

CUMBERLAND COUNTY FINANCE COMMITTEE  
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
APRIL 3, 2014 - 9:30 AM  
MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman  
Commissioner Kenneth Edge

MEMBER ABSENT: Commissioner Billy King

OTHER COMMISSIONERS  
PRESENT: Chairman Jeannette Council

OTHERS: Amy Cannon, Interim County Manager  
James Lawson, Assistant County Manager  
Quentin McPhatter, Assistant County Manager  
Rick Moorefield, County Attorney  
Melissa Cardinali, Finance Director  
Sally Shutt, Chief Public Information Director  
Buck Wilson, Health Department Director  
Rodney Jenkins, Health Department Assistant Director  
Kendra Manning, Employee Wellness Coordinator  
Mark Browder, Mark III Brokerage Services  
Jeffrey Brown, Engineering and Infrastructure Director  
Julean Self, Human Resources Assistant Director  
Dan Domico, Human Resources Consultant  
Candice White, Clerk to the Board  
Press

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – MARCH 6, 2014 REGULAR MEETING

MOTION: Commissioner Edge moved to approve the minutes.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (2-0)

2. MEDICAL PLAN UPDATE

Amy Cannon, Interim County Manager, called on Mark Browder, Mark III Brokerage Services, for the presentation on the county's wellness strategies moving forward. Mr. Browder stated the purpose of his presentation is to provide information for the board of commissioners to consider amending the county's initial wellness program. Mr. Browder reviewed the following information on the county's medical plan performance:

## Medical Plan Performance

- The Cumberland County Wellness program is a dynamic and organic program designed to improve the health of the employees at Cumberland County.
- The goals and standards of the program may need to be flexible.
- The ultimate goal of employee health improvement remains in place.
- Accountability is an integral part of achieving overall employee health improvement.
- Since the program was created in the spring of 2013, several environmental factors have occurred, that require adjustments to the program.
  - Federal Wellness rules have changed.  
Using the physician solely as the alternate standard to qualify is no longer allowed.
  - Cape Fear Hospital System was uncomfortable tracking and reporting biometric results to the county (whether someone qualified or not).
  - The glucose biometric goal is being re-evaluated (whether fasting or non-fasting standards used)
- Given these structural challenges, a resetting of the program is required.
- In addition to reviewing clinic options, reviewing potential wellness partners will be part of this review process.
- Coming out of this bid process, the core partner will be identified and engaged.
- The spring 2014 screening will be deferred.
- Accountability standards will be re-engaged in the future, as a strategy for continued health improvement.
- In the end, the County needs an integrated partner, who is willing to support and efficiently facilitate the County's wellness goals.

Mr. Browder stated the bulk of the Request for Proposal (RFP) is written for a vendor to handle the screenings, coaching and tracking/reporting of data to the county. Mr. Browder stated having a more comprehensive review process is important to developing the right overall solution/package.

Commissioner Edge requested more specific information. Mr. Browder stated he wants to be sure the screening partner is willing to track and report results back to the county. Mr. Browder stated he also wants to make sure there is a good coaching solution in place for employees who are identified as at-risk and to make sure the clinic solution is responsive to and has the confidence of employees and can be both a partner in episodic care as well as help as a wellness resource. Mr. Browder also stated the partner should be able to report who did and did not qualify, identify health issues and integrate claims data to give a more global view.

Commissioner Edge asked whether it was still the intent for an employee who participates to get a reduced rate. Ms. Cannon responded in the affirmative and stated the intent is to reschedule the wellness fair as soon as possible through the Health Department with Cape Fear Valley Health System (CFVHS) to again set the base line for next year when there will be a comparison of the two. Ms. Cannon stated there will also

need to be creative measures taken relative to the timing of glucose screenings due to fasting requirements.

In response to a question posed by Commissioner Faircloth regarding improvements to the productivity of the clinic, Ms. Cannon stated during a meeting with Buck Wilson, Health Department Director, and Rodney Jenkins, Health Department Assistant Director, they expressed some frustration with the numbers but had some ideas about increasing participation; however, her hesitation in rolling it out is that it takes on a completely different mission than that originally created for the clinic. Ms. Cannon stated the clinic was created as a wellness piece and acute care clinic to save money for the employees and also to have a financial impact on the health plan. Ms. Cannon stated some employees cannot afford the co-pay and there is a great benefit to the clinic. Ms. Cannon stated she was hesitant to restructure the mission of the clinic in conjunction with the RFP in the event it needed to be changed again because this might create some confusion among employees.

Commissioner Edge stated the wellness clinic has been operating a year and asked whether there was data to determine whether the number of claims had been reduced. Mr. Browder stated he does not have the data but it will be built into the RFP process because it can be tracked through available software packages. Commissioner Edge stated that was the original intent of the program and if the county is to continue the program, it needs to know the results. Mr. Browder stated the original expectation was that CFVHS would be comfortable gathering the data, but it was not.

Commissioner Faircloth stated this presentation was intended as an update and more concrete results are expected at the May meeting. Ms. Cannon stated one of the things that can be done is to open a line of communication between Mr. Browder, Mr. Wilson and the clinic to try to enhance participation based on the mission as it currently stands. Ms. Cannon stated there are things that can be improved before the RFP is issued. Mr. Wilson stated data reflects about 50% of employees are participating, with library and Sheriff's staff participating at about 35%. Mr. Wilson stated his staff can go to the various county departments and speak with supervisors and their employees in an effort to increase participation. Mr. Wilson also stated it would be beneficial to know what percentage of employee participation is needed for the county to reach its target because this will also help determine the number of employees that have to be seen in the clinic.

### 3. APPROVAL OF THE LOCAL TOWN FEE RATE INCREASE FOR THE NORCRESS SANITARY SEWER SYSTEM

#### BACKGROUND:

There was a meeting of the NORCRESS Advisory Board and it was brought to the Public Utilities Division's attention that the Local Town Fee has not been increased since 2007. The Local Town Fee is used to defray the administrative costs incurred by the Towns of Godwin, Falcon and Wade for billing the NORCRESS customers. There have been increases in the cost of postage, printing, paper, etc., but the Local Town Fee has not increased to cover these costs.

The NORCRESS Advisory Board suggested the Local Town fee be increased from \$1.50 per customer per month to \$1.75 per customer per month.

**RECOMMENDATION/PROPOSED ACTION:**

The Engineering and Infrastructure Director, the NORCRESS Advisory Board and County Management recommend that the Finance Committee recommend to the NORCRESS Governing Board the new Local Town fee of \$1.75 per customer per month.

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Ms. Cannon called on Jeffrey Brown, Engineering and Infrastructure Director, who reviewed the background information and recommendation/proposed action as recorded above. Mr. Brown stated the effective date of the increase would be July 1, 2014.

**MOTION:** Commissioner Edge moved to approve the requested increase to \$1.75 to be effective July 1, 2014.  
**SECOND:** Commissioner Faircloth  
**VOTE:** UNANIMOUS (2-0)

**4. CONSIDERATION OF AN AMENDMENT TO TRANSPORTATION ENHANCEMENT GRANT FOR TRANSPORTATION MUSEUM AT AVERASBORO BATTLEFIELD**

**BACKGROUND:**

On May 1, 2000, the Board of Commissioners approved the County's participation in a grant agreement among the County, the Averasboro Battlefield Commission, Inc., and NCDOT for the restoration or preservation of historic elements of the Battlefield. The Battlefield Commission agreed to provide matching funds and manage the project. The County obligated to assure that all grant requirements were met. Budget revisions B05-267 and B05-267A were approved on February 7, 2005 to establish a separate fund for the grant funds received for this project in prior years. In the fall of 2013, the Battlefield Commission reported that it could not complete the project. The County, the Battlefield Commission, NCDOT and the Federal Highway Administration have engaged in discussions since that time to resolve the issues created by non-completion.

The Supplemental Agreement was negotiated by the parties. The Supplemental Agreement changes the scope of the project from developing a transportation museum to developing a scenic byway through the Battlefield Site. The Battlefield Commission is obligated to the sell the William Smith House through The Historic Preservation Foundation of North Carolina. The County is obligated to move the historic markers and prepare a driveway and parking site for the relocation of the markers. Bobby Howard has inspected the site and has determined that his crew can do this work. The County will remain obligated to maintain the marker site. If the terms of the Supplemental Agreement are met, the County will be relieved of any liability for the repayment of the grant funds.

**RECOMMENDATION/PROPOSED ACTION:**

County Manager and County Attorney recommend approval of the Supplemental Agreement.

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Ms. Cannon advised this items relates to an issue regarding the Averasboro Battlefield in which the county acts as the conduit for the grant. Rick Moorefield, County Attorney, reviewed the background information as recorded above and stated the Battlefield Commission is unable to complete the project and the agencies involved have agreed to change the scope of the project to be a scenic byway project rather than a transportation museum. Mr. Moorefield advised the county's obligation is to move the historic markers and prepare a driveway and parking site for the relocation of the markers with the county to remain obligated to maintain the marker site. Mr. Moorefield stated if everything falls into place, this will reduce the county's potential obligation from the \$430,000 grant reimbursement down to the cost of preparing the marker site and moving the markers which Bobby Howard has indicated his crew can do. Mr. Moorefield advised the Historic Preservation Foundation of North Carolina has indicated it will market the William Smith House property for sale to a private buyer and the option as proposed appears to be the only option at present. Mr. Moorefield responded to questions and explained the property has been divided into a one acre site for the historic markers and a two acre site for the William Smith House, which will be sold as a private residence subject to restrictive covenants. Mr. Moorefield stated that even though the Battlefield Commission would remain the property owner of the marker site, it had no source of revenue and the county will probably have to maintain the one acre site. Ms. Cannon explained no funds have been appropriated in the budget and the county will need to reimburse Solid Waste since it is an enterprise fund. Mr. Moorefield stated the cost will not likely exceed \$15,000. Mr. Moorefield stated although this is not a guarantee, it can probably work. Mr. Moorefield stated the NCDOT and the Federal Highway Commission are willing to continue to work with the county, and the supplemental agreement states that in the event the property is not sold with the fiscal year, they will negotiate an extension. Mr. Moorefield stated he does not believe there will be an expectation for the county to pay the money back.

MOTION: Commissioner Edge moved to approve the supplemental agreement.  
SECOND: Commissioner Faircloth  
VOTE: UNANIMOUS (2-0)

## 5. REVIEW OF MONTHLY FINANCIAL REPORT

### BACKGROUND:

The financial report is included as of February 28, 2014. Highlights include:

#### Revenues

- Ad valorem taxes: collections are consistent with the prior fiscal year
- Sales taxes: collections are currently 4% behind the prior year. At the existing pace revenue could be \$2,300,000 less than budget. We will continue to monitor as we expect a positive impact from internet sales beginning with the April distribution.
- Pet registration fees: 43.6% of budget has been collected as of February 28.

Expenditures

- Expenditures remain in line with budget and show no unusual patterns

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

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Melissa Cardinali, Finance Director, reviewed highlights of the February financial report as recorded above. Ms. Cardinali stated in last month's report an initial concern was highlighted about sales tax collections being behind the prior year and the February sales tax collections are not where the county would like for them to be. Ms. Cardinali stated collections are down in about one fourth of North Carolina counties while another fourth are experiencing an increase. Ms. Cardinali stated she does not have an explanation for this but is monitoring the situation. Ms. Cardinali stated there has not been a lot of feedback from the State on this revenue line. Ms. Cardinali stated the February report reflects six months of sales tax which is through December sales and January sales will be reported in April. Ms. Cardinali stated the county was just a little above budget last year and there may be an issue with the current budget being too optimistic. Ms. Cardinali cautioned that the county needs to remain aware but not alarmed. Ms. Cardinali stated the April report will be the first report reflecting the impact of Amazon internet sales and she is hopeful this will have a positive impact even though it will only reflect six months or halfway through the year. Ms. Cardinali stated the greatest impact will likely be to the county's use of one time funds in next year's budget and not necessarily a significant impact on the current year's budget. Ms. Cardinali stated she will keep the board apprised and not necessarily wait until the next meeting of the Finance Committee should she observe anything out of the ordinary.

Commissioners Edge and Faircloth asked that the Finance Committee continue to receive a financial summary of the Crown Center. Ms. Cardinali stated she would be sure it was included.

6. OTHER MATTERS OF BUSINESS

Commissioner Edge inquired regarding the schedule for budget meetings. Ms. Cannon stated the budget schedule is in the process of being coordinated and it should be submitted for consideration at the April 22<sup>nd</sup> board meeting. Ms. Cannon advised the intent is to introduce the recommended budget at a televised meeting.

Ms. Cannon recalled information received from the District Attorney about the position the county funds to help move individuals out of the jail system and stated she reviewed a draft of a document that will be disseminated to the full board.

Ms. Cannon called on James Lawson, Assistant County Manager, to provide an update on the Department of Social Services (DSS) classification and pay study. Mr. Lawson stated in September, 2013 recommendations were provided regarding Phase II positions in the Health Department and DSS. Mr. Lawson stated at that time, the plan was to delay approximately 220 income maintenance positions until December, 2014 because the positions were impacted by the NC FAST roll out. Mr. Lawson stated Human Resources began the study in January

working with the DSS director and her staff, and the process is completed and recommendations have been processed through the state level human resources; Brenda Jackson, DSS Director, was on board with the recommendations.

Mr. Lawson stated because challenges continue with the rollout of NC Fast, Ms. Jackson recognized the need to do something different and now has staff focused on recertification. Mr. Lawson stated because of this, the recommendation is to proceed with the Phase II positions effective May 4<sup>th</sup> with the exception of the 50 income maintenance positions that are focused on recertification. Mr. Lawson stated several counties have come to the same conclusion and have gotten the State to agree that before the universal worker concept can be implemented, counties need to have a core group of positions focused on recertification. Mr. Lawson stated January, 2015 is projected for the remaining 50 positions but they may be considered ahead of that time depending on feedback from Ms. Jackson.

Mr. Lawson stated the board allocated \$1.3 million to cover Phase II and the budget is well below the funding that was allocated; this includes the remaining 50 positions. A brief discussion followed.

Consensus of the Finance Committee was to schedule the three May committee meetings for May 8<sup>th</sup> pending communication with the Policy and Facilities committee chairs; committee meetings will be followed by a brief lunch and a meeting of the full board with The Mercer Group.

There being no further business, the meeting adjourned at 10:12 a.m.