

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
THURSDAY, OCTOBER 17, 2019 – 1:00 PM
117 DICK STREET, 5TH FLOOR, ROOM 564
SPECIAL MEETING MINUTES

PRESENT: Commissioner Jeannette Council, Chair
Commissioner Marshall Faircloth, Vice Chairman
Commissioner Glenn Adams
Commissioner Michael Boose
Commissioner Charles Evans
Commissioner Jimmy Keefe (arrived 1:05 p.m.)
Commissioner Larry Lancaster
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Duane Holder, Assistant County Manager/Interim Health Director
Darian Cobb, Fellow with NCACC County Manager Fellowship Program
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Deborah Shaw, Budget Analyst
Heather Harris, Budget Analyst
Bob Tucker, Accounting Supervisor
Ivonne Mendez, Accounting Supervisor
Jeffrey Brown, Engineering and Infrastructure Director
A.J. Riddle, Assistant County Engineer
Brenda Jackson, Social Services Director
Doug Carter, President DEC Associates, Inc.
Andrew Carter, Vice President DEC Associates, Inc.
Candice White, Clerk to the Board
Kellie Beam, Deputy Clerk

Chair Council called the special meeting to order.

Melissa Cardinali, Assistant County Manager, introduced financial consultants Doug Carter, President DEC Associates, Inc., and Andrew Carter, Vice President DEC Associates, Inc. Ms. Cardinali stated the purpose of this meeting is two-fold:

- Review and update the CPM to reflect the projects the Board would like to add, remove or prioritize differently.
- Obtain Board guidance on a framework for the facilities feasibility study. The objective is to obtain general guidance so the RFQ can be crafted in alignment with the Board's vision and determine how the County can optimally provide services through its facilities. The actual RFQ will be brought back to the Board for final approval.

Ms. Cardinali provided a recap of previous Capital Planning Model (CPM) meetings:

March – April 2018 Two Meetings Held:

- CPM is an avenue for long-term capital planning
- Board commits to a yearly review of the CPM
- Living document

October – November 2018 Two Meetings Held:

- Initiate FY20 budget process based on capital project priorities
- Address short-term decisions:
 - Crown Theater projects and ADA
 - Set aside \$300,000 for theatre feasibility study
 - Voted to suspend further capital improvements to the Crown/Arena
- Address long-term decisions:
 - Global review of County facilities/services

Ms. Cardinali stated this annual review of the Capital Planning Model provides an opportunity for the Board to consider which of the general government projects it wants to add, remove or reprioritize. Ms. Cardinali stated examples include:

- Add 911 grant funds

- Remove \$300,000 set aside for feasibility study (Spectra contract funds will be used)
- Discuss timing/funding for Grays Creek Phase I Water
 - Water provider has not been identified

Ms. Cardinali stated these changes could create funding capacity in the CPM and require further review and project priority. Ms. Cardinali stated the second part of the meeting will focus on the framework for the RFQ that will lead to the facilities study.

Mr. Carter stated this process will take place every year and this is the first year the Board has seen the CPM in place. Mr. Carter stated the model includes expenditures that will be financed and a significant amount of pay-go, which will be discussed with the CIP process. Mr. Carter stated discussion at this meeting will include general government projects in general and those projects in which there is anticipation all funds will be borrowed. Mr. Carter reviewed the projects as of November 2018 as follows and stated the amounts reflect costs brought forward at that time and may change the closer to the project year.

Priority	Project	Year	Amount (in millions)
1	2017 CIP Projects	2019	\$4.6
2	E911	2019	15
3	FTCC	2020	10
4	Gray's Creek	2020	48
5	Museum	2021	7.25
6	Admin/Courthouse	2023	35
7	Water Phase II	2033	35
Total: \$154.85			

Mr. Carter stated although the Gray’s Creek project at \$48 million is not totally general government but is in the general government model because revenues generated by the facilities will be insufficient to pay the debt service. Mr. Carter stated Gray’s Creek took part of the capacity out of the general government model and costs may change over time as the phasing occurs. Mr. Carter stated these 7 priorities total \$155 million available for debt issuances in these particular time periods out of revenues the County dedicated to its capital fund.

Mr. Carter stated although not necessarily included in discussion at this meeting, a subset of this model is the model related to the Crown Center that includes a net \$50 million investment.

Mr. Carter stated one of the decision points during this 2019 annual review may include moving Gray’s Creek – Phase 1 from 2021 out to 2033 with Gray’s Creek Phase II which would create additional capacity inside this model that could be used for other projects or for changing amounts in placeholder dollars included in this model.

Commissioner Boose inquired regarding the Performing Arts Center. Ms. Cardinali stated the purpose of this meeting is to review and update the general government projects until Spectra gets the RFQ back on the feasibility study for the PAC model. Mr. Carter stated in that separately existing model, there is an assumption that in 2023 there will be a \$50 million issuance for a PAC and any changes the Board decides to make within this general government model will not take that capacity away. Ms. Cardinali stated the list being discussed at this meeting was not meant to be reflective of the Board’s total priority projects. Ms. Cardinali stated financing of the model for the PAC will be through food and beverage and occupancy tax so it is set up in a separate model. Chair Council asked that the model for the PAC be included moving forward.

Commissioner Keefe asked whether the \$48 million for Gray’s Creek 2020 was based on participation by PWC. Jeffery Brown, Engineering and Infrastructure, stated the \$48 million was the estimated county portion without participation by PWC. In response to additional questions from Commissioner Keefe, Mr. Brown provided highlights of the feasibility study presented by Moorman, Kizer & Reitzel, Inc. in 2018 and stated the entire cost of the capital infrastructure only will be \$86 million. Mr. Brown stated someone would still need to operate the system and provide water.

During discussion of the general government projects, to include the Museum and the Board’s resolution in support of the N. C. Civil War and Reconstruction History Center, Mr. Carter stated discussion appears to be about project priorities; however, in a debt model the projects need to be put in the year the debt is going to be issued. Mr. Carter suggested having a project priority list and then a calendar list for debt issuance going forward to better clarify the priorities and the

timing. Mr. Carter stated when the projects are moved up too soon for debt issuance, it moves the County's borrowing capacity down. Mr. Carter stated timing is everything when it comes to debt issuance.

Following additional discussion, there was consensus for the following as it relates to timing for debt issuance:

1 – E911
1 – FTCC
Museum 2021
Admin/Courthouse 2022
Gray's Creek Phase 1 2025 (\$20 million)

Mr. Carter stated movement of \$20 million for Gray's Creek Phase 1 to 2025 as opposed to keeping the entire \$48 million in an earlier time period results in \$25 to \$30 million available capacity that can either be held or added to the model.

Commissioner Adams inquired regarding the Capital Improvement Plan. Ms. Cardinali stated the Board will review the CIP during the January meeting and will see that the needs are greater than cash. Ms. Cardinali stated the Board may choose to finance some of the capital improvements that need to be made. Commissioner Adams asked to add a juvenile justice center or a center for all justice services as a project for consideration. Commissioner Keefe asked to add a children's museum/learning center under the direction of the library system as a project for consideration.

As an additional project for consideration, Duane Holder, Assistant County Manager, summarized the request for Alliance Health's Child Crisis Center recorded below.

Our Request

Alliance Health is in need of start-up funds to complete renovation of a new regional child facility- based crisis and urgent care center in Fuquay-Varina.

At the request of the County Commissioners serving on the Alliance Health Board, we are asking that Cumberland, Durham, Johnston and Wake counties each fund a portion of the \$8.6M in start-up costs for this critically needed facility.

- These start-up funds would enable completion of the center, which is suspended due to continued cuts to state funding for behavioral health services.
- The center will provide for a 16-bed crisis facility to children and teens experiencing a behavioral health emergency.
- The center will also offer behavioral health urgent care services designed to address emergency department overcrowding by offering walk-in access to youth and their families to receive same day clinical assessments and psychiatric evaluations.
- Primary goals of these services are to stabilize individuals experiencing behavioral health crisis and engage them in appropriate treatment to address the problem that led to the crisis.

The Need in our Communities

- Alliance's Child Crisis Center would be one of North Carolina's first children's 24-hour urgent care and facility-based crisis centers, centrally located to serve the entire Alliance region.
- Hospitals and adult crisis facilities are not clinically ideal places for children and youth experiencing behavioral health challenges. This center will be tailored toward working with youth and their families to keep them in their communities and quickly return home to their natural support systems. National data is clear in showing that this leads to better health outcomes.
- A behavioral health crisis and urgent care center can yield significant cost savings by reducing hospital inpatient stays and clinical inefficiencies. A visit to the emergency department can be nearly three times as costly as visiting a

behavioral health crisis facility, and a one-day inpatient hospital stay can cost more than double.

- Substance use disorders, especially a rise in opioid addictions, have increased demand for crisis services.

The Promise of the Child Crisis Center

- Behavioral health crisis facilities are critical to addressing overcrowded emergency departments by offering an alternative location for emergency responders to transport individuals experiencing behavioral health crisis.
 - The 16-bed facility will offer a 24/7 community-based, non-hospital residential setting to n provide specialized and cost-effective care to individuals ages 6 to 17 who are in crisis.
- The center will also include a behavioral health urgent care facility where youth and families can receive a rapid crisis assessment and an immediate treatment plan, including care coordination and discharge planning, using evidence-based and trauma-informed treatment programs.
- Underwriting of this much-needed facility will offer a unique opportunity for a community partner to visibly contribute to the health and well-being of this vital and vulnerable population.

Challenges

- The Child Crisis Center has been a primary component of Alliance's multi-year comprehensive reinvestment plan to serve youth and families across our four-county region. While the initial phases of construction have been completed, we suspended our work on further renovations of the center due to continued cuts to Single-Stream funding, the state appropriation for the mental health, intellectual/developmental disabilities, and substance use disorder service needs of uninsured and underinsured North Carolinians.
- While there is currently no State budget, all budget proposals include additional recurring cuts to Alliance and the rest of the LME/MCO's.
- Because this facility would serve children and teens, a high proportion of whom would be covered by Medicaid or Health Choice, the main challenge in completing the Child Crisis Center is not sustainable operational funding, but rather one-time start-up funds.

Recommended Contribution per County

- Total start-up funding needed for the child crisis facility is \$8,647,707
- This is comprised of 'Phase D' construction costs (\$6,240,703) and start-up operations for the provider (\$2,407,707) for costs not reimbursable by Medicaid.

Alliance Child Crisis Center: Estimated Construction Costs *		
Phase A: Interior Demolition and Abatement		
Final Cost	\$308,550	Already paid by Alliance
Phase B: Roof Replacement		
Final Cost	\$523,518	Already paid by Alliance
Phase C: Pavement Repair		
Final Cost	\$118,070	Already paid by Alliance
Phase D: Final Renovation		
90% Construction Estimate	\$5,379,916	
8% Contingency	\$430,393	
6% Inflation/Year (through May 2020)	\$322,795	
2% Unfavorable Bidding Climate	\$107,598	
Estimated Phase D Bid	\$6,240,703 *	
Total Actual + Projected Construction Cost	\$7,190,841	

Provider Start-up Operations	
Salaries and related staffing support needs	\$1,793,794
Supplies, licensure fees, equipment, insurance, consulting fees	\$288,836
Admin, communications, marketing, etc.	\$324,374
Total	\$2,407,004 *

\$
x 2 8.6m

Three options were considered to determine the percentage of the start-up costs to be paid per county:

- Option 1 – Total Emergency Department and Inpatients admissions for children per county
- Option 2 – Total population per county
- Option 3 – Total Medicaid eligible per county

County	Option 1			Option 2			Option 3			RECOMMENDATION	
	Total Child ED/ Inpatient Admissions FY18	RANK	%	Total Population FY18	RANK	%	Total Medicaid Eligible FY18	RANK	%	Reflects the Average of Three Options	Dollar Amount/ County
Cumberland	666	2	23.2%	327,021	2	17.4%	80,728	2	27.3%	22.70%	\$1,956,976.09
Durham	464	3	16.2%	307,438	3	16.4%	53,115	3	18.1%	16.87%	\$1,461,462.48
Johnston	414	4	14.4%	193,035	4	10.3%	39,000	4	13.2%	12.67%	\$1,092,205.39
Wake	1317	1	46.2%	1,052,122	1	55.9%	122,154	1	41.4%	49.13%	\$4,136,198.26
Totals	2861		100%	1,879,616		100%	294,997		100%	100%	\$8,646,842.22

Alliance recommends that the average of these three options be used to determine the breakdown by county, as reflected below:

** Note: These costs do not include the purchase of the property and architectural costs which Alliance paid in the amount to \$973,770.00 and \$544,264.66 respectively.*

In response to questions that followed, Brenda Jackson, Social Services Director, explained how children are leveled by Alliance Health based on their medical diagnosis and behavioral/psychological diagnosis. Ms. Jackson stated a residential placement will not take these children until they are stabilized, diagnosed and discharged with a treatment plan. Ms. Jackson stated all of this takes time and crisis services fill the gap between the incident, assessment and long-term care.

Mr. Holder stated Alliance Health told its Board of Directors the Child Crisis Center is in jeopardy because without the fund balance, the program is no longer financially feasible and there is a gap of one-time funding in the amount of \$8.6 for construction and start up. Commissioner Adams stated Alliance Health owns the building and was going to sell to an insurance company, but that would mean the beds would open up on a first come, first served basis. Commissioner Adams stated he suggested to the Commissioners Committee of Alliance Health that the Boards of Commissioners for the four counties be asked to contribute the \$8.6 million for the Child Crisis Center, which would equate to approximately \$2 million each. Commissioner Adams stated it would be a 24/7 urgent care/walk-in crisis center with sixteen beds for the four-county region; no other counties could take those beds. Discussion followed about the gap/start-up and operational funding, center staffing, bed reservations or whether Cumberland County could be guaranteed access to beds and whether a local center in Cumberland County would better fit the need.

MOTION: Commissioner Adams moved that the Board of Commissioner fund Cumberland County’s portion of the construction and start-up costs for the child crisis facility.
SECOND: Commissioner Council

Additional questions and discussion followed. Mr. Moorefield pointed out Cumberland County could not operate a local center as an entity under the current system, only as a vendor under contract. Chair Council called for a vote. After further discussion among the Commissioners, Commissioner Adams withdrew his motion.

Ms. Cardinali stated if there are no further projects to add, a justice center and children’s museum/learning center will be added to the general government model as placeholders and brought back in January. Ms. Cardinali asked whether the Board wished to continue and work on the framework for the feasibility study or address it at an agenda session. Chair Council asked that it be forwarded to the November 14 agenda session.

MOTION: Commissioner Adams moved to adjourn.
SECOND: Commissioner Boose
VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 3:00 p.m.
Approved with/without revision:
Respectfully submitted,

Candice H. White
Clerk to the Board