

CUMBERLAND COUNTY FINANCE COMMITTEE  
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
JUNE 7, 2012 - 9:30AM  
MINUTES

MEMBERS PRESENT: Commissioner Kenneth Edge, Chairman  
Commissioner Jeannette Council

OTHER COMMISSIONERS  
PRESENT: Commissioner Jimmy Keefe

OTHERS: James Martin, County Manager  
Amy Cannon, Deputy County Manager  
James Lawson, Assistant County Manager  
Rick Moorefield, County Attorney  
Howard Abner, Assistant Finance Director  
Sally Shutt, Communication and Strategic Initiatives Manager  
Chico Silman, Risk Management Director  
Callie Gardner, Day Reporting Center  
Candice H. White, Clerk to the Board  
Press

ABSENT: Commissioner Ed Melvin

Commissioner Edge called the meeting to order.

1. APPROVAL OF MINUTES – MAY 3, 2012 REGULAR MEETING

MOTION: Commissioner Council moved to approve the minutes.  
SECOND: Commissioner Edge  
VOTE: UNANIMOUS (2-0)

2. DISCUSSION REGARDING VISION BENEFITS OFFERED UNDER OUR  
CAFETERIA BENEFIT PLAN

BACKGROUND:

At a recent regional meeting of the N.C. Association of County Commissioners, a presentation was given regarding a vision plan offered by Community Eye Care. Currently, the county does offer a vision plan through our cafeteria benefits plan and our vision plan provider is Superior Vision.

The county's cafeteria benefits plan is managed by Mark III Brokerage. The cafeteria benefits plan offers many products to employees; such as, dental, life insurance, cancer coverage, disability, etc. Each year Mark III Brokerage reviews the products which are

being offered to county employees as part of open enrollment each year. The county's goal is to offer its employees the best products available in the market at the lowest possible cost.

The plans offered by (Superior Vision) and Community Eye Care are very similar with one major difference in the materials (eye wear) allowance. As an example, Superior Vision covers the total cost of lenses for eyeglasses. Community Eye Care has an allowance for lenses up to \$130.

No changes were recommended regarding vision providers for the upcoming fiscal year. Based upon the review of vision benefits offered, and the monthly costs, it appears that Superior Vision provides more coverage for eyeglass lenses. We will continue to work with Mark III Brokerage to determine the most cost effective benefit solutions for county employees.

**RECOMMENDATION:**

Information only; no action is necessary.

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Amy Cannon, Deputy County Manager, reviewed the above background information. Ms. Cannon stated Superior Vision had a deeper provider network than Community Eye Care two years ago; however, it is believed that Superior Vision still has the greater provider network. James Martin, County Manager, confirmed cafeteria plan benefits are at the employees' option and expense. Chico Silman, Risk Management Director, responded to questions regarding employee participation in the cafeteria plan stating that 1,800 out of 2,400 employees participate in the cafeteria plan and approximately 300 participate in the vision plan. Mr. Silman stated Superior Vision upgraded its plan between 2010 and 2011 whereas Community Eye Care made no changes or upgrades. Mr. Silman stated Mark III Brokerage also works with Community Eye Care and is familiar with their products.

**3. UPDATE ON STATUS OF THE CAPITAL FINANCING FOR FAYETTEVILLE TECHNICAL COMMUNITY COLLEGE AS APPROVED IN THE FY2012 BUDGET**

**BACKGROUND:**

The Board of Trustees from Fayetteville Technical Community College (FTCC) requested funding in the amount of \$3,500,000 for major capital projects in their FY2012 budget request. These funds are needed to completely replace the aging mechanical systems for Lafayette Hall (\$2,500,000) and to replace the roofs on the YMCA building, Neil Currie Building, and the Library (\$1,000,000).

Their request was for the County to pursue options available to finance these capital costs. FTCC would then use their normal capital allocation and reimburse the county for the principal and interest payments. County Finance has been exploring alternatives for funding these needed improvements. At this point, the county believes the most viable

option is an installment financing plan. Since these improvements will “attach” to real property, this financing must be approved by the Local Government Commission (LGC).

FTCC has been gathering specifications for these projects over the last year and anticipate going out for bid in September or October, 2012. Indicated below is a tentative schedule for the proposed financing:

- June 18th Approval of a reimbursement resolution
- July Request for Proposal for bank financing
- August 6th BOCC calls for a public hearing on the proposed financing
- August 20<sup>th</sup> Public hearing on the financing
- September LGC approval

**RECOMMENDATION:**

Update only; therefore, no action is necessary.

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Ms. Cannon reviewed the above background information. Ms. Cannon explained the reimbursement resolution would allow that any prior expenses before the financing would be reimbursed by the financing. In response to a question from Commissioner Edge regarding rates, Ms. Cannon stated the county’s financial advisory performed a tentative review two weeks ago and rates were from 1.3% to 1.48%. Ms. Cannon stated rates have risen slightly since then but the hope is that they will come back down. Ms. Cannon stated this is why she believes installment financing is the most appropriate method. Ms. Cannon also stated the hope is that if the county can reach out in early July, it can obtain a thirty to sixty day lock. Ms. Cannon stated financing would be for five years. Consensus of the Finance Committee was for Ms. Cannon to proceed as presented.

**4. UPDATE REGARDING DAY REPORTING CENTER (DRC)**

James Lawson, Assistant County Manager, recalled the report he made at the May 3, 2012 meeting of the Finance Committee about the Criminal Justice Partnership Program (CJPP) being abolished and the Treatment for Effective Community Supervision (TECS) Program being created in place of the CJPP. Mr. Lawson stated the understanding at that time about the Request for Proposal (RFP) process for the TECS Program was that the DRC did not meet the criteria for administering the services which included 90% cognitive behavioral intervention (CBI), 10% substance abuse and the remainder administrative services.

Mr. Lawson stated since then he has learned that the RFP was pulled back and a new RFP was issued on June 5, 2012. Mr. Lawson stated he has been told that the DCR may be able to submit a grant application that will meet the criteria. Callie Gardner, Day Reporting Center, stated the services can be contracted and her staff are in the process of talking with the Alternative Care Treatment (ACT) and a state certified CBI facilitator with whom the DRC has been working. Ms. Gardner stated support services such as

transportation and General Educational Development (GED) will be put into the RFP which will be submitted on behalf of Cumberland County.

Mr. Lawson stated a lot of what had been thought would be counted as administrative services will in fact be counted as support services to the CBI and substance abuse which is acceptable. Ms. Gardner stated she will coordinate getting the contracts together before June 29, 2012. Mr. Lawson stated it will still change the way the DRC does business because the focus will be CBI and substance abuse. Mr. Martin confirmed the program would still be funded by a state grant. Mr. Lawson stated he has been told that there is no expectation for a lag in services but should something not be known by July 1, 2013, a contingency plan will be developed.

Commissioner Council asked about employees of the DRC and whether there would be a need for action by the Board. Mr. Martin stated there should be an understanding with the Board that should the program be awarded to the county, there may be a need to do some things during the month of July. Mr. Martin stated since the Board does not have a meeting in July, the budget for the program could be approved by the Board at its first meeting in August. Mr. Martin stated this arrangement would allow things to move forward without creating any disruptions. Questions and discussion followed.

MOTION: Commissioner Council moved to recommend to the full Board that it approve the submission of the grant application and if awarded, continue with implementation until such time as the Board meets and the financial piece can be put in place.  
SECOND: Commissioner Edge  
VOTE: UNANIMOUS (2-0)

## 5. REVIEW OF MONTHLY FINANCIAL REPORT

Howard Abner, Assistant Finance Director, reported with two months to go, spending is at 76.4% compared to 75.8% for this time last year. Mr. Abner stated there are no large or abnormal variances.

As it pertains to revenue, Mr. Abner stated Category 10 – Ad Valorem Taxes are still on track to collect about 101% of budget and motor vehicle taxes continue to do well. Mr. Abner stated \$1 million is the county's target. Mr. Abner stated for Category 20 – Other Taxes sales tax distributions were down \$672,000 in April due to the timing of refunds to non-profits. Mr. Abner stated in total sales taxes are \$846,848 above last year and he would project sales taxes to continue to out-perform last year. Mr. Abner stated with regard to Category 30 – Unrestricted Intergovernmental, the ABC Store 3.5% required distribution and store profits have caught up and are on target to hit the budgeted amount. Mr. Abner stated the first half of the sales tax equalization payments are above budget. For Category 40 – Restricted Intergovernmental, Mr. Abner stated the "other" line is low due to a number of grants that were budgeted but not expended. Mr. Abner stated for Category 50 – Licenses and Permits, the Register of Deeds is slightly above last year's but inspection permits continue to lag behind last year. With regard to Category 60 – Sales and Services, Mr. Abner stated this category is pretty much in line with last year.

Mr. Abner stated while the revenue collection is \$6.9 million greater than last year, the budget is also \$5 million more. With regard to the Crown Coliseum' operating revenue over operating expenses, Mr. Abner stated while all the numbers are in the negative, this year is showing a lesser loss than last year, \$453,737 to be exact, which means the Crown Coliseum is moving in the right direction. Mr. Abner responded to questions regarding the report.

#### 6. OTHER MATTERS OF BUSINESS

Commissioner Keefe asked whether there was a requirement that all agencies requesting money provide an audit to the county. Ms. Cannon stated only for those agencies with whom the county funds and has contracts. Mr. Martin stated the contract reflects the way the funds will be used. Commissioner Keefe asked whether the county reviewed the financial status of the agencies and/or looked at the need. Mr. Martin stated there may be an exception but that is generally the case.

There were no other matters of business.

There being no further business, the meeting adjourned at 10:30 a.m.