

CUMBERLAND COUNTY FINANCE COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
JANUARY 5, 2017 – 9:30 AM
REGULAR MEETING MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Jimmy Keefe
Commissioner Jeannette Council

OTHER COMMISSIONERS PRESENT: Commissioner Glenn Adams
Commissioner Michael Boose
Commissioner Charles Evans
Commissioner Larry Lancaster

OTHERS: Amy Cannon, County Manager
Tracy Jackson, Assistant County Manager
Melissa Cardinali, Assistant County Manager
Sally Shutt, Governmental Affairs Officer
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Candice H. White, Clerk to the Board
Press

Commissioner Faircloth called the meeting to order.

1. ELECTION OF CHAIRMAN

MOTION: Commissioner Council moved to elect Commissioner Faircloth Chairman of the Finance Committee.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

2. APPROVAL OF MINUTES – DECEMBER 1, 2016 FINANCE COMMITTEE REGULAR MEETING

MOTION: Commissioner Council moved to approve the December 1, 2016 regular meeting minutes.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

3. APPROVAL OF BOND COUNSEL PURSUANT TO A REQUEST FOR PROPOSAL PROCESS

BACKGROUND:

A request for proposal for bond counsel was advertised in June 2016. A total of seven responses were received from various entities located across the state of North Carolina. County Attorney

Rick Moorefield, Assistant County Manager Melissa Cardinali and Finance Director Vicki Evans collectively reviewed the responses, selected three firms for interviews and conducted interviews in early December. Based on the responses to the requests for proposals, years and depth of experience and interview presentation, the interviewers ranked the firms in the following order:

1. Womble Carlyle – with representatives of the Raleigh office presenting
2. Parker Poe – with representatives of the Raleigh office presenting
3. McGuire Woods/Charleston Group – with a representative of the Raleigh office presenting for McGuire Woods and a representative of the Fayetteville office presenting for the Charleston Group

In terms of overall quoted costs, each proposal included examples of different financing types. Quotes by entity are as follows with the lowest for each type shown in green:

	Womble Carlyle	Parker Poe	McGuire Woods/ Charleston
Financing Type	Quoted Amount		
\$50M GO bonds	45,000	30,000	50,000
\$70M revenue bonds	60,000 - 75,000	70,000	60,000
\$50M COPs	60,000	55,000	45,000
\$10M installment	35,000	25,000	15,000
\$100M fixed GO bonds	55,000	40,000	50,000
\$100M LO bonds	60,000	70,000	45,000

During consideration of the interviews, the County Attorney noted the applicability of the policy of providing local preference for services. The policy states: *It is the policy of Cumberland County that all contracts for the provision of services in any amount and all contracts for the purchase of apparatus, materials, supplies and equipment in which the aggregate purchase price in any single contract is less than \$30,000 shall be awarded to local vendors or suppliers, to the greatest extent possible, in accordance with the further conditions set out herein.*

For the purpose of implementing this policy, local vendors or suppliers shall be those who demonstrate that they pay business personal or real property taxes to Cumberland County and are either self-employed residents of Cumberland County or employ at least one resident of Cumberland County as an employee or officer of the contracting business entity.

Even though McGuire Woods/Charleston Group was ranked lowest of the three firms that were interviewed, the interviewers found the following to be significant:

1. McGuire Woods/Charleston Group agreed that McGuire Woods would be the contact for all matters, make the determination as to the division of the county’s work between the two firms and invoice for all county work.

2. Although the Charleston Group is a small firm without resources comparable to the other firms that were considered, it is a Fayetteville firm with a local presence and significant community involvement which meets the requirements of the local preference policy.
3. McGuire Woods/Charleston Group proposed the lowest fees in four of the six categories.

For these reasons, the interviewers recommend McGuire Woods/Charleston Group as co-bond counsel.

RECOMMENDATION/PROPOSED ACTION:

Management recommends that the Finance Committee approve the bond counsel contract award to McGuire Woods/Charleston Group to serve as co-bond counsel and forward to the Board of Commissioners meeting for its consideration at the January 17, 2017 meeting.

Vicki Evans, Finance Director, reviewed the background information recorded above. Commissioner Faircloth inquired regarding the length of the proposed contract. Rick Moorefield, County Attorney, stated bond counsel will serve under the contract until either party determines to go its separate way. Commissioner Faircloth asked how many bonds the county would likely go out for over the next five years and whether the proposed contract covers the county's current indebtedness. Ms. Evans stated there will be a \$10 million installment this fiscal year for financing of the Capital Improvement Plan. Ms. Cannon stated this needs to be moved forward so the County needs to have bond counsel in place. Additional questions followed.

MOTION: Commissioner Council moved to go into closed session for Attorney Client Matters pursuant to NCGS 143-318.11(a)(3).

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS (3-0)

MOTION: Commissioner Council moved to reconvene in open session.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (3-0)

MOTION: Commissioner Keefe moved to approve bond counsel for the County and authorize management to negotiate with McGuire Woods/Charleston Group for the bond counsel contract award.

SECOND: Commissioner Council

VOTE: UNANIMOUS (3-0)

4. MONTHLY FINANCIAL REPORT

BACKGROUND:

The financial report is included as of November 30, 2016. Highlights for the general fund include:

- Revenues
 - Current real and personal property taxes continue at a pace similar to past years
 - Motor vehicle tax revenues are slightly higher compared to last fiscal year.
 - Sales tax is lower compared to last fiscal year. The state is also experiencing less tax revenue than what was projected. Staff continually monitor these revenues, however it is still early in the fiscal year to project negative growth for the year.
- Expenditures
 - Consistent with last month's report, overall general fund expenditures are lower compared with the same timeframe last fiscal year
- Crown center expense summary/prepared food and beverage and motel tax
 - Consistent with last month's report, Spectra is reporting slightly less overall operating expense compared with the same timeframe last fiscal year

RECOMMENDATION/PROPOSED ACTION:

No action needed – for information purposes only.

Ms. Evans reviewed highlights of the report recorded above. Ms. Evans referenced state tax revenue being less than what was projected and stated what is not included in the report is that the County received a report from the Department of Revenue for September collections, which will be reflected on December's report, and the County's sales tax revenues are higher than they were at the same point in the last fiscal year.

5. OTHER ITEMS OF BUSINESS

There were no other items of business.

Ms. Cannon stated in October after Hurricane Matthew, tax appraisers went into the field to examine damage to homes and to perform assessments. Ms. Cannon also stated on December 28, 2016 following the holiday break, tax appraisers returned to the field to review the roughly 1,000 homes that incurred some amount of damage to determine the percentage completion as of January 1, 2017. Ms. Cannon stated this is a critical piece of information for the revaluation. Ms. Cannon stated the current plan is for Joe Utley, Tax Administrator, to provide a presentation at the February 2, 2017 meeting of the Finance Committee so there will be an opportunity for the Board to pose questions and seek clarification.

MOTION: Commissioner Council moved to adjourn.
SECOND: Commissioner Keefe
VOTE: UNANIMOUS (3-0)

There being no further business, the meeting adjourned at 10:00 a.m.