

**CUMBERLAND COUNTY
FINANCE COMMITTEE MEETING
THURSDAY, APRIL 6, 2000, 8:30 AM**

Present: H. Mac Tyson II, Chairman
Billy R. King, Commissioner
Ed G. Melvin, Commissioner
Cliff Strassenburg, County Manager
James Martin, Deputy County Manager
Garrett Alexander, Tax Administrator
Grainger Barrett, County Attorney
Amy H. Cannon, Finance Director
Rhonda C. Raynor, Deputy Clerk to the Board

Others: Jonathan Charleston, Attorney
Jim Ross, Robert S. Segal, CPA, and Associates
Dr. K. Thomas Mathew
Press

INVOCATION: Commissioner King offered the invocation.

1. Approval of Minutes: March 2, 2000.

MOTION: Commissioner Melvin offered a motion to approve the March 2, 2000 Finance Committee meeting minutes.

SECOND: Commissioner King
VOTE: UNANIMOUS

2. Consideration of Proposals for Banking and Lock Box Services.

BACKGROUND: The County has recently completed a request for proposal process for banking and lockbox receipt services (two separate RFPs) through Robert S. Segal, CPA, and Associates. The process included advertising the RFP, sending RFPs to all banks in Cumberland County, meeting with all interested bank's representatives to answer questions, and receiving sealed proposals on March 24, 2000. An evaluation of those proposals is attached to these minutes as Exhibit "A".

The "Primary Banking Services Proposals" columns present the estimated annual interest income and banking costs that would be incurred for each of the six banks submitting banking services proposals. The column "Estimated annual lockbox costs" presents the estimated annual costs of four lockbox proposals that were received. One bank, Centura, proposed that if both of its proposals were accepted then it would further discount its cost of services by \$1,200 annually.

On a combined basis, the Centura proposals provide the greatest amount of interest income, after deducting banking costs. Currently, Centura is the provider of banking and lockbox receipt services for Cumberland County.

RECOMMENDATION: It is the recommendation of Robert S. Segal, CPA, and Associates, the Finance Director, the Tax Administrator and Management to continue banking and lockbox services with Centura based upon the proposals received and the satisfactory service from Centura in the past.

MOTION: Commissioner Melvin offered a motion to approve the recommendation by staff to continue banking and lockbox services with Centura.
SECOND: Commissioner King
VOTE: UNANIMOUS

Chairman Tyson advised of a presentation that the Tax Administrator would make next month concerning on-line tax listing, billing and payments. Mr. Alexander's presentation will be in writing as he will be out of town.

Mr. Alexander advised they are in the process of evaluating these on-line services. Greg Staderman of SCS Direct Mail Marketing will make the presentation to this committee. Mr. Staderman made a presentation to the committee some time ago, but would now like to show his company's current product. Mr. Alexander noted he would recommend an evaluation and selection of a company to provide these services to the County.

Commissioner King asked how the next revaluation was progressing.

Mr. Alexander noted the target date for the next revaluation is January 1, 2003. The work on the revaluation is progressing well. His office has modified the computer system and has been working to clean up the data that caused problems during the 1992 revaluation. The urban areas of the county have had the fieldwork completed and they are now moving to the rural areas. They should have all the fieldwork completed by the end of the year. His office will construct two sets of valuation models for the revaluation. He will make a presentation to the Commissioners and review the impact of the next revaluation. He directed the Committee's attention to his memorandum of April 5, 2000 concerning the Cumberland County Sales Ratio Study. (That memorandum is attached to these minutes as Exhibit "B").

Commissioner King expressed his concern with waiting seven years between revaluations. Historically, that period of time between revaluations has been difficult for the County as well as the taxpayers.

Mr. Alexander advised he did not think there would be large changes in values of property because of the current market conditions.

3. Other Committee Concerns.

Mr. Barrett presented a proposed technical revision to the County's policy regarding eligibility for health insurance plan coverage.

A RESOLUTION OF THE CUMBERLAND COUNTY BOARD OF COMMISSIONERS AFFECTING ELIGIBILITY FOR PARTICIPATION IN THE COUNTY'S HEALTH INSURANCE PLAN

BE IT RESOLVED, by the Cumberland County Board of Commissioners, that it revises the criteria for eligibility in the County's health insurance plan by including as eligible for such participation the following category of persons, subject to the terms and conditions specified:

Any person who (a) was not eligible for the Local Government Employees' or Law Enforcement Officers' Retirement System and (b) had been enrolled in the County's health insurance plan for a continuous period of thirty-six (36) months or more, may elect in writing, following and upon separation from service with the County, to continue enrollment in the County's health insurance

plan, provided such person pays the entire monthly premium (i.e., total of employee portion plus county match) for such coverage.

MOTION: Commissioner Melvin offered a motion to forward this resolution to the full Board of Commissioners for consideration.
SECOND: Commissioner King
VOTE: UNANIMOUS

Chairman Tyson then recognized Mr. Jonathan Charleston and Dr. K. Thomas Mathew for a matter they wished to have the Finance Committee consider.

Chairman Tyson asked the County Manager if he felt this issue should be discussed in Closed Session.

Mr. Strassenburg and Mr. Barrett advised there was no requirement to discuss this matter in Closed Session.

The background information on this matter as presented by Mr. Charleston and Dr. Mathew is attached to these minutes as Exhibit "C".

Commissioner King noted this situation concerned him initially. He has an open mind regarding this situation due to the fact that if the acquisition of Highsmith-Rainey Hospital had not occurred, this issue would not be before them now. He is hopeful there will be some type of compromise on this issue. He asked Dr. Mathew if his proposal had been submitted to the colleagues on the CFVHS Credentials Committee. If so, what was the outcome?

Dr. Mathew advised he has submitted this information to the Dr. Taylor who is on the Credentials Committee of CFVHS.

Mr. Charleston advised he and Senator Rand met with Dr. Taylor and had a discussion about his matter. A framework to resolve this dilemma was established. The matter was to go to the Obstetrics Department and then to the Board of Trustees of CFVHS. The matter has stalled at this point. Dr. Mathew has been without hospital privileges since August 1999. It has put a severe hardship on his business and family.

Commissioner Melvin asked what grounds as a committee and Board of Commissioners do they have to try to resolve this issue?

Mr. Barrett advised the Committee and Board of Commissioners has a right and responsibility to ensure that the hospital's employment policies, including the credentials policy, are fair and equitable and comply with due process. It appears the process has "bottlenecked" at the department level and has not gone to the Board of Trustees. There may be due process concerns.

Chairman Tyson advised his concern is fundamental fairness.

Mr. Barrett noted that they should please recognize there are some drawbacks for the Board of Commissioners to get involved with specific personnel matters. The Board of Commissioners' interest is in ensuring hospital policies comply with due process requirements and other legal requirements. He suggested that the Committee direct the County Attorney to speak with the CFVHS Attorney about the potential financial exposure of this case if it results in litigation.

Mr. Strassenburg noted the Committee's objective should be to get unresolved credentialing issues arising out of the Highsmith-Rainey acquisition before the CFVHS Board of Trustees.

MOTION: Commissioner King offered a motion that the Finance Committee recommend that the Board of Commissioners requests the Board of Trustees of Cape Fear Valley Health System expedite the processing of all unresolved physician credentialing matters arising out of the acquisition of Highsmith-Rainey Memorial Hospital and request the Board of Trustees ensure such process comports with due process and all applicable legal requirements and further that it schedule such matters for consideration by the Board of Trustees and resolution at the April 26, 2000 Board of Trustees meeting.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS

Mr. Charleston noted he would like to go on record that Cape Fear Valley Hospital is owned by the taxpayers and there should be fairness in all matters.

MOTION: Commissioner Melvin offered a motion to adjourn.

SECOND: Commissioner King

VOTE; UNANIMOUS

Meeting adjourned at 9:10 AM.