s operating budget will be prepared in accordance with Generally Accepted Accounting Principles.

4.1.3 The County’s Annual Budget Ordinance will be adopted by each July 1 (G.S. 159-13(a)).

4.1.4 The annual budget shall be developed as a financial plan to achieve long-term and short-term goals adopted by the Governing Board and as an operational guide for provision of programs and services to the community.

4.2 Revenue Policy

4.2.1 Ad Valorem Tax – As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:

a. Assessed valuation will be estimated based upon historical trends and growth patterns in a conservative manner.

b. The estimated percentage of collection will not exceed the actual collection percentage of the preceding fiscal year, in accordance with State law.

c. The property tax rate will be set each year based upon the costs of providing general governmental services, meeting debt service obligations and maintaining any reserves or fund balances the Board deems necessary.

4.2.2 Economically Sensitive Revenues – The County has certain revenues, specifically occupancy, food and beverage, and sales taxes that can be adversely affected by regional and national economic conditions and military deployments. These revenues shall be budgeted in a conservative manner.

4.2.3 User Fees – The Board will establish all user fees annually. The user fees will maximize charges for services that can be individually identified and where costs are directly related to the provision of or to the level of service provided.

Emphasis on user fees results in the following benefits:

- The burden on the Ad Valorem tax is reduced.
- User fees are paid by all users, including that exempt from property taxes.
- User fees help minimize subsidization in any instance where there are requirements in order to qualify for the use of the service and the service is not provided to the general public.
- User fees produce information on the demand level for services and help to make a connection between the amount paid and the services rendered.

4.2.4 Interest Income – Interest income is subject to variability based upon changes in prevailing interest rates, which cannot be predicted with certainty. Such revenue shall therefore be budgeted in a conservative manner within the Annual Budget Ordinance and shall comply with Section III of this policy regarding Asset – Liability Management.

4.2.5 Grant Funding – Staff will pursue opportunities for grant funding. Application for grant funding will be made after a grant has been evaluated for consistency with the Board’s goals and compatibility with County programs and objectives. Staff must have prior approval from the County Manager to apply for a grant. All awarded grants can only be accepted by Board action at which time the related budget shall be established.

a. Grants that have been awarded in prior years and are recurring in nature will be included and addressed through the annual budget process.

b. Grants that fund operating expenditures but have a funding termination date must fully disclose that fact to the Board prior to acceptance.

c. The grant manager for each grant shall be the related department head. The grant manager is responsible for all grant monitoring, compliance and reporting. The grant manager will provide copies of all documents to the Finance Department. The Finance Department will maintain a grant file by fiscal year for each active grant.

d. Existing exceptions that relate to annual allocation amounts must be approved by County Finance

4.3 Expenditure Policy – Expenditures will be processed in accordance with the requirements of G.S. 159-28, Budgetary Accounting for Appropriations.

4.3.1 Expenditure budgets shall be monitored throughout the fiscal year by department heads, the Finance Department and the County Manager. Budget compliance is the responsibility of the department head and the Finance Director.

4.3.2 Budgeted funds will only be spent for categorical purposes for which they are intended. The annual operating budget ordinance defines staff authorization for operating budget adjustments. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was issued or for the payment of debt principal and interest. Donations will be spent only toward the intent for which they were given.

4.3.3 For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.

4.3.4 Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the County’s Personnel Ordinance.

4.3.5 The County will fund current expenditures with current resources and will strive to avoid balancing budgets utilizing one-time revenues, in accordance with the Fund Balance Policy below.

4.3.6 The County will employ the use of the carryover method for re-appropriating outstanding purchase orders and contracts as of the end of each fiscal year into the new fiscal year. The process shall be explained in detail in each year's budget ordinance. Cumberland County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local fees, and then county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

4.4 Reserve / Fund Balance Policy

4.4.1 In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.

4.4.2 The County will maintain a General Fund unassigned fund balance of no less than 10% which exceeds the minimum eight percent (8%) recommended by the LGC. Additionally, the target goal for total spendable fund balance will be at least 15% of total expenditures for the fiscal year. The annual appropriation for subsequent years' expenditures should not exceed 3% of budgeted recurring general fund expenditures.

a. Purpose of Reserve: These funds will be utilized to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, and maintain the County's credit ratings.

b. Reserve Draw Downs: The fund balance may be purposefully drawn down below the target percentage for emergencies, nonrecurring expenditures, or major capital projects.

c. Reserve Replenishment: If the fund balance falls below the target percentage for two consecutive fiscal years, the County will replenish funds by direct appropriation beginning in the following fiscal year. In that instance, the County will annually appropriate 20% of the difference between the target percentage level and the actual balance until the target level is met.

4.4.3 Any General Fund unassigned fund balance that exceeds the 10% target goal may be reserved for onetime future projects.

4.4.4 The County will appropriate within the annual budget a General Fund Contingency appropriation each fiscal year of at least \$500,000.

4.4.5 The County shall maintain a School Capital Reserve account and all funds accumulated shall be used for debt service on school related debt and other school capital needs.

a. Based on the North Carolina Association of County Commissioner's methodology for calculating statutory Article 40 and 42 set asides for school construction, the Board has committed these sales tax funds to the purposes listed immediately above.

b. All Public-School Building Capital Fund ("ADM money") and Lottery proceeds shall be budgeted within the School Capital Reserve account and shall be used for debt service for school related debt and for school construction needs as appropriate.

4.4.6 Assigned for subsequent years' expenditures is the portion of fund balance that has been approved by formal action of the Board of County Commissioners for appropriation into the next fiscal year. A modification of this amount requires action by the Board. The Board may at its discretion, make other assignments of fund balance. The Board authorizes the County Manager to amend these assigned amounts to comply with the County's fund balance percentage policies.

5.0 ASSET LIABILITY MANAGEMENT POLICIES

5.1 Capital Investment and Debt Policy

5.1.1 Capital Improvements Plan

- a. The County will update a five-year capital improvement plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects.
- b. The annual update of the CIP will be presented at the Board's Budget Planning retreat and included in the annual operating budget process.
- c. The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
- d. The CIP will generally address those capital assets with a value of \$100,000 or more and a useful life of five years or more.
- e. The County includes equipment and furnishings as well as projected annual operating costs in the appropriate year in the CIP.
- f. The County acknowledges pay-as-you-go financing as a significant capital financing source but will ultimately determine the most appropriate financing structure for each capital project on an individual basis after examining all relevant factors of the project.

5.1.2 Ten Year School Facilities Plan

The County requires an annual update from the Cumberland County Board of Education of its Ten-Year School Facilities Plan. The County fully expects to see all new capital projects first appear in the ninth or tenth year of the school facilities plan unless dictated otherwise by State or Federal mandates of new sources of funds, such as a State bond issue for local consideration.

5.1.3 Fixed Assets

The capitalization threshold for fixed assets shall be \$5,000 and \$7,500 for capital improvements. The threshold will be applied to individual fixed assets and not to groups of fixed assets. Fixed assets will be capitalized if they have a useful life of one year or more following the date of acquisition.

5.1.4 Debt Policy

- a. Debt will only be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. Debt will not be used for operational needs. Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under North Carolina law.
- b. The County will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances. The following guidelines will be used when structuring debt:
 - 1) Debt will be amortized on a level principal or level principal and interest basis, depending upon the specific nature of the financing.
 - 2) Maximum term of amortization of principal will be twenty-five years, twenty years for general obligation debt. Average life of outstanding debt will not exceed fifteen years.
 - 3) For general obligation debt, fifty percent of the total outstanding debt will be amortized in the first ten years of total debt outstanding.
 - 4) Fixed rate will be the predominant interest rate for County issuance. Variable rate debt will be considered on a case-by-case basis and will not exceed fifteen percent of total outstanding debt of the County. Issuance of variable rate debt will be undertaken after considering interest rate risk, ability to hedge risk in the annual budget, internal levels of fund balance, and other elements of interest rate risk management.

- c. Debt financing will be considered in conjunction with the County's CIP. Debt financing will also be considered in the Board's review of facility plans presented by the Board of Education.
 - d. Upon Board approval of a capital project and a determination that the project will be financed through issuance of debt, The Board will increase the property tax rate in an amount equivalent to the additional annual operating costs and principal and interest payments in the upcoming fiscal year, if deemed necessary.
 - e. The County will strive to maintain a high level of pay-as-you-go financing for its capital improvements.
 - f. Debt Affordability
 - 1) The net debt of the County, as defined in G.S. 159-55, is statutorily limited to eight percent of the assessed valuation of the taxable property within the County. The County will utilize a self-imposed ceiling of 4%.
 - 2) Total General Fund debt service will not exceed the limits imposed by the LGC. As a guide, formulas established by the LGC and rating agencies will be monitored and appropriately applied by the County. Debt service as a percentage of the general fund budget will be targeted not to exceed 15%.
 - g. The County will seek to structure debt in the best and most appropriate manner to be consistent with Asset – Liability Management policies.
 - h. The County will seek to employ the best and most appropriate strategy to respond to a declining interest rate environment. That strategy may include, but does not have to be limited to, delaying the planned issuance of fixed rate debt, examining the potential for refunding of outstanding fixed rate debt, and the issuance of variable rate debt. The County will seek to employ the best and most appropriate strategy to respond to an increasing interest rate environment. That strategy may include, but does not have to be limited to, the issuance of variable rate debt (a historically lower interest cost), or any other methodology deemed appropriate.
 - i. The County will monitor the municipal bond market for opportunities to obtain interest rate savings by refunding on a current or advance basis for outstanding debt. The estimation of net present value savings for a traditional fixed rate refunding should be, at a minimum, in the range of 2.5% to 3% of the refunded maturities before a refunding process begins.
 - j. The County will strive for the highest possible bond ratings in order to minimize the County's interest costs.
 - k. The County will normally obtain at least two ratings (Moody's and Standard & Poor's) for all publicly sold debt issues.
 - l. While some form of outstanding debt exists, the County will strive to have a portion of that debt in the form of general obligation debt.
 - m. The County will provide annual information updates to each of the debt rating agencies.
 - n. The County will use the Comprehensive Annual Financial Report (the "CAFR") as the disclosure document for meeting its obligation to provide certain annual financial information to the secondary debt market via various information repositories. The annual disclosure is a condition of certain debt covenants and contracts that are required by SEC Rule 15c2-12.
- ## 5.2 Cash Management and Investment Policy
- ### 5.2.1 Receipts
- a. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these monies into interest bearing accounts and investments.

- b. All incoming funds will be deposited daily as required by State law.
- c. The Finance Director is responsible for coordinating at least two random or risk based internal audits of cash receipting locations per fiscal year.

5.2.2 Cash Disbursements – All disbursements will be made in accordance with the Expenditure Policy (Section 4.3). Electronic payment transactions are allowed.

- a. The County's objective is to retain monies for investment for the longest appropriate period of time.
- b. Disbursements will be made timely in advance of or on the agreed-upon contractual date of payment unless earlier payment provides greater economic benefit to the County.
- c. Inventories and supplies will be maintained at minimally appropriate levels for operations in order to increase cash availability for investment purposes.
- d. Dual signatures are required for County checks. Electronic signature of checks is approved.

5.2.3 Investment Policy

a. Policy

It is the policy of the County to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the County and conforming to all State statutes governing the investment of idle funds.

b. Scope

This investment policy applies to all financial assets of the County except authorized petty cash, trust funds administered by the Social Services Director, and debt proceeds, which are accounted for and invested separately from pooled cash. The County pools the cash resources of its various funds and participating component units into a single pool in order to maximize investment opportunities and returns. Each fund's and participating component unit's portion of total cash and investments is tracked by the financial accounting system.

c. Prudence

1) The standard of prudence to be used by authorized staff shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2) Authorized staff acting in accordance with procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

d. Authorized Staff

1) G.S. 159-25(a)6 delegates management responsibility for the investment program to the Finance Director. The Finance Director will establish and maintain procedures for the operation of the investment program that are consistent with this policy. Such procedures will include delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director will be responsible for all transactions

undertaken and will establish and maintain a system of controls to regulate the activities of subordinates.

2) In the absence of the Finance Director and those to which he or she has delegated investment authority, the County Manager or his or her designee is authorized to execute investment activities.

e. Objectives

The County's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.

1) Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To best mitigate against credit risk (the risk of loss due to the failure of the security issuer) diversification is required. To best mitigate against interest rate risk (the risk that changes in interest rates will adversely affect the market value of a security and that the security will have to be liquidated and the loss realized) the second objective, adequate liquidity, must be met.

2) Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating and debt service cash requirements that may be reasonably anticipated. The portfolio will be structured so that securities mature concurrent with cash needs (static liquidity), with securities with an active secondary market (dynamic liquidity), and with deposits and investments in highly liquid money market and mutual fund accounts.

3) Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic and interest rate cycles, taking into account investment risk constraints and liquidity needs.

f. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the County Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the County.

g. Authorized Financial Dealers and Financial Institutions

The Finance Director will maintain a list of financial institutions that are authorized to provide investment services. Authorized financial institutions will be selected by credit worthiness. These may include "primary" dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).

h. Any financial institutions and broker dealers that desire to become qualified to conduct investment transactions with the County must supply the Finance Director with the following:

- 1) Audited financial statements;
- 2) Proof of National Association of Securities Dealers certification;
- 3) Proof of State registration; and

4) Certification of having read the County's Investment Policy.

i. Any previously qualified financial institution that fails to comply or is unable to comply with the above items upon request will be removed from the list of qualified financial institutions.

j. The Finance Director shall have discretion in determining the number of authorized financial institutions and may limit that number based upon the practicality of efficiently conducting the investment program. The Finance Director shall also have the discretion to add or remove authorized financial institutions based upon potential or past performance.

1) Internal Control

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires the use of estimates and judgments by management.

2) Collateralization

Collateralization is required for certificates of deposit. North Carolina General Statutes allow the State Treasurer and the Local Government Commission to prescribe rules to regulate the collateralization of public deposits in North Carolina banks. These rules are codified in the North Carolina Administrative Code – Title 20, Chapter 7 (20 NCAC 7). The Pooling Method of collateralization under 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local government. This method transfers the responsibility for monitoring each bank's collateralization and financial condition from the County to the State Treasurer. The County will only maintain deposits with institutions using the Pooling Method of collateralization.

3) Delivery and Custody

All investment security transactions entered into by the County shall be conducted on a delivery versus payment basis. Securities will be held by a third-party custodian designated by the Finance Director and each transaction will be evidenced by safekeeping receipts and tickets.

4) Authorized Investments

A. The County is empowered by North Carolina G.S. 159-30(c) to invest in certain types of investments. The Board of Commissioners approves the use of the following types, the list of which is more restrictive than G.S. 159-30(c):

1) Obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States.

2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the United States Postal Service.

3) Obligations of the State of North Carolina.

4) Bonds and notes of any North Carolina local government or public authority that is rated "AA" or better by at least two of the nationally recognized ratings services or that carries any "AAA insured" rating.

5) Fully collateralized deposits at interest or certificates of deposit with any bank, savings and loan association or trust company that utilizes the Pooling Method of collateralization.

6) Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation.

7) Bankers' acceptance of a commercial bank or its holding company provided that the bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.

8) Participating shares in a mutual fund for local government investment, provided that the investments of the fund are limited to those qualifying for investment under G.S. 150-30(c) and that said fund is certified by the LGC. (The only such certified fund is the North Carolina Capital Management Trust. Prohibited Forms of Investments

1) The use of repurchase agreements in the normal investment portfolio (not debt proceeds) is prohibited.

2) The use of collateralized mortgage obligations is prohibited.

3) The use of any type of securities lending practices is prohibited.

5) Diversification

A. Investments will be diversified by security type and by institution.

B. The total investment in certificates of deposit shall not exceed 25% of the County's total investment portfolio and the investment in certificates of deposit with a single financial institution shall not exceed \$3,000,000.

C. The total investment in commercial paper shall not exceed 10% of the County's total investment portfolio and the investment in commercial paper of a single issuer shall not exceed \$4,000,000.

D. The total investment in bankers' acceptances shall not exceed 10% of the County's total investment portfolio and the investment in bankers' acceptances of a single issuer shall not exceed \$7,000,000.

E. The Finance Director is responsible for monitoring compliance with the above restrictions. If a violation occurs, the Finance Director shall report such to the County Manager and to the Board along with a plan to address the violation.

6) Maximum Maturities

A. To the extent possible, the County will attempt to match its investments with anticipated cash flow requirements. Beyond identified cash flow needs, investments will be purchased so that maturities are staggered.

B. The following maturity limits are set for the County's investment portfolio:

1) No investment will have a maturity of more than two years without authorization from the County Manager.

2) No more than 10% of the total investment portfolio will be invested with a maturity longer than one year but less than two years. Because the total investment portfolio may fluctuate due to cash flow needs, investments with a maturity up to two years may exceed the calculated total. If this should occur, investments should not be liquidated to comply with this policy but future investing with maturities up to two years shall be avoided until the designated level is achieved.

7) Selection of Securities

The Finance Director or his or her designee will determine which investments shall be purchased and sold and the desired maturity date(s) that are in the best interest of the County. The selection of an investment will involve the evaluation of, but not limited to, the following factors: cash flow projections and requirements; current market conditions; and overall portfolio balance and makeup.

8) Responses to Changes in Short Term Interest Rates

A. The County will seek to employ the best and most appropriate strategy to respond to a declining short-term interest rate environment. The strategy may include, but does not have to be limited to, purchases of callable “cushion” bonds, lengthening of maturities in the portfolio, and increases in the percentage of ownership of treasury notes relative to that of treasury bills.

B. The County will seek to employ the best and most appropriate strategy to respond to an increasing short-term interest rate environment. That strategy may include, but does not have to be limited to, purchases of “step-up” securities, shortening of maturities in the portfolio, the use of floating rate investments, and increases in the percentage of ownership of treasury bills relative to that of treasury notes.

9) Performance Standards

A. The investment portfolio will be managed in accordance with the parameters specified within this policy. The investment portfolio will strive to obtain a market average rate of return within the constraints of the county’s investment risk profile and cash flow needs.

B. The performance benchmarks for the performance of the portfolio will be rates of return on 90-day commercial paper and on three-year treasury notes.

10) Active Trading of Securities

It is the County’s intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal. However, if economic or market conditions change making it in the County’s best interest to sell or to trade a security before maturity, that action may be taken.

11) Pooled Cash and Allocation of Interest Income

All monies earned and collected from investments other than bond proceeds will be allocated monthly to the various participating funds and component units based upon the average cash balance of each fund and component unit as a percentage of the total pooled portfolio. Earnings on bond proceeds will be directly credited to the same proceeds.

12) Market to Market

A report of the market value of the portfolio will be generated annually by the Finance Director. The Finance Director will use the reports to review the investment portfolio in terms of value and price volatility, as well as for compliance with GASB Statement #31.

6.0 ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

6.1 General Policy

6.1.1 The County will maintain accounting systems in compliance with the North Carolina Local Government Budget and Fiscal Control Act. The County will maintain accounting systems that enable the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

a. The basis of accounting within governmental funds will be modified accrual.

b. The basis for accounting within all Enterprise and Internal Service Funds will be the accrual basis.

6.1.2 Financial systems will be maintained to enable the continuous monitoring of revenues and expenditures or expenses with monthly reports provided to the County Manager and the Finance Director. Financial summaries will be provided to the Finance Committee at their regularly scheduled meetings. Monthly expenditure/expense reports will be provided to each director and department head for their functional area and online, real time, view only, access to the financial system will be made available to department heads and other staff as much as practical and its use encouraged. On a periodic basis an interim financial update will be provided to the Board of County Commissioners.

6.1.3 The County will place emphasis on maintenance of an accounting system which provides strong internal budgetary and financial controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, as well as the accountability of assets.

6.1.4 An annual audit will be performed by an independent certified public accounting firm that will issue an opinion on the annual financial statements as required by the Local Government Budget and Fiscal Control Act.

6.1.5 The County will solicit proposals from qualified independent certified public accounting firms for audit services. The principal factor in the audit procurement process will be the auditor's ability to perform a quality audit. The County will enter into a multiyear agreement with the selected firm. Firms are not barred from consecutive contract awards.

6.1.6 The Finance Committee of the Board will serve as the standing audit committee. The committee will oversee the independent audit of the county's financial statements, from the selection of the auditor to the resolution of any audit findings. A staff report concerning the annual audit will be presented to the Committee and the Board of County Commissioners.

6.1.7 The Finance Department/Internal Auditor will conduct some form of internal audit procedures at least one time per year, specifically focusing upon cash receipts procedures.

6.1.8 The County will prepare a CAFR. The CAFR will be prepared in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting and will be submitted to that award program each year.

6.1.9 Full and complete disclosure will be provided in all regulatory reports, financial statements and debt offering statements.

6.1.10 The County will use the CAFR as the disclosure document for meeting its obligation to provide certain annual financial information to the secondary debt market via various information repositories. The annual disclosure is a condition of certain debt covenants and contracts that are required by SEC Rule 15c2-12.

6.1.11 The Finance Department will maintain a Financial Procedures Manual as a central reference point and handbook for all financial, accounting and recording procedures.

6.1.12 The Information Technology Department will establish, document and maintain a Computer Disaster Recovery Plan and will provide for the daily backup of data and the offsite storage of the same.

7.0 SWAP POLICY

Use of synthetic debt transactions by use of swaps is permitted by Local Government Commission policy for selected counties and cities. Currently the County does not view synthetic debt transactions as consistent with its overall financial policies. The County will continue to review the potential for synthetic debt transactions using swaps and will adopt a formal swap policy to the extent needed in the future.

2. County Purchasing Policy Amendment by Incorporating Federal Uniform Guidance Procurement Standards

BACKGROUND

This item was presented at the June 7, 2018 Policy Committee. The Federal Office of Budget and Management (OMB) has updated its Uniform Guidance Procurement Standards. The County must be in compliance with these standards beginning July 1, 2018. The standards apply to the County when expending federal financial assistance funds.

The Local Government Commission and the School of Government provided guidance to local governments to help in working toward timely implementation. Staff have attended training regarding compliance with the revised standards. Policies are in place to ensure compliance with standards of conduct, conflicts of interest, and gift bans in accordance with the revised standards. These policies are covered in the Code of Ethics section of the Personnel Ordinance.

The County's Purchasing Policy has been revised to incorporate the standards. The revisions can be found in sections 3.7, 3.8 and the entire Addendum section. All changes are shown in red font with deletions noted in the right-hand border.

The Policy Committee voted to recommend approval of this item.

RECOMMENDATION / PROPOSED ACTION

Follow the Policy Committee's approval and approve the amendments to the County Purchasing Policy to be in compliance with the Federal Uniform Guidance Procurement Standards.

Cumberland County
Section I – Board Approved Policies
Subsection 3: Cumberland County Financial / Audit
Policy No. 3-3: Purchasing Policy (3.1 Local Preference Policy)

The following policy was originally adopted on June 21, 1999 by the Board of Commissioners. This policy was amended on February 25, 2002, November 1, 2010, ~~and~~ June 5, 2017, and June 18, 2018 by the Board of Commissioners.

1.0 PURPOSE

This manual has been developed as a resource for Cumberland County employees to follow when procuring goods and services on behalf of the County. The policy and procedures provided in this manual were established to ensure the fair and equitable treatment of all persons involved in public purchasing, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity, in accordance with North Carolina General Statutes (N.C.G.S).

2.0 SCOPE

This policy applies to all County employees conducting purchases on behalf of Cumberland County, with the exception of the Office of the Sheriff and its employees, which shall conduct its own program and procedures for purchasing.

3.0 POLICY

3.1 Local Preference Policy

Contracts for the provision of services in any amount and all contracts for the purchase of apparatus, materials, supplies and equipment in which the aggregate purchase price in any single contract is less than \$30,000 shall be awarded to local vendors or suppliers, to the greatest extent possible, in accordance with the further conditions set out herein.

Local vendors or suppliers shall be those who demonstrate that they pay business personal or real property taxes and are either self-employed residents of Cumberland County or

employ at least one resident of Cumberland County as an employee or officer of the contracting business entity.

3.2 Purchase Orders

All services and purchases in amounts of \$1,000 and more must have a purchase order prior to the purchase being made or the services being rendered. All purchases of goods in an amount greater than \$500 requires a document (invoice, quote, proposal, etc.) with sale details.

3.3 Purchases & Services

Less than 1,000

Department heads shall authorize services or purchases of apparatus, supplies, materials or equipment up to \$999.99 without a purchase order if sufficient funds are budgeted and available within the department budget. Prior to the purchase departments must ensure there is an appropriation authorizing the obligation and that sufficient funds will remain in the appropriation to pay the amounts that are expected to come due in the fiscal year in which the obligation is incurred.

\$1,000 – \$29,999.99

Department heads shall solicit proposals for services or purchases of apparatus, supplies, materials or equipment when the estimated cost is between \$1,000 - \$29,999.99. County Purchasing will review the purchase upon receipt of requisition to ensure compliance with County policies. County Purchasing may elect to solicit additional proposals on a random basis or if experience has revealed that a more favorable price is available.

3.4 Purchases of apparatus, supplies, materials, or equipment

\$30,000 – \$89,999.99

Informal bids are required for any purchase of apparatus, supplies, materials, or equipment that requires an expenditure of \$30,000 - \$89,999.99, except for purchases that qualify under the Competitive Bidding Exceptions as per N.C.G.S 143-129(e). Departments shall submit specifications to County Purchasing for purchases in this category.

\$90,000 and Above

Formal bids are required for any purchase of apparatus, supplies, materials, or equipment in amounts of \$90,000 or more, with exception of purchases that qualify under the Competitive Bidding Exceptions as per N.C.G.S 143-129(e). Departments shall submit specifications to County Purchasing for purchases in this category. The County Manager will must approve bid awards in amounts between \$90,000 - \$99,999.99. The Board of County Commissioners must approve bid awards in amounts of \$100,000 or greater.

3.5 Purchase of Services

\$30,000 and Above

An Informal RFP process is required for services estimated to cost \$30,000 or more. County Purchasing will review the proposal upon receipt of requisition to ensure compliance with county policies. County Purchasing may elect to solicit additional proposals on a random basis or if experience has revealed that a more favorable price is available.

3.6 Procurement Cards

The procurement card program was established to provide a more rapid turnaround of requisitions for low dollar value goods, and to reduce paperwork and handling costs. Procurement cardholders may initiate transactions in person, or by telephone, within the established limits of these procedures. Department heads may designate individuals to receive procurement cards. Procurement cardholders must attend a class in County Purchasing addressing the guidelines involved in the responsibility associated with the card. To ensure pre-audit requirement compliance, funds for each department's estimated procurement card charges shall be encumbered at the beginning of each fiscal year.

3.7 Contracts

All contracts for expenditures, in amounts of \$50,000 or more require County Manager signature. Contracts resulting from a formal bid process for expenditures in amounts of \$100,000 or more require Chairman to the Board of Commissioners signature, after Board approval. Contracts with a total amount less than \$50,000 may be signed by the Department head.

These signature requirements pertain to all contracts in which the county is obligated to expend funds, even if the funds have been approved by the Board of Commissioners in the original budget.

Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200). See the Addendum following section 4.0 of this policy for the Uniform Guidance Procurement Policy.

3.8 ~~General Statute~~ Federal and State Law Compliance

Federal law and North Carolina general statutes allow local policy to be more restrictive ~~than general statute~~. When comparing federal, state, and local procurement requirements to implement federal programs or grants, the most restrictive requirement shall be applied. This policy is more restrictive regarding bid requirements of services and dollar thresholds for contractual signatures in comparison to state statute requirements. Periodically, legislation results in changes to law and/or general statutes. This policy shall be automatically updated upon changes in general statutes referenced within this policy, except for bid requirements of services and dollar thresholds for contractual signatures.

4.0 IMPLEMENTATION

The Finance Director is responsible for implementing and enforcing this Policy ~~except as it pertains to the Office of the Sheriff and its employees~~, and to interpret it consistent with its spirit and intent, fiscal prudence and accountability. The Finance Director is authorized to prescribe additional administrative instructions for implementing the above policy. The Finance Officer shall not be responsible for implementing any programs or procedures for purchasing implemented by the Sheriff's Office.

ADDENDUM

Uniform Guidance Procurement Policy for North Carolina Local Governments

I. Purpose

The purpose of this Policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract.

II. Policy

A. Application of Policy. This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any subrecipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

B. Compliance with Federal Law. All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. Cumberland County will follow all applicable local, state, and federal procurement requirements

when expending federal funds. Should the County have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

C. Contract Award. All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.

D. No Evasion. No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.

E. Contract Requirements. All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.

F. Contractors' Conflict of Interest. Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.

G. Approval and Modification. The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

III. General Procurement Standards and Procedures:

Either the Purchasing Department or the Requesting Department shall procure all contracts in accordance with the requirements of this Section of the Policy.

A. Necessity. Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Purchasing Department and/or the Requesting Department should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies who have similar needs to consolidate procurements and services to obtain better pricing.

B. Clear Specifications. All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.

C. Notice of Federal Funding. All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.

D. Compliance by Contractors. All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.

E. Fixed Price. Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a "Not to Exceed" amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.

F. Use of Brand Names. When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is

impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and “or equal” must be included in the description.

G. Lease versus Purchase. Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.

H. Dividing Contract for Minority/Women Business Enterprises (M/WBE) Participation. If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.

I. Documentation. Documentation must be maintained by the Purchasing Department and/or the Requesting Department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor’s responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.

J. Cost Estimate. For all procurements costing \$150,000 or more, the Purchasing Department and/or Requesting Department shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.

K. Contract Requirements. The Requesting Department must prepare a written contract incorporating the provisions referenced in Section II.C of this Policy.

L. Debarment. No contract shall be awarded to a contractor included on the federally debarred bidder’s list.

M. Contractor Oversight. The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.

N. Open Competition. Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for “or equal” products, or other unnecessary requirements that have the effect of restricting competition.

O. Geographic Preference. No contract shall be awarded on the basis of a geographic preference.

IV. Specific Procurement Procedures

Either the Purchasing Department or the Requesting Department shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

A. Service Contracts except for Architectural/Engineering (A/E) professional services and Purchase Contracts costing less than \$3,500 shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:

1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
2. To the extent practicable, purchases must be distributed among qualified suppliers.

- B.** Service Contracts (except for A/E professional services) and Purchase Contracts costing \$3,500 up to \$90,000 shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:
1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
 3. Cost or price analysis is not required prior to soliciting bids.
 4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
 5. Award the contract to the lowest responsive, responsible bidder.
- C.** Service Contracts (except for A/E professional services) and Purchase Contracts costing \$90,000 and above shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:
1. Cost or price analysis is required prior to soliciting bids.
 2. Complete specifications or purchase description must be made available to all bidders.
 3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
 4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
 5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
 6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”
- D.** Service Contracts (except for A/E professional services) costing \$150,000 and above may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:
1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
 3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
 4. Consider all responses to the publicized RFP to the maximum extent practical.
 5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
 6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
 7. Award the contract on a fixed-price or cost-reimbursement basis.
- E.** Construction and repair contracts costing less than \$3,500 shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:
1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
 2. To the extent practicable, contracts must be distributed among qualified suppliers.

- F.** Construction and repair contracts costing \$3,500 up to \$150,000 shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:
1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
 3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
 4. Award the contract on a fixed-price or not-to-exceed basis.
 5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.
- G.** Construction and repair contracts costing \$150,000 up to \$500,000 shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:
1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
 2. Complete specifications must be made available to all bidders.
 3. Publicly advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
 4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
 5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
 6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.
 7. Award the contract on a firm fixed-price basis.
 8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”
- H.** Construction and repair contracts costing \$500,000 and above shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:
1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
 2. Complete specifications must be made available to all bidders.
 3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
 4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
 5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.
 6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
 7. Award the contract on a firm fixed-price basis.

8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for “sound documented reasons.”

I. Construction or repair contracts involving a building costing \$300,000 and above must comply with the following additional requirements under state law:

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

J. Contracts for Architectural and Engineering Services costing under \$150,000 shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided for under 2 C.F.R. § 200.321.
3. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Purchasing Department and/or Requesting Department.
4. Rank respondents based on qualifications and select the best qualified firm. Price cannot be a factor in the evaluation. Preference may be given to in-state (but not local) firms.
5. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
6. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

K. Contracts for Architectural and Engineering Services costing \$150,000 or more shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publicly advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.
10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

V. Exceptions

Non-competitive contracts are allowed *only* under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

A. Sole Source. A contract may be awarded without competitive bidding when the item is available from only one source. The Purchasing Department and/or Requesting Department shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.

B. Public Exigency. A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.

C. Inadequate Competition. A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.

D. Federal Contract. A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.

E. Awarding Agency Approval. A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

3. Denial of Sheriff's Office Request to be Excepted from the County's Purchasing Policy

BACKGROUND

During the June 7, 2018 Policy Committee, the finance director informed the committee that the Sheriff's Office requested to be excepted from the County's Purchasing Policy. This came about because of a difference of opinion on whether to issue a formal bid for uniforms. The finance director has been concerned because the issue crosses over into G.S. 159 compliance and also statutory formal bid requirements.

In preparation for the Policy Committee meeting, Purchasing staff made contact with other counties across the state and actually spoke with 48. All but one of the counties follow their County's Purchasing Policy. The finance director also reached out to the County's audit engagement partner who said if an exception is allowed there must be another policy in place and that an exception from policy is not an exception from compliance with state or federal regulations, whichever may apply.

After discussion, the committee voted to deny the Sheriff's Office request to be excepted from the County's Purchasing Policy.

RECOMMENDATION / PROPOSED ACTION

Follow the Policy Committee's denial of the Sheriff's Office request to be excepted from the County's Purchasing Policy.

4. Pulled for separate discussion and action as recorded below.

5. Cumberland County Policy Committee Draft Minutes-June 7, 2018 (For Information Only)

MOTION: Commissioner Adams moved to approve the consent agenda with the exception of the items pulled for separate discussion and action.

SECOND: Commissioner Boose

VOTE: UNANIMOUS (7-0)

2.M.1) Standing Objection to the Waiver of any Court Cost or Fine in Response to Session Law 2017-57, Sections 18B.6(a) and (b)

BACKGROUND

At the June 7, 2018 meeting of the Finance Committee, consideration was given for the request to approve a standing objection to the waiver of any court cost or fine. In late November 2017, the County was notified that we would have the opportunity to appear and be heard on any waiver of court costs or fines imposed in criminal and infraction cases, to be effective December 1, 2017. Since that time, the Administrative Office of the Courts has provided the option of completing the form in lieu of having the attorney appear in court.

On the basis of fiscal responsibility, staff is requesting approval to register its objection to waiver or remission of any cost or fine that may be due to the County. We are also requesting approval to waive the request for notice as we no longer wish to receive monthly notices.

The committee took action to approve the request with two in favor and one who recused himself on the basis of a conflict of interest involving his private law business.

RECOMMENDATION / PROPOSED ACTION

Follow the majority vote of the Finance Committee and approve for the County Attorney to submit the standing objection/waiver of objection by objecting to waiver or remission of any cost under G.S. 7A-304 or fine that may be due the County (check box 1.a.); a waiver for the monthly notice to be discontinued (check box 2.a.).

Commissioner Adams stated as attorneys, he and Commissioner Boose should be recused on the basis of a conflict of interest. Commissioner Boose stated the reason for the recusal is that it could create a conflict between a client's interest and the county's interest.

MOTION: Commissioner Keefe moved to approve the Standing Objection to the Waiver of any Court Cost or Fine in Response to Session Law 2017-57, Sections 18B.6(a) and (b).

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (5-0) (Commissioners Adams and Boose recused)

2.G. Approval of FY2018 Community Transportation Services Contract Amendments

BACKGROUND

The Community Transportation Program received approval from the Board of County Commissioners for contracts awarded to B&W Transporting, Inc. and Famiks Transport, Inc. for Fiscal Year 2018. We now require amendments to decrease the 5310 Famiks FY18 Contract (by \$2,842.75) and increase the 5310 B&W Contract (by \$2,842.75). In addition, we will need to increase the AAA-Medical B&W Contract (by \$3,092) and the EDTAP Famiks Contract (by \$14,649) in order to continue providing medical, work, and general transportation services for our county residents and finish this fiscal year with financial obligations to both.

These changes are all within approved FY18 budget amounts.

RECOMMENDATION / PROPOSED ACTION

The Transportation Advisory Board (TAB) would like to request your approval of the contract amendments awarded to the existing transportation providers (B&W Transporting, Inc. and Famiks Transport, Inc.) for Fiscal Year 2018.

2.H. Approval of FY2019 Community Transportation Services Contract Extensions

BACKGROUND

The Transportation Advisory Board (TAB) agreed to an extension of the contracts awarded to B & W Transporting, Inc. and Famiks Transport, Inc. at the April 10, 2018 TAB Meeting. The extensions of the contracts are in the best interest of the program and the county as stated in the Request for Proposal. While the Community Transportation Program Coordinator, NCDOT, and ITRE work on a restructured RFP process that is intended to provide increased efficiencies; safe,

dependable, accessible, and affordable transportation services for our county residents to medical, work and general errands will continue being provided by these transportation companies for Fiscal Year 2019.

RECOMMENDATION / PROPOSED ACTION

The Transportation Advisory Board (TAB) would like to request your approval of the extension of the contracts awarded to the existing transportation providers (B & W Transporting, Inc. and Famiks Transport, Inc.) for Fiscal Year 2019.

Commissioner Keefe stated these appear to be extensions to contracts that have been around for some time and asked that the purpose, response and the overall cost be provided. Tracy Jackson, Assistant County Manager, stated the purpose of the service is to provide transportation for medical, work and general transportation for individuals who qualify for the low income and elderly programs for transportation. Commissioner Keefe inquired regarding the reason behind the extensions. Mr. Jackson stated staff are familiar with the providers who have to be monitored, undergo a stringent process for safety as well as other federal and state guidelines for transportation services and there is good faith in these companies and an ongoing relationship to continue these services for the community uninterrupted. Ms. Cannon stated there was a formal bid process this time last year and this year there is a contract extension. Ms. Cannon stated the community transportation department is working with the State on a revised bid process that will be issued in FY19 so the option is being exercised this year to extend the current contract. Mr. Jackson stated these are van and wheelchair accessible type services.

MOTION: Commissioner Adams moved to approve Item 2.G. and Item 2.H.

SECOND: Commissioner Evans

VOTE: PASSED (6-1) (Commissioners Faircloth, Council, Lancaster, Adams, Boose and Evans voted in favor; Commissioner Keefe voted in opposition)

2.K.6) Education - Budget Ordinance Amendment B180408 to recognize additional funds for Sales Tax Hold Harmless for Board of Education in the amount of \$89,500

The Board is requested to approve Budget Ordinance Amendment B180408 to recognize additional funds in the amount of \$89,500 for Sales Tax Hold Harmless for Board of Education. This revision is necessary to be able to record the annual journal entry after receiving the final sales tax distribution in September.

Please note this amendment requires no additional county funds.

2.K.7) Education - Budget Ordinance Amendment B180407 to recognize projected additional ad valorem revenue in the amount of \$650,000

The Board is requested to approve Budget Ordinance Amendment B180407 in the amount of \$650,000. This amount represents 25% of the projected additional ad valorem revenue above the budgeted amount for fiscal year 2017-18. Based on an agreement made during mediation on June 11, 2018, 25% of any additional revenue under this formula will be distributed to the Board of Education. The distribution is made only after ad valorem tax revenue is received and verified to exceed the annual budget appropriation.

Please note this amendment requires no additional county funds.

Commissioner Boose stated under Item 2.K.6), he would like the budget amendment language to reflect that it is not \$650,000 but instead up to \$650,000. Vicki Evans, Finance Director, stated the budget amendment has to have a dollar amount as a placeholder.

Commissioner Keefe asked whether Item 2.K.6) was for the current year. Ms. Evans stated Items 2.K.6) and 2.K.7) apply to FY18 funds and this is the last opportunity to have a budget revision approved by the Board that increases the bottom line for this budget. Ms. Evans stated this is a

statutory requirement, otherwise the county would be in violation of statutory requirements or exceed the budget if the amounts end up being paid. Ms. Evans stated both amounts are based on projections and the county will pay up to the amounts budgeted. Ms. Cannon further explained Item 2.K.6) is for capital and Item 2.K.7) is for current expense.

MOTION: Commissioner Boose moved to approve Items 2.K.6) and 2.K.7).
SECOND: Commissioner Faircloth
VOTE: UNANIMOUS (7-0)

2.N.4) Request from Residents of Mt. Vernon Estates for County to Undertake a Watershed Improvement Project by Special Assessment

BACKGROUND

The owners of 16 properties fronting on the lake at Mt. Vernon Estates have submitted a petition requesting the county to repair the lake's dam through the special assessment process as a watershed improvement project. The dam was breached by Hurricane Matthew. Based on the county attorney's review of the GIS maps, there appear to be 25 properties fronting on the lake. The petitioners obtained a project cost estimate of the dam repair prepared by C. Douglas Jewell, P.E. His estimate of the cost is \$558,630. The petitioner also obtained an engineering report from Mr. Jewell in which he certifies that the restoration of the lake will be a significant benefit to the community and an enhancement to the surrounding watershed and its environment.

The statutes in Chapter 139 define what constitutes a watershed improvement project and a watershed improvement work. A dam is an impoundment structure that can be used for the statutorily authorized watershed purposes. Although the types of watershed improvement projects authorized by the special assessment statutes are not limited to those authorized by Chapter 139, the county attorney advises to follow the requirements of Chapter 139 because this is the only guidance that is available as to how these projects should be undertaken. One of those requirements is that the work plan be submitted to the Soil and Water Conservation Commission for review and approval or disapproval.

The engineering report provided by the petitioners does not fully address the area of the watershed being improved and the parcels of land that are benefiting from this improvement. Additional engineering will be required to obtain that information. Under the newly adopted special assessments policy, the county may contract for that engineering or require the petitioners to obtain it. It is unlikely that the lakefront properties are the only parcels in this watershed that will be benefited. It will also be necessary for the county to acquire permanent rights in the land on which the dam is located to construct the project and maintain it. Some of the property owners present at the June 7, 2018, meeting of the Policy Committee reported that the owners of the dam would convey the dam to the County at no cost to the County.

RECOMMENDATION / PROPOSED ACTION

At its meeting held June 7, 2018, the Policy Committee voted to recommend this project to the Board of Commissioners subject to the County Attorney's recommendation that before the county undertakes this project, the petitioners obtain additional engineering to establish all the properties that will benefit in this watershed and whether the benefits will accrue uniformly to differing classes of property; that the project be submitted to the Cumberland County Soil and Water District Commissioners for approval; and that the sufficient access rights to the dam be conveyed to the County.

Commissioner Evans stated this matter was discussed by the Policy Committee and he did not think enough information was given. Commissioner Evans asked whether the Board of Commissioners has done this in the past and where the money came from. Ms. Cannon stated the county undertook the Lake UpChurch and McFayden Lake dam assessment projects and monies came from the General Fund. Commissioner Evans asked whether the county is able to do the Mt. Vernon Estate project. Ms. Cannon stated there are options but, in this situation, the County Attorney has advised about a broader process under the general statutes. Ms. Cannon stated should the Board want to undertake a project like this, part of the concern is about a precedent that will be set because there are other dams that have been breached.

Commissioner Council stated her concern is the amount of money coming out of the General Fund, the kind of precedent it will set and the county serving as a bank. Commissioner Council asked about the \$558,630. Ms. Cannon stated the county will either have to raise revenue, cut expenses or take it from the county's savings account.

Commissioner Keefe stated the idea that this would be a grant or that the county is just giving them money is not true. Commissioner Keefe stated these houses are losing value and the lower the tax value, the less tax revenue the county receives. Commissioner Evans stated there are still individuals who are having a hard time getting back into their home because of the same hurricane and if monies are going to come from the General Fund for residents of Mt. Vernon Estates, then the county can also help some of those individuals get back into their homes.

Commissioner Boose stated this is not a check but rather a six percent interest bearing account which is actually more profitable than sitting in the county's bank account. Commissioner Boose stated the county will lose the ability to tax and millions and millions of dollars if it does not do something to try to keep these on the scrolls at their fair market value.

Commissioner Adams stated he understands tax value and has personally borne the brunt of a decrease in his home's tax value due to problems associated with a lake and a dam. Commissioner Adams stated at the same time, this will set a bad precedent and the county does not need to own a dam and try to fix a dam. Commissioner Adams stated this is not what counties do because counties are in the human services business and that is where the county needs to stay.

Chairman Lancaster asked whether Mt. Vernon Estates residents qualify for undertaking a watershed improvement project. Mr. Moorefield stated yes, as it relates to the preliminary engineering work, but his recommendation and understanding from the Policy Committee was to follow up on that because more engineering needs to be done as a watershed improvement project to determine whether these are the only benefited properties in the watershed. Mr. Moorefield stated the engineer identified the watershed as containing 1900 acres but these parcels are much less than that. Mr. Moorefield stated a request for the workplan is pending the outcome of Board action; if the project is approved and the hurdle of benefitted properties is overcome, the workplan will have to be submitted to the Soil and Water Conservation Service.

Commissioner Boose asked whether Mt. Vernon Estates qualified for FEMA. Ms. Cannon responded in the negative. Commissioner Boose stated there is a difference with Mt. Vernon Estates because he was not aware of other hurricane damaged folks asking for an assessment agreement with the county. Commissioner Evans stated some individuals who had their homes damaged did not qualify for FEMA either and his objection is to using county funds to repair the dam.

MOTION: Commissioner Evans moved to deny the request from residents of Mt. Vernon Estates for the county to undertake a watershed improvement project by special assessment.

SECOND: Commissioner Council

VOTE: FAILED (3-4) (Commissioners Council, Adams and Evans voted in favor; Commissioners Faircloth, Keefe, Lancaster and Boose voted in opposition)

MOTION: Commissioner Boose moved to approve the request from residents of Mt. Vernon Estates for the county to undertake a watershed improvement project by special assessment for an amount not to exceed \$560,000.

Commissioner Keefe asked Commissioner Boose if he would accept a friendly amendment to include "upon clarification from the Soil and Water Commission". Mr. Moorefield clarified that the conditions by the Policy Committee were submission of additional engineering on the impact of the whole watershed and then approval of the workplan by the Soil and Water Conservation Commission. Commissioner Keefe asked to further amend to add "ownership reverts back at some time". Mr. Moorefield stated he would caution against that at this point until there is additional research on that issue. Commissioner Keefe stated he would take that part off. Commissioner Adams asked to have the motion restated.

RESTATED MOTION: Commissioner Boose moved to approve the Policy Committee recommendation for the request from residents of Mt. Vernon Estates to have the county undertake a watershed improvement project by special assessment subject to the restrictions as in the minutes of the Policy Committee and a \$560,000 limit.

DISCUSSION: Commissioner Adams stated he felt it would be better to include the requirements pursuant to the statute as opposed to something the Board gets out of the minutes. Mr. Moorefield advised Chapter 139 contains the two requirements.

SECOND: Commissioner Keefe

VOTE: PASSED (4-3) (Commissioners Faircloth, Keefe, Lancaster and Boose voted in favor; Commissioners Council, Adams and Evans voted in opposition)

Commissioner Evans expressed concern about the action stating there are still individuals who cannot live in their homes and Mt. Vernon Estates residents are talking about a dam.

3. PUBLIC HEARINGS

Ms. Cannon explained the Board of Commissioners' procedures for public hearings.

Uncontested Rezoning Cases

A. Case P18-17

BACKGROUND

Case P18-17: Rezoning of 5.28+/- acres from A1 Agricultural & R10 Residential to C(P) Planned Commercial or to a more restrictive zoning district; located at the southwest quadrant of the intersection of NC Hwy 24 & SR 1843 (Magnolia Church Road); submitted by Kevin Carroll & Rhett Bunce (owners) & Wesley S. Campbell on behalf of The Gas Mart, Inc. (agent).

RECOMMENDATION / PROPOSED ACTION

Planning Board Action: Unanimously recommended approval of the staff recommendation at the May 15, 2018 meeting for the reasons stated in the recommendations of the Planning Staff and as fully reflected in the minutes of the Planning Board Meeting which are incorporated herein by reference.

Staff Recommendation: In Case P18-17, the Planning and Inspections Staff recommends approval of the rezoning from A1 Agricultural & R10 Residential to C(P) Planned Commercial and find: a. The approval is an amendment to the adopted current Stedman Land Use Plan (1999) map; and that the Board of Commissioners should not require any additional request or application for amendment to said map for this request; b. The following change in conditions was considered in amending the zoning ordinance (zoning map) to meet the development needs of the community: the requested district is consistent with the more recently adopted 2030 Growth Vision Plan (2009) which calls for "community growth areas" at this location and meets the location criteria for "heavy commercial" as defined in the Land Use Policies Plan (2009) particularly because of the recent NC Hwy 24 improvements; c. And, this rezoning approval is reasonable and in the public interest because the new NC Highway 24 has controlled access and the request is consistent with similar approvals in the area.

Tom Lloyd, Planning and Inspections Director, presented this item. Mr. Lloyd stated there was no opposition at the meeting of the Planning Board, there was unanimous approval by the Planning Board and there is no opposition at this meeting.

Chairman Lancaster opened the public hearing for Case P18-17.

The clerk to the board advised there were no speakers for Case P18-17.

Chairman Lancaster closed the public hearing for Case P18-17.

MOTION: Commissioner Boose moved in Case P18-17 to approve the rezoning from A1 Agricultural and R10 in Stedman jurisdiction to C(P) Planned Commercial and find: a. The approval is an amendment to the adopted current Stedman Land Use Plan (1999) map; and that the Board of Commissioners should not require any additional request or application for amendment to said map for this request; b. The following change in conditions was considered in amending the zoning ordinance (zoning map) to meet the development needs of the community: the requested district is consistent with the more recently adopted 2030 Growth Vision Plan (2009) which calls for “community growth areas” at this location and meets the location criteria for “heavy commercial” as defined in the Land Use Policies Plan (2009) particularly because of the recent NC Hwy 24 improvements; c. And, this rezoning approval is reasonable and in the public interest because the new NC Highway 24 has controlled access and the request is consistent with similar approvals in the area.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

B. Case P18-19

BACKGROUND

Case P18-19: Rezoning of 2.00+/- acres from A1 Agricultural to R40 Residential or to a more restrictive zoning district; located on south side of SR 2240 (H Bullard Road), west of SR 2239 (Cypress Lakes Road); submitted by Percy & Vivien Lunsford (owner) and Tim Evans on behalf of Longleaf Properties (agent).

RECOMMENDATION / PROPOSED ACTION

Planning Board Action: Recommended approval of the staff recommendation to approve the request for rezoning at the May 15, 2018 meeting for the reasons stated in the recommendations of the Planning Staff and as fully reflected in the minutes of the Planning Board Meeting which are incorporated herein by reference. The motion passed with Ms. Hall and Dr. Andrews voting in opposition.

Staff Recommendation: In Case P18-19, the Planning and Inspections Staff recommends approval of the rezoning from A1 Agricultural to R40 Residential and find: a. The approval is an amendment to the adopted current South Central Land Use Plan (2015) map which calls for “low density residential” at this location; and that the Board of Commissioners should not require any additional request or application for amendment to said map for this request; b. The following change in conditions was considered in amending the zoning ordinance (zoning map) to meet the development needs of the community: the parcel lacks the public sewer to support “low density residential”; c. And, this rezoning approval is reasonable and in the public interest because the district requested will limit uses on this site to primarily single-family residential uses and is accordant with previous approvals in the general area.

Mr. Lloyd presented this item stating there was opposition at the meeting of the Planning Board; a resident thought the restrictive covenants prevented further subdivision of lots. Mr. Lloyd stated the Planning Board recommended approval with two members voting in opposition, and there is no opposition at this meeting.

Chairman Lancaster opened the public hearing for Case P18-19.

The clerk to the board advised there were no speakers for Case P18-19.

Chairman Lancaster closed the public hearing for Case P18-19.

Commissioner Adams stated one of his concerns is that the lots in this neighborhood only have one house and if approved, the rezoning will allow two. Commissioner Adams stated there is also no reason to amend the South Central Land Use Plan just because one person wants to subdivide because these neighborhoods worked hard on their plan. Commissioner Adams stated he has concerns about sewer and the overall impact the rezoning will have on the neighborhood and he

will vote in opposition because the other neighbors should not bear the brunt of one owner wanting to subdivide.

Commissioner Boose stated he has concerns similar to those of Commissioner Adams and inquired regarding the general concern of the opponent at the Planning Board hearing. Mr. Lloyd stated he was not present at the meeting, but the opponent felt there should be no further subdividing of property and that the covenants restricted the subdivision. Commissioner Adams asked whether there was a problem with Loblolly Road. Patti Speicher, Planning and Inspections Department, stated there was an issue involving the road, but the subject property does not front the road. Commissioner Boose asked why the opponent was not at this meeting. Ms. Speicher stated she gave her contact information to the opponent and he also received notice of this meeting. Mr. Lloyd stated the petitioner is present. Commissioner Adams stated he still thinks there is an issue with the zoning. Ms. Speicher stated the current land use plan allows for 7,500 SF lots with no public sewer in that area.

At the request of Commissioner Boose, Chairman Lancaster recognized the petitioner Tim Evans, Long Leaf Properties, who stated the concern of people living on Loblolly Drive, a Class C dirt road, was that if this happens on H Bullard Road, the subdividing of lots could happen on Loblolly. Mr. Evans stated Ms. Speicher told them with Loblolly being a Class C unpaved road, the large lots of 5 to 7 acres could never be subdivided because the seven-house requirement had been met. Mr. Evans stated after the meeting, there was a meeting with concerned residents and all of them at that point were satisfied. Mr. Evans stated Ms. Speicher invited them to come to her office and no one showed.

MOTION: Commissioner Keefe moved in Case P18-19 to approve the rezoning from A1 Agricultural to R40 Residential and find: a. The approval is an amendment to the adopted current South-Central Land Use Plan (2015) map which calls for “low density residential” at this location; and that the Board of Commissioners should not require any additional request or application for amendment to said map for this request; b. The following change in conditions was considered in amending the zoning ordinance (zoning map) to meet the development needs of the community: the parcel lacks the public sewer to support “low density residential”; c. And, this rezoning approval is reasonable and in the public interest because the district requested will limit uses on this site to primarily single-family residential uses and is accordant with previous approvals in the general area.

SECOND: Commissioner Faircloth

VOTE: PASSED (5-2) (Commissioners Faircloth, Keefe, Council, Lancaster and Boose voted in favor; Commissioners Adams and Evans voted in opposition)

Other Public Hearings

C. Public Hearing on Amendment to Flood Damage Prevention Ordinance and Revised Flood Insurance Rate Maps (FIRMS)

BACKGROUND

On October 16, 2006, the Board of Commissioners adopted a revised Flood Damage Prevention Ordinance and new Flood Insurance Rate Maps (FIRMS) for Cumberland County resulting from the North Carolina 2001 Floodplain Mapping Program initiative. The revised ordinance and maps became effective on January 5, 2007. Subsequent to this action, there were several errors identified on the FIRMS and the Board of Commissioners held a public hearing on the revised maps and ordinance on December 17, 2007 and amended the Flood Damage Prevention Ordinance at the conclusion of the public hearing.

The North Carolina Floodplain Mapping Program is in the process of issuing new FIRMS for Sampson County. Cumberland County has two FIRMS that are changing as a result of the new FIRMS being issued for Sampson County. The County’s Flood Damage Prevention Ordinance does not have an automatic adoption clause for updates, therefore any changes to the FIRMS or ordinance requires that the FIRMS be readopted and the ordinance be amended with the change in effective date. The proposed ordinance amendment is recorded below. The County must adopt the ordinance amendment and FIRMS on or before June 20, 2018. Failure to do so may result in suspension from the National Flood Insurance Program, revocation of all flood policies and

becoming ineligible for Federal and State disaster assistance. For these reasons, the effective date of our Flood Damage Prevention Ordinance must now be revised to reflect the effective date of the newly issued FIRMS. The effective date will be June 20, 2018.

In order to amend the Flood Damage Prevention Ordinance and revise the FIRMS, a public hearing must be held to receive public comment. The Board of Commissioners at its May 21, 2018 meeting set June 18, 2018 at 6:45 PM for the required public hearing. The Notice of Public Hearing was published in the Fayetteville Observer on June 8th and will be published again on June 15th.

RECOMMENDATION / PROPOSED ACTION

The Engineering & Infrastructure Director, the County Attorney and County Management recommend that the Board of Commissioners adopt the amendment to the Flood Damage Prevention Ordinance and the revisions to the FIRMS at the conclusion of the Public Hearing.

AMENDING CHAPTER 6.5 – FLOOD DAMAGE PREVENTION

AN ORDINANCE AMENDING CHAPTER 6.5 OF THE CUMBERLAND COUNTY CODE OF ORDINANCES ENTITLED “FLOOD DAMAGE PREVENTION”

BE IT ORDAINED BY THE CUMBERLAND COUNTY BOARD OF COMMISSIONERS THAT:

Chapter 6.5, Article 3, General Provisions: Section B of the County Code is hereby amended to read as follows:

The Special Flood Hazard Areas are those identified under the Cooperating Technical State (CTS) agreement between the State of North Carolina and FEMA in its Flood Insurance Study (FIS) and its accompanying Flood Insurance Rate Maps (FIRM), for Cumberland County, North Carolina (unincorporated areas) dated December 18, 2007 June 20, 2018, which are adopted by reference and declared to be a part of this ordinance.

The initial Flood Insurance Rate Maps are as follows for the jurisdictional areas at the initial date:
Cumberland County Unincorporated Area, dated February 17, 1982;
Town of Eastover, dated February 17, 1982;
Town of Falcon, dated January 05, 2007;
Town of Godwin, dated January 05, 2007;
Town of Linden, dated January 05, 2007;
Town of Stedman, dated January 05, 2007;
Town of Wade, dated January 05, 2007;

This ordinance shall become effective June 20, 2018.

Jeffery Brown, Engineering and Infrastructure Director, reviewed the background information recorded above. Commissioner Keefe asked whether there were any changes to what is termed the Flood Area. Mr. Brown stated base flood elevations went down with two FIRMS changes which will have a positive impact on that property because it means it will have less likelihood of flooding during a 100-Year storm than previously.

Chairman Lancaster opened the public hearing.

The clerk to the board advised there were no speakers.

Chairman Lancaster closed the public hearing.

MOTION: Commissioner Keefe moved to adopt the amendment to the Flood Damage Prevention Ordinance and the revisions to the FIRMS.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (7-0)

4. ITEMS OF BUSINESS

A. Update on HB 630 As Reflected in Memorandum of Understanding Between NC Department of Health & Human Services and Cumberland County

BACKGROUND

As the Board is aware, House Bill 630 was legislation introduced in an effort to improve the provision of Child Welfare services delivered by departments of Social Services in the State of North Carolina. The result of the legislation is articulated in NC General Statute 108A-74, Counties required to enter into annual written agreement for all social services programs other than medical assistance; County department failure to provide child welfare services; State intervention in or control of child welfare service delivery.

Mrs. Brenda Jackson, DSS Director, will give the Board an update on the legislation and review the performance measurements required in the Agreement.

RECOMMENDATION / PROPOSED ACTION

No action required; update for presentation purposes only.

Brenda Jackson, Social Services Director, stated HB630 has several components outside of regionalization, one of which is a requirement or mandate for a Memorandum of Agreement between the state and county around performance standards which are federally mandated. Ms. Jackson stated this includes all social services programs as well as child support programs. Ms. Jackson stated the MOA requires that counties understand, know and monitor the performance of social services and child support programs. Ms. Jackson stated there is nothing new with regard to the mandates that have to be met under the various programs, but the MOA solidifies and combines all the performance standards under one document. Ms. Jackson explained her involvement in developing the MOA.

Ms. Jackson provided highlights of mandated performance requirements under the MOA for Child Welfare-CPS Assessments and Child Welfare-Foster Care. Ms. Jackson stated work was put into making sure the state documents and understands the numerous things that are not within the control of the social service and child support departments. Ms. Jackson stated this includes things like permanency standards, court cases and connecting families to resources. Ms. Jackson stated these are dependent upon other systems and effort went into getting the state to recognize it has a role in ensuring other systems understand they have a shared responsibility and accountability around these standards. Ms. Jackson stated the county performs well and there are no major concerns meeting the mandated performance standards. Ms. Jackson stated there is flexibility in that talks can continue with the state to advocate and support the work done by social services and child support and how the state impacts that work. Ms. Jackson stated efforts with also continue with community partners moving forward. Questions and discussion followed.

B. Consideration of Request from Campbell Soup Supply Company, LLC, to Amend its Economic Development Incentives Agreement

BACKGROUND

Robert Van Geons reports that Campbell Soup Supply Company, LLC, has requested that its economic development incentives agreement be amended to provide that the first \$100,000 of the annual cash incentives grants due under the agreement be paid to Excel Inc. d/b/a DHL Supply Chain (USA). This is for the purpose of using the cash grants as a match for a NC One grant from the N. C. Department of Commerce to Excel, which is the third-party operator of the Project. This does not change the amount of the incentives or relieve Campbell of any of its obligations under the agreement. The proposed amendment is recorded below.

RECOMMENDATION / PROPOSED ACTION

County Attorney recommends approval of the amendment.

FIRST AMENDMENT TO THAT
ECONOMIC DEVELOPMENT INCENTIVES AGREEMENT
between

CAMPBELL SOUP SUPPLY COMPANY L.L.C.
and
CUMBERLAND COUNTY, NORTH CAROLINA

This First Amendment Approved by the Board of Commissioners At Its Regular Meeting June 18, 2018

THIS FIRST AMENDMENT to that ECONOMIC DEVELOPMENT INCENTIVES AGREEMENT between CAMPBELL SOUP SUPPLY COMPANY, L.L.C. and CUMBERLAND COUNTY, NORTH CAROLINA, which was approved by the Board of Commissioners January 16, 2018 (the "Agreement"), is dated the last date executed by either party to be effective according to the terms set forth herein (as supplemented or amended, this "First Amendment"), and is between, CAMPBELL SOUP SUPPLY COMPANY L.L.C., a Delaware limited liability company having an office at 1 Campbell Place, Camden, NJ 08103 (the "Company"), and CUMBERLAND COUNTY, NORTH CAROLINA, a body politic and corporate and a political subdivision of the State of North Carolina, having an address of P.O. Box 1829, Fayetteville, NC 28302-1829 (the "County"). The Company and the County may from time to time hereinafter be referred to individually as a "Party" or collectively as the "Parties."

RECITALS:

WHEREAS, the Company wishes to enter into this First Amendment for the purpose of matching an economic incentives grant from the North Carolina Department of Commerce which is to be made to Excel Inc. d/b/a DHL Supply Chain (USA).

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

- 1.0 Section 4.4 of the Agreement is amended by adding the following language at the end:
The first One Hundred Thousand Dollars (\$100,000) of the annual cash incentives grants becoming due under this Section shall be paid to Excel Inc. d/b/a DHL Supply Chain (USA), the third-party operator of the Project, for the purpose of matching a One NC grant.
- 2.0 All other terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed in their corporate and governmental names, respectively by their duly authorized officers, all as of the dates indicated with the signature for each.

Rick Moorefield, County Attorney, reviewed the background information recorded above.

MOTION: Commissioner Council moved to approve the amendment to the Campbell Soup Supply Company, LLC, economic development incentives agreement.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (7-0)

- C. Request for Amendment to Community Development Block Grant - Disaster Recovery (CDBG-DR) Grant Agreement Between the NC Department of Commerce, the NC Department of Public Safety, Division of Emergency Management and Cumberland County

BACKGROUND

On June 7, 2018, Staff received an email from Michael Sprayberry, Director/Deputy Homeland Security Advisor with NC Emergency Management, requesting a response to a proposed amendment to the CDBG- DR grant agreement between the State and Cumberland County. While there has been prior mention that an amendment was forthcoming, the contents of the potential amendment had not been revealed until last week. Staff needs more time to contact other Tier 1 counties impacted by Hurricane Matthew and time to ask questions to Director Sprayberry and his staff. Staff will gather more information and disseminate it prior to the Board meeting on June 18th.

RECOMMENDATION / PROPOSED ACTION

Staff will gather additional information and provide it as quickly as possible prior to the regular meeting of the Board of Commissioners on June 18, 2018.

Tracy Jackson, Assistant County Manager, reviewed the background information recorded above and stated although other Tier I counties were contacted, no information was received back from those counties. Mr. Jackson stated according to the State, the regulatory language is similar, but the dollar amounts will vary from county to county. Mr. Jackson stated for Cumberland County, the amendment reallocates a larger portion of the funding for project deliver costs and removes the majority of the county's control over the entire CDBG-DR program. Mr. Jackson stated under the current MOA, the county controls \$21,260,000 of the grant but under the proposed amendment, the county would only control \$6,820,000. Mr. Jackson stated the State indicates this is necessary in order to streamline delivery and do it more efficiently as a state centric model with them partnering with the county. Mr. Jackson stated according to the State, it will require additional funds for them to begin to execute the administrative and project delivery functions under the grant.

Mr. Jackson stated possible options are to approve the amendment to the agreement pending execution of required processes, not approve amendment or table to allow staff to continue discussion with the State and gather more information. Mr. Jackson stated each option has consequences and the State indicated in the MOA there are different termination clauses they could exercise if needed.

Commissioner Adams stated this is another delay for citizens of our community and a take back of money entered into in good faith with the State. Commissioner Adams stated he does not think the State can streamline delivery or do it more efficiently because Cumberland County and the City of Fayetteville know the needs and staff have already been involved. Commissioner Adams stated he is opposed to this and although not ready to make a motion, those at the State level need to know the county is not in agreement and further conversations are needed. In response to a question from Commissioner Adams, Mr. Jackson stated the entire grant was \$37 million. Commissioner Adams stated now it is down to \$6.8 million.

Commissioner Keefe concurred that more discussion is needed and stated it needs to be acknowledged that \$6 million will be coming back to the county and the State will be working with the county, so it is not like the county is being cut out. Commissioner Keefe posed questions about administrative and project delivery costs.

Mr. Jackson confirmed work continues under the existing MOA.

MOTION: Commissioner Faircloth moved to table this item to allow staff to continue discussion with the State and gather more information

SECOND: Chairman Lancaster

VOTE: UNANIMOUS (7-0)

D. Designation of Voting Delegate to 2018 NCACC Annual Conference

BACKGROUND

Article VI, Section 2 of the NCACC's Constitution provides: "On all questions, including the election of officers, each county represented shall be entitled to one vote, which shall be the majority expression of the delegates of that county. The vote of any county in good standing may be cast by any one of its county commissioners who is present at the time the vote is taken; provided, if no commissioner be present, such vote may be cast by another county official, elected or appointed, who holds elective office or an appointed position in the county whose vote is being cast and who is formally designated by the board of county commissioners. These provisions shall likewise govern district meetings of the Association. A county in good standing is defined as one which had paid the current year's dues."

RECOMMENDATION / PROPOSED ACTION

Appoint a voting delegate to the 2018 NCACC Annual Conference to be held in Catawba County, North Carolina, on August 23-25, 2018.

Commissioner Adams nominated Commissioner Faircloth.

MOTION: Commissioner Keefe moved to designate Commissioner Faircloth as the voting delegate to the 2018 NCACC Annual Conference.

SECOND: Commissioner Council

VOTE: UNANIMOUS (7-0)

5. NOMINATIONS

A. Human Relations Commission (2 Vacancies)

Commissioner Council nominated Georgeanna Pinckney and Eric Olson.

6. APPOINTMENTS

A. Cumberland County Workforce Development Board (3 Vacancies)

NOMINEE(S): Kirk deViere, Naynesh Mehta, Sherri Turner, Kevin Brooks and Gary Burton

Commissioner Boose withdrew his nomination of Gary Burton.

By a show of hands, the following votes were cast:

- Kirk deViere – 3 votes
- Naynesh Mehta – 7 votes
- Sherri Turner – 4 votes
- Kevin Brooks – 7 votes

MOTION: Commissioner Council moved to appoint Naynesh Mehta, Sherri Turner and Kevin Brooks to the Cumberland County Workforce Development Board.

SECOND: Commissioner Evans

VOTE: UNANIMOUS (7-0)

7. CLOSED SESSION:

A. Attorney-Client Matter(s) Pursuant to NCGS 143.318.11(a)(3)

B. Economic Development Matter(s) Pursuant to NCGS 143.318.11(a)(4)

C. Personnel Matter(s) Pursuant to NCGS 143.318.11(a)(6)

MOTION: Commissioner Boose moved to go into closed session for Attorney Client Matter(s) pursuant to NCGS 143-318.11(a)(3), Economic Development Matter(s) Pursuant to NCGS 143.318.11(a)(4) and Personnel Matter(s) Pursuant to NCGS 143.318.11(a)(6)

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Boose moved to reconvene in open session.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (7-0)

MOTION: Commissioner Boose moved to adjourn.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 9:20 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board