

CUMBERLAND COUNTY FACILITIES COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
NOVEMBER 5, 2015 - 8:30 A.M.
MINUTES

MEMBERS PRESENT: Commissioner Glenn Adams
Commissioner Jimmy Keefe
Commissioner Larry Lancaster

COMMISSIONERS PRESENT:
Commissioner Kenneth Edge

OTHERS PRESENT: Amy Cannon, County Manager
James Lawson, Deputy County Manager
Tracy Jackson, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Thelma Matthews, County Finance
Jeffery Brown, Engineering & Infrastructure Director
Claudia Sievers, Public Information Office
Tammy Gillis, Internal Auditor/Wellness Services Director
Glenda Dye, Mid-Carolina Council of Government
Michael Rutan, Mid-Carolina Council of Government
Rob Robinson, Alliance Behavioral Healthcare
Kelly Goodfellow, Alliance Behavioral Healthcare
Kellie Beam, Deputy Clerk to the Board

Commissioner Glenn Adams called the meeting to order.

1. APPROVAL OF MINUTES – OCTOBER 1, 2015 REGULAR MEETING

MOTION: Commissioner Lancaster moved to approve the minutes.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

2. CONSIDERATION OF APPROVAL OF ALLIANCE BEHAVIORAL HEALTHCARE LEASE AGREEMENT

BACKGROUND:

Alliance Behavioral Healthcare, the managed care organization that provides mental health services for the citizens of Cumberland County, wishes to enter into a lease agreement with Cumberland County for 16,995 square feet of office space located at 711 Executive Place in Fayetteville. Alliance Behavioral Healthcare is seeking approval to renovate the first and second floors of the building and would like assistance from the

County in the form of a waiver of rent for six (6) months in the amount of \$112,924 and the use of carryover funds from a prior year in the amount of \$387,076 for a total County contribution of \$500,000. Preliminary cost estimates obtained by Alliance Behavioral Healthcare for renovations are projected to be approximately \$1.2 million.

The term of the lease will be three (3) years initially, with two (2), two (2) year extensions for a total of seven (7) years. The effective date of the lease agreement will be January 1, 2016. If approved, the rent will be waived for the first six (6) months of the lease and thereafter will be \$16,995 per month for the remainder of the lease. Lease revenue for FY15 has only been budgeted for the first half of the year.

RECOMMENDATION

Staff recommends approval of a lease agreement, and the proposed building renovations, for Alliance Behavioral Healthcare.

Tracy Jackson, Assistant County Manager, reviewed the background information and recommendation as recorded above.

Rob Robinson, CEO of Alliance Behavioral Healthcare, stated the Alliance's is proposing to renovate the office space currently occupied at 711 Executive Place under a cost-sharing arrangement with Cumberland County because Alliance has occupied this space since the merger between Cumberland County Mental Health and Alliance on July 1, 2013. Mr. Robinson stated Alliance staff occupies the first and second floor and share meeting and storage space on the fourth and fifth floors.

Mr. Robinson stated Alliance leadership recently completed a walkthrough of the space with Cumberland County Management with the goal of understanding the current architecture of the building as well as the scope of a redesign necessary to optimize future use of the space. Mr. Robinson stated the property has shared a benefit for both Alliance and Cumberland County to include continuity of operations for stakeholders who visit the building but Alliance has significant concerns regarding the current layout with respect to security, usage of space and design.

Mr. Robinson stated Alliance has a proposed design that would:

- Result in occupancy of only the first and second floors.
- Allow for secure space for Alliance staff in compliance with URAC and safety standards.
- Allow for open common area on first floor for other tenants.
- Rebrand the space per Alliance guidelines.

Mr. Robinson stated Alliance requests that the County contribute 50% of the final cost of renovations not to exceed \$500,000 broken down as follows:

- Alliance is permitted to occupy the space rent-free from January through June 2016 (cash value \$112,924).

- Cumberland County allows Alliance to utilize the remaining \$387,076 from the County fund balance it currently holds.

Mr. Robinson stated additional costs would be absorbed by Alliance. Discussion followed.

Commissioner Glenn Adams asked about the tax value and square footage of 711 Executive Place. Ms. Cannon stated staff would get this information and provide it to the Facilities Committee at a later date. Ms. Cannon asked the Alliance how much of the \$1.2 million is for the cost of workstations and furniture. Kelly Goodfellow, Alliance Behavioral Healthcare, stated a great deal of that cost is related to demolition and plans but she can furnish a better breakdown to Ms. Cannon at a later date.

Commissioner Lancaster stated he feels this is a win-win situation for everyone and he appreciates the commitment of the Alliance. Commissioner Adams stated he would be in opposition of the lease agreement until he receives further information regarding the square footage and tax value of 711 Executive Place.

MOTION: Commissioner Keefe moved to recommend to the full board approval of the lease agreement and the proposed building renovations for Alliance Behavioral Healthcare

SECOND: Commissioner Lancaster

VOTE: PASSED (2-1) (Commissioners Keefe and Lancaster voted in favor; Commissioner Adams voted in opposition)

3. CONSIDERATION OF APPROVAL OF MID-CAROLINA COUNCIL OF GOVERNMENT LEASE AGREEMENT

BACKGROUND:

This item was originally introduced at the October 1st Facilities Committee meeting. No action was taken at that time so that a representative from the Mid-Carolina Council of Governments (MCCOG) could be present to answer questions at the November Facilities Committee meeting. MCCOG, a quasi-governmental regional agency serving Cumberland, Harnett and Sampson Counties, and the municipalities contained therein, wishes to enter into a lease agreement with Cumberland County for 4,070 square feet of executive office space located in the Historic Cumberland County Courthouse.

This agreement will take the place of a prior lease that was outdated, and the intent was to gradually increase the lease rate over time to minimize the impact on services. The rent shall be at an annual rate of \$8,000 the first year (fiscal year 2016); \$12,210 the second year (fiscal year 2017); \$16,280 the third year (fiscal year 2018); \$20,350 the fourth year (fiscal year 2019); and \$24,420 the fifth year (fiscal year 2020). MCCOG provides services which include the administration of an array of aging programs. These aging programs include adult day health care, transportation, in-home aides, home-delivered

meals, information and consumer services, housing and home improvements, and advocacy for those 60 years of age and older.

RECOMMENDATION/PROPOSED ACTION:

Staff recommends approval of the proposed lease agreement due to the importance and value of the services provided to senior adults in our local community.

Mr. Jackson reviewed the background information and recommendation as recorded above.

Ms. Cannon stated the MCCOG lease is extremely outdated and staff is working on bringing the lease up to date and gradually increasing the lease income. Ms. Cannon stated any increase in the lease amount will impact the dollars available for providing services according to Jim Caldwell at MCCOG.

Commissioner Keefe stated he is not familiar with all of the services the MCCOG provides. Commissioner Keefe further stated he feels like this location is prime real estate and the lease rate is low. Glenda Dye, Mid-Carolina Council of Government Director of Area Agency on Aging, stated the MCCOG is the fiscal and staff support for agencies such as RULAC, Mid Cape Fear River Basin Association and the Community Transportation Program among other agencies and services.

Commissioner Keefe stated he feels the County has lease rates that are all over the place and there needs to be more consistency. Ms. Cannon explained there are various lease rates depending on the value of services provided. Ms. Cannon further explained some agencies are providing County services. Ms. Cannon stated if the Facilities Committee would like to revisit lease rates and come up with a standard rate that could be done but recommendations are currently based on the value of services that are actually provided. Commissioner Adams stated he feels it is important for the Facilities Committee to receive information regarding the County services the agencies provide when making decisions regarding lease rates. Discussion followed.

Commissioner Keefe stated he is surprised the City of Fayetteville is not a member of the MCCOG. Commissioner Adams stated he would like to see the commissioners speak to the Mayor or the City/County Liaison Committee about possibly joining the MCCOG since there has been some change in leadership at the City of Fayetteville.

Commissioner Edge stated he has served as the MCCOG liaison for several years in the past and he feels they operate on a shoe string budget. Commissioner Edge stated the transportation service and the other services provided to the elderly are critical.

MOTION: Commissioner Lancaster moved to recommend to the full board approval of the proposed lease agreement with Mid-Carolina Council of Government due to the importance and value of the services provided to senior adults in our local community.

SECOND: Commissioner Adams
VOTE: PASSED (2-1) (Commissioners Lancaster and Adams voted in favor;
Commissioner Keefe voted in opposition)

4. CONSIDERATION OF APPROVAL OF RESULTS OF DELI FRANCHISE
REQUEST FOR PROPOSALS

BACKGROUND:

Staff successfully advertised for proposals to operate and provide deli and snack bar services on October 8, 2015 with a deadline for submittal of 10:00 a.m., October 23, 2015. One (1) response to the Request for Proposal (RFP) for deli and snack bar services was received.

Requirements included:

- Must maintain a Grade A Health Inspection Rating
- Must pay a percentage of monthly earnings or a minimum of \$500 whichever is greater
- Must maintain a point-of-sale system and accept credit and debit cards
- Proof of insurance

Evaluation criteria included:

- Five (5) years of deli/restaurant experience
- Evidence of stable financial position
- Acceptable menu and pricing
- Adequate references

The sole respondent to the RFP process was Mr. Jae Yi, current provider of deli and snack bar services, and his proposal package was compliant in all ways with the specifications of the proposal process. If Mr. Yi is awarded this franchise, staff will work closely with him to improve certain aesthetics of the spaces where deli and snack bar services are provided. The proposed term for the franchise agreement is for a three (3) year period with a renewal option for an additional three (3) years in one (1) year increments (six (6) years in total).

RECOMMENDATION/PROPOSED ACTION:

Staff recommends awarding a deli and snack bar franchise for two locations in County-owned facilities to Mr. Jae Yi and forwarding this recommendation to the full board for approval on a consent agenda.

Mr. Jackson reviewed the background information and recommendation as recorded above. Mr. Jackson stated the deli franchise RFP was advertised in The Fayetteville Observer and online for two weeks and only one proposal was received. Mr. Jackson stated the proposal received did meet all the requirements. Mr. Jackson stated Tammy

Gillis, Internal Auditor, has reviewed all the financial statements and staff recommends approval.

MOTION: Commissioner Lancaster moved to recommend to the full board approval of the deli and snack bar franchise for two locations in County-owned facilities to Mr. Jae Yi.
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (3-0)

5. REPORT ON NATIONAL FLOOD INSURANCE PROGRAM'S (NFIP) COMMUNITY RATING SYSTEM (CRS) ANNUAL RECERTIFICATION PROGRESS REPORT

BACKGROUND:

Cumberland County participates within the National Flood Insurance Program's (NFIP) Community Rating System (CRS). The CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. The County's participation allows those that are required to have flood insurance to receive discounted insurance premium rates. Cumberland County currently has a class rating of 8 which allows property owners to receive a 10% discount off of their insurance premiums for policies within the Special Flood Hazard Area (SFHA).

As part of the County's annual recertification process, the Engineering and Infrastructure Department is required to provide an update on each action item related to floodplain management outlined within the Cumberland County Multi-Jurisdictional Hazard Mitigation Plan. Another requirement is that this progress report be presented to the governing board.

The Engineering and Infrastructure Department received notification on October 8th that the County's recertification packet had been reviewed and the County was found to be in good standing in the CRS Program for the next year.

RECOMMENDATION/PROPOSED ACTION:

The Facilities Committee is not being asked to take action. The purpose of this item is to provide the Committee the progress report as required by NFIP for the County's annual recertification for the Community Rating System.

Jeffery Brown, Engineering and Infrastructure Director, reviewed the background information and recommendation as recorded above.

Mr. Brown stated this program helps citizens that are required to have flood insurance get a lower rate. Mr. Brown stated as long as the County participates in this program we will have to go through an annual audit and a part of that recertification process requires the

Engineering and Infrastructure Department to review what the County is doing related to flood associated action items within the Hazard Mitigation Plan. Mr. Brown stated the report has to be brought to the governing board to ensure the County is doing what needs to be done in regards to the Hazard Mitigation Plan. Mr. Brown provided the report to the Facilities Committee. Mr. Brown stated no action needs to be taken and this item is for information only.

6. OTHER ITEMS OF BUSINESS

No other items of business.

MEETING ADJOURNED AT 9:26 AM.