

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
THURSDAY, OCTOBER 18, 2018 – 1:00 P.M.
CROWN BALLROOM – 1960 COLISEUM DRIVE – FAYETTEVILLE, NC
SPECIAL MEETING MINUTES

PRESENT: Commissioner Larry Lancaster, Chairman
Commissioner Jeannette Council, Vice Chair
Commissioner Glenn Adams
Commissioner Michael Boose
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
Brenda Jackson, Social Services Director
Jeffrey Brown, Engineering and Infrastructure Director
Vicki Evans, Finance Director
Geneve Mankel, Public Information Office
Jim Grafstrom, Crown Complex General Manager/Spectra Venue
Management
Judy Dawkins, Civic Center Commission Chair
Candice White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

ABSENT: Commissioner Charles Evans

Chairman Lancaster called the special meeting to order.

Amy Cannon, County Manager, stated the purpose of this meeting is to revisit capital project priorities and kick-off the FY2020 budget through key decision relative to capital projects. Ms. Cannon stated capital is now segregated from the operating budget for an isolated view of all capital and general renovation projects. Ms. Cannon stated the FY2020 operating budget will be presented in the spring of 2019.

Ms. Cannon reviewed the agenda for the meeting as follows:

- Review board feedback from August 16 meeting
- Project matrix
- Key decision points
- Next steps

Review Board Feedback from August 16 Meeting

Ms. Cannon provided the following recap of what staff heard as the Board's feedback at the August 16, 2018 meeting during which an update was provided on the goals.

- Re-prioritized or moved 911/EOC project up to FY2019
- Crown Theatre – Decision needed on next steps
 - Future of theatre/arena
 - ADA improvements due October 2022
 - Seek input from the Civic Center Commission
- County facilities – develop strategic plan
 - Take a long-term, global look (next 20 years)
 - Look at enhancing the customer experience
 - Look at efficiencies
 - Look at eliminating redundancy
- Board discussion on Capital Improvement Projects prior to November 15 meeting with financial advisor

Capital Model Matrix

Vicki Evans, Finance Director, referenced the table below and noted the 911 Center/EOC, reflected in red, was moved forward in timing to 2019. Ms. Evans stated the Crown Enterprise Funds will be taken out of the existing model and a second model specific to capital projects and the funding source of the Crown is being developed as Crown capital and operating expenses are supported by food and beverage and occupancy taxes. Ms. Evans stated those revenues were not built into the original capital model; however, food and beverage and occupancy tax revenues are needed to support the Crown and Performing Arts Center. Ms. Evans stated the financial advisors will present two separate models at the November 15 meeting to distinguish Crown funds from capital funds. Ms. Evans stated each model and fund will have its own fund balance, but the concept will be the same.

Timing and Estimated Cost			
County Illustrative Projects	April 26, 2018	August 16, 2018	Notes & Observations
Takeout of 2017 CIP Projects	2019 - \$11,400,000	2019 - \$11,400,000	Governmental Fund ~ \$4,600,000 Crown Fund (F&B Tax, Occup. Tax) ~ \$6,800,000
Grays Creek USDA	2020 - \$48,000,000	2020 - \$48,000,000	
911 Center/EOC	2021 - \$15,000,000	2019 - \$15,000,000	
Civil War & Reconstruction History Center	2021 - \$ 7,500,000	2021 - \$ 7,500,000	
Administration and Courthouse Facilities	2023 - \$35,000,000	2023 - \$35,000,000	
Performing Arts	2023 - \$50,000,000	2023 - \$50,000,000	Crown Fund (F&B Tax, Occup. Tax)
Water Expansion	2033 - \$35,000,000	2033 - \$35,000,000	

Commissioner Adams asked whether a separate model should be set up for the school system and placed in the project matrix for the November 15 meeting. Ms. Cannon stated school capital funds with dedicated sales tax is in the general capital planning model and after she meets with Dr. Connelly, she will have a better idea for the November 15 discussion about the schools’ long term and short term capital needs. Ms. Evans explained the difference between governmental funds, capital funds for the schools, and enterprise funds for the Crown.

Ms. Evans stated as a follow up to the August 16 meeting, staff reached out the Civic Center Commission about the Performing Arts Center and the motion below passed unanimously at the meeting of the Civic Center Commission on September 25, 2018.

“... that the facility be replaced with a new facility that meets all current building, life safety and Americans with Disabilities Act requirements as well as the functional requirements of a modern performing arts venue. The Civic Center Commission recommended a feasibility study to determine the best method to bring this project to fruition.”

Ms. Evans stated because a new Performing Arts Center has been prioritized by the Board on the project listing, there are short term decision needed regarding the Crown’s arena and theatre because there are legal and financial impacts. Ms. Evans outlined the following key decision points and stated the \$2.6 million for improvements only meet the minimum requirements for the two facilities. Ms. Evans stated the request of the Board short-term is to approve the suspension of any further improvements on those two facilities since the Performing Arts Center project has been prioritized. Ms. Cannon stated the \$2 million in remaining improvements represents required items and nothing that enhances the revenue capability of the arena or theatre.

Key Decision Points

Decisions – Short Term

- Crown theatre/arena CIP projects funded in FY2017 debt issuance (project completion required by July 2019)
 - Roof improvements \$142,000
 - Building exterior improvements \$445,000
 - ADA required improvements (deadline for completion October 2022)
 - Remaining improvements ~ \$2 million

- FY2020 Budget
 - Feasibility study (required by LGC)
 - Budget placeholder of \$300,000
 - Theatre/Arena (upgrade/demolish)
 - General Location
 - Size / capacity
 - Sustainability

Decisions – Long Term

Conduct a global look

- Administration building
- Judge E. Maurice Braswell Courthouse
- Historic Courthouse
- Bradford Avenue building

MOTION: Commissioner Council moved to suspend the capital improvement dollars allocated to the Crown theatre and arena.

SECOND: Commissioner Boose

DISCUSSION: Commissioner Adams asked if the plan was to tear the facilities down by 2020 if improvements are to be suspended. Ms. Cannon stated a decision will have to be made prior to 2022 and Jim Grafstrom, Crown Complex General Manager/Spectra Venue Management, will need to know whether he can continue to book either of the facilities. Jeffery Brown, Engineering and Infrastructure Director, stated the facilities will not necessarily have to be demolished, just not utilized. Ms. Cannon stated recommendation is to suspend improvements on both facilities but have the feasibility study look at the arena and theatre separately. Mr. Grafstrom stated he understood the motion pending the feasibility study and he would imagine that the arena and theatre would continue operation under current guidelines until forced to be shut down in 2020, although not necessarily torn down. Questions followed. Judy Dawkins, Civic Center Commission Chair, provided comments about the Civic Center Commission's support of a new facility.

VOTE: UNANIMOUS (6-0)

Commissioner Keefe asked who would be responsible for the feasibility study. Ms. Cannon responded that would constitute another decision for the Board. Commissioner Faircloth inquired regarding the LGC's responsibility. Ms. Cannon stated the LGC requires due diligence for a large enterprise facility that is supposed to be self-supporting and in order to secure financing, there has to be a feasibility study. Questions and discussion followed. Ms. Cannon stated the County Attorney advised General Fund dollars plugged into the model should be used for the study.

MOTION: Commissioner Boose moved to put \$300,000 in the model and prepare a budget amendment for FY2019 to begin the feasibility study.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

Strategies for Services/Facilities

Ms. Evans stated another take-away from the August 16 meeting included County services and facilities. A map with the locations of County buildings and a spreadsheet with buildings and departments was distributed. Ms. Evans stated it is difficult to enhance the customer experience, operate efficiently and eliminate redundancies with County facilities and services being so widespread.

Ms. Evans reviewed the follow:

Decisions – Long Term

- FY2021 Budget
 - Feasibility study with expected outcomes: *customer experience, efficiency, eliminate redundancy, capacity, location, maximize space, etc.*

- Capital model placeholder of \$500,000

Commissioner Adams stated Alliance Behavioral Healthcare will be opening a crisis center in Cumberland County and should it end up being in a County facility, it should be included in the feasibility study. Commissioner Keefe asked whether any consideration has been given to co-locating or consolidating some services, such as libraries, with the schools. Ms. Cannon stated this goes back to how the Board organizes or structures services as it relates to enhancing the customer experience and in that regard, it would be part of the County facilities study. Ms. Cannon stated in addition to that, there will be a discussion with Dr. Connelly about his vision from a capital perspective as it relates to new schools.

Ms. Cannon stated the third decision involves the amount, timing and budget placeholder to for a long-term view to look at County facilities in FY2021. Discussion followed.

MOTION: Commissioner Keefe moved to approve a capital placeholder for \$500,000 in the FY2021 budget for a feasibility study with the expected outcomes of customer experience, efficiency, eliminate redundancy, capacity, location and maximize space.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

Ms. Cannon stated at the August 16 meeting, goals were laid out for water expansion which were to determine a long-term sustainable and cost-effective structure for water expansion. Ms. Cannon stated County staff met with staff of the PWC, the chairman of the PWC and Commissioner Boose to discuss the PER because the engineer was seeking guidance in narrowing down phases to the project as opposed to a global cost prohibitive view within the district. Ms. Cannon stated at this point, a global look does not appear financially feasible. Ms. Cannon stated the mutual decision was to give the engineer direction to look at the areas with contamination as the first phase and then develop ongoing phases by looking at density, which helps create a financially sustainable project. Ms. Cannon stated in addition, with the Board's desire for the PWC to be the primary provider of water in this district, an idea was provided for the structure of Gray's Creek that is similar to the relationship the PWC has with developers. Ms. Cannon stated the PWC is in the water business so if the County could share in the infrastructure cost and then turn the lines over to the PWC for them to own, operate and maintain, the belief is that will provide economies of scale that the County cannot achieve as a water provider. Ms. Cannon stated the PWC staff and chair were going to reach out to their Commission to consider that option. Ms. Cannon stated the engineer is completing the PER based on the phases of contamination first and then density. Commissioner Boose stated the initial thing is to get relief to Gray's Creek and affected areas as soon as possible with a long-term look that will be sustainable and a win-win for everyone. Questions and discussion followed. Ms. Cannon stated a decision is not being sought today on Gray's Creek, there is \$48 million in the capital model for FY2020 and more will be known once the PER is submitted. Ms. Cannon stated the goal today was to provide an update on the meeting and strategy laid out to PWC in an effort to work together in expanding water to Gray's Creek.

Commissioner Keefe asked whether all projects in the capital model were doable. Ms. Cannon stated they are all feasible, but not at one time and the numbers may change. Commissioner Council asked whether natural disaster mitigation, recovery and personnel could be included. Ms. Cannon stated an after-action review of Hurricane Florence is being conducted to figure out the County's needs and the state and federal government will likely need to be lobbied on mitigation measures.

Ms. Cannon reviewed decision points accomplished during this meeting:

- Suspend Theatre/Arena CIP Projects
- Suspend Theatre/Arena Priority 2 ADA Improvements
- Feasibility Study for Performing Arts Center (\$300,000)
- Feasibility Study for County Facilities (\$500,000)

Ms. Evans outlined the next steps as follows:

Set November 15 meeting for 1:00 p.m.

- Proposed Agenda
 - Presentation of updated Capital Planning Model by Financial Advisors (DEC) incorporating today's decisions
 - Consensus on preliminary FY2020 Capital Planning Model budget

Consensus followed to set November 15 as the date for a special meeting for a presentation of updated Capital Planning Model by financial advisors.

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

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board