

**Cleveland County Board of Commissioners**

**April 4, 2023**

The Cleveland County Board of Commissioners met on this date, at the hour of 6:00 p.m. in the Commission Chambers of the Cleveland County Administrative Offices.

**PRESENT:** Kevin Gordon, Chairman  
Ronnie Whetstine, Vice-Chair  
Johnny Hutchins, Commissioner  
Doug Bridges, Commissioner  
Deb Hardin Commissioner  
Tim Moore, County Attorney *via teleconference*  
Todd Carpenter, Interim County Manager  
Phyllis Nowlen, Clerk to the Board  
Martha Thompson, Deputy County Attorney  
Sheriff Alan Norman  
Kerri Melton, Assistant County Manager  
Katie Swanson, Social Services Director  
Chris Martin, Planning Director  
Sherry Lavender, Tax Assessor  
Betsy Harnage, Register of Deeds  
Allison Mauney, Human Resources Director  
Tiffany Hansen, Health Department Director  
Scott Bowman, Maintenance Director  
Jason Falls, Business Development Director  
Tommy McNeilly, Emergency Medical Services Director

**CALL TO ORDER**

Chairman Gordon called the meeting to order and Small Business Center Director Steve Padgett led the audience in the Pledge of Allegiance and provided the invocation.

**AGENDA ADOPTION**

**ACTION:** Commissioner Whetstine made the motion, seconded by Commissioner Hutchins and unanimously adopted by the Board to, ***approve the agenda with the following amendment:***

- ***Remove item G from the consent agenda – Planning Department Case 23-05; request to set a public hearing for Tuesday, May 2, 2024, request to rezone property at 410 Davis Road from Residential (R) to Neighborhood Business – Conditional Use (NB-CU).***

**SPECIAL RECOGNITION**

Chairman Gordon called Katie Swanson, Social Services Director, to the podium to speak about Child Abuse Prevention Month. Ms. Swanson stated the importance of child abuse prevention and awareness. She reviewed the programs and goals the Social Services Department continues to grow and improve to ensure the safety of all the children in Cleveland County. The following proclamation was presented to Ms. Swanson and her staff.



## Proclamation

01-2023

### Child Abuse Prevention Month 2023

**Whereas**, while children are vital to our state's future success, prosperity, and quality of life they are also the most vulnerable members of our society; and

**Whereas**, the problem of child abuse and neglect affects many of Cleveland County's children and has reached epidemic proportions in North Carolina with over **99,500 children** reported abused, neglected or dependent last year; and

**Whereas**, last year Cleveland County Department of Social Services had over **1,900 children** reported abused, neglected, or dependent; and

**Whereas**, preventing child abuse and neglect is a community responsibility that affects both the current and future quality of life of our community; and

**Whereas**, effective child abuse strategies succeed because of the partnerships created among individuals and families, human service agencies, schools, faith communities, health care providers, civic organizations, law enforcement agencies, and business community; and

**Whereas**, every child has a right to a safe, healthy, nurturing environment; and community action is needed to help prevent child abuse so all children can have the opportunity to reach their potential; we call upon community to increase their participation in efforts to support families, thereby preventing child abuse and strengthening the communities in which we live:

**Now Therefore, Be it Resolved**, that Cleveland County Board of Commissioners hereby proclaims the month of April 2023 as Child Abuse Prevention Month and calls upon every citizen to join the child protection organizations, groups, and individuals in observance of the month with appropriate education and prevention of child abuse.

Adopted this the 4th Day of April 2023.

  
Kevin Gordan, Chairman

  
Ronnie Whetstone, Vice-Chairman

  
Johnny Hutchins, Commissioner

  
Doug Bridges, Commissioner

  
Deb Hardin, Commissioner



## CITIZEN RECOGNITION

**Robert Williams, 814 E. Stagecoach Trl, Fallston** – spoke about the regular agenda item, State of the County Health Report, and his opinion on the health of the county.

## CONSENT AGENDA

### APPROVAL OF MINUTES

The Clerk to the Board included the Minutes from the **March 21, 2023** regular Commissioners' meeting in Board members' packets.

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and passed unanimously by the Board to, ***approve the minutes as written.***

### FINANCE DEPARTMENT: BUDGET TRANSFER SUMMARY

As required by North Carolina General Statute §159-15, all internal transfers shall be submitted to the Board of Commissioners. The budget transfer summary from March 14, 2023 through March 23, 2023 is included in Commissioner packets.

**ACTION:** Commissioner Hardin made a motion, seconded by Commissioner Bridges, and passed unanimously by the Board to, ***approve the budget transfer summary as presented.***

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT #	DEPT TO NAME	DEPT #	DEPT FROM NAME	EXPLANATION	BUDGET AMOUNT
1489	D	3/14/2023	10.423	Human Resources			Move funds to cover drug screenings	\$ 10,000
1490	D	3/14/2023	10.412	Manager's Office			Move funds to cover telecommunications	\$ 1,500
1491	D	3/15/2023	40.210	IT			Move funds to cover purchase of parcel #17939	\$ 113,926
1492	D	3/15/2023	10.423	Finance			Move funds to cover contracted services	\$ 5,000
1493	D	3/16/2023	60.651	Property/Liability			Move funds to cover ins claims-property	\$ 8,238
1494	D	3/16/2023	10.449	Electronic Maintenance			Move funds to cover controlled property exp	\$ 516
1495	D	3/16/2023	10.611	Library			Move funds to cover staff awards/appreciation	\$ 300
1496	D	3/16/2023	10.422	Travel & Tourism			Move funds to cover dues/subscriptions	\$ 900
1497	D	3/16/2023	10.495	Cooperative Ext			Move funds to cover dept supplies, professional servs; meeting exps	\$ 2,522
1498	D	3/16/2023	10.441	Sheriff's Office			Move funds to cover professional services	\$ 1,000
1499	D	3/16/2023	10.440	School Resource Officers			Move funds to cover capital equipment	\$ 49
1500	D	3/16/2023	10.448	Communications			Move funds to cover departmental supplies and postage	\$ 1,050
1501	D	3/16/2023	11.506	DSS Admin			Move funds to cover pharmacy fees	\$ 91
1502	D	3/16/2023	10.446	EMS	10.447	EMS Transition	Move funds to cover automotive supplies, telecommunications and advertising	\$ 24,895
1503	D	3/16/2023	12.534	School Health			Move funds to cover capital equipment, telecommunications, advertising/promotions, contracted services and awards/appreciation	\$ 132,046
1504	D	3/16/2023	10.445	Emergency Management			Move funds to cover departmental supplies	\$ 3,000
1505	D	3/16/2023	12.550	Primary Care			Move funds to appropriate accounts for Primary Care Launch	\$ 2,411,701
1506	D	3/17/2023	54.473	SW Landfill			Move funds to cover automotive supplies and off road vehicle supplies	\$ 37,500
1507	D	3/20/2023	54.473	SW Landfill			Move funds to cover controlled property exp	\$ 850
1508	D	3/20/2023	54.473	SW Landfill			Move funds to cover capital equip-major repair	\$ 55,622
1509	D	3/21/2023	12.532	Health-TB/STD/CD			Move funds to cover controlled property expense	\$ 805
1510	D	3/21/2023	10.446	EMS			Move funds to cover contracted services	\$ 11,417
1511	D	3/21/2023	40.210	Capital Projs-General			Move funds to cover purchase of parcel #17939	\$ 38,689
1512	D	3/21/2023	10.445	Emergency Management			Move funds to cover utilities	\$ 30
1513	D	3/22/2023	60.651	Property/Liability			Move funds to cover insurance claim repairs	\$ 5,000
1514	D	3/22/2023	055.480	LeGrand Center			Move funds to cover equipment repairs	\$ 1,261
1515	D	3/22/2023	013.660	Employee Wellness			Reverse temp budgets # 1412, 1419, 1423	\$ 104,500
1516	D	3/23/2023	065.981	Property/Liability			Move funds to cover insurance claim repairs	\$ 6,708
1517	D	3/23/2023	11.504	DSS Social Work (Title XX)			Move funds to cover contracted labor	\$ 10,000

**REGISTER OF DEEDS: BUDGET AMENDMENT (BNA #052)**

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, *approve the following budget amendment:*

Account Number	Project Code	Department/Account Name	Increase	Decrease
010.419.4.350.00		Register of Deeds/State Govt Grants	\$2,166.00	
010.419.4.810.00		Register of Deeds/Donations-Contributions	\$2,166.00	
010.419.5.490.00		Register of Deeds/Professional Services	\$4,332.00	

*Explanation of Revisions:* Budget allocation for \$4,332 in grant monies received from the North Carolina Office of the Governor (FY22 RD Grant) and a donation from the Historic Shelby Foundation. Funds will be used for book preservation.

**SHERIFF'S OFFICE: BUDGET AMENDMENT (BNA #053)**

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, *approve the following budget amendment:*

Account Number	Project Code	Department/Account Name	Increase	Decrease
010.440.4.810.43		Sheriff's Office/STAR Program Summer Camp	\$4,600.00	
010.440.5.790.43		Sheriff's Office/STAR Program Summer Camp	\$4,600.00	

*Explanation of Revisions:* Budget allocation for \$4,600 in donated funds received to date to be used for the STAR summer camp expenses.

**HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #054)**

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, *approve the following budget amendment:*

Account Number	Project Code	Department/Account Name	Increase	Decrease
012.548.4.410.00		CODAP/Local and Other Grants	\$20,000.00	
012.548.5.581.00		CODAP/Awards-Incentives	\$20,000.00	

*Explanation of Revisions:* Budget allocation for \$20,000 in grant funds from Kintegra to partner with them to address opioid disorder and overdoses in Cleveland County through the Health Resources and Services

Administration (HRSA) Rural Communities Opioid Response (RCORP) grant. These funds will support purchasing and distributing naloxone (Narcan) to first responders and community partners.

**FINANCE DEPARTMENT: BUDGET AMENDMENT (BNA #055)**

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, ***approve the following budget amendment:***

<i>Account Number</i>	<i>Project Code</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
060.651.4.840.00		Property-Liability/Insurance Settlement	\$50,000.00	
060.651.5.586.03		Property-Liability/Ins Claims Auto	\$20,000.00	
060.651.5.586.63		Property-Liability/Ins Claims-In House	\$30,000.00	

**Explanation of Revisions:** Budget allocation for \$50,000 for insurance proceeds to cover vehicle repairs.

**PLANNING DEPARTMENT: REQUEST TO SET A PUBLIC HEARING FOR TUESDAY, MAY 2, 2023 FOR CASE 23-06, REQUEST TO REZONE PROPERTY AT 1129 CHERRYVILLE ROAD FROM NEIGHBORHOOD BUSINESS (NB) TO GENERAL BUSINESS (GB)**

The applicant, Stephen Jones, requests to rezone parcel 62086 from Neighborhood Business (NB) to General Business (GB). Parcel 62086 is 2.57 acres located at 1129 Cherryville Road in Shelby. The surrounding zoning is a mix of Neighborhood Business (NB), General Business (GB), Restricted Residential (RR), and R20 Residential (Shelby ETJ). The property also falls within the highway corridor. Surrounding uses are single-family dwellings and various commercial projects along Cherryville Road. The Land Use Plan calls this area Future Primary Growth.

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, ***approve setting the public hearing as presented.***

**REGULAR AGENDA**

**STATE OF THE COUNTY HEALTH REPORT AND NATIONAL PUBLIC HEALTH WEEK 2023**

Chairman Gordon recognized Health Department Director Tiffany Hansen to present the State of the County Health Report (SOTCH) and National Public Health Week 2023. In alignment with North Carolina General Statute §130A Accreditation Standards for Local Health Departments, the 2022 State of the County Health Report is an update on the health of Cleveland County presented to the Board for review and discussion.

SOTCHs are published annually after completing the Community Health Assessments (CHA) and include county-specific and state data to report the progress on performance measurement. Three measures for monitoring local performances include:

- How much was done?
- How well was it completed?
- Is anyone better off?

The 2022 SOTCH outlines strategies the Health Department has identified through the most recent Community Health Assessment, conducted in 2019. Community Health Assessments (CHA) are completed every four years. Cleveland County's next assessment will occur in 2023. CHAs provide a foundation for improving and promoting the health of the community. Its purpose is to:

- Identify factors affecting the health of a population



- Determine the availability of resources to address health factors
- Provides a basis for discussion and action

The Community Health Improvement Plans (CHIP) focus on at least two health priorities identified in the CHA. Each CHIP must relate to one or more Healthy North Carolina 2030 indicators and are formatted using the Results-Based Accountability Model:

- Results statement – picture of where the county would like to be
- Indicators – local and state data – measure how the staff is doing
- Programs implemented to address priorities
- Key performance measures for programs

The two priority focuses selected as part of the CHIP for this cycle were tobacco utilization and cessation and teen births/pregnancies. Health Department staff have established a strategic plan to address tobacco utilization/cessation. The plan includes:

- Develop, implement and maintain a comprehensive tobacco messaging program
- Facilitate delivery of multiple options for tobacco cessation programming for county residents
- Develop, implement and maintain episodic programming to target populations

The youth strategies in place to assist with lowering teen tobacco and vaping usage includes:

- Deliver a range of early intervention/diversion programs either in person or virtually to students who have violated tobacco-free policies established by the school system.
- Develop, implement and maintain a comprehensive tobacco messaging program directed to youth
- Work with school nurses to refer students to age-appropriate tobacco cessation programming offered by physician practices and/or public health providers to reduce nicotine dependence.
- Develop, implement and maintain episodic programming to targeted youth populations

Strategies to focus on teen birth includes:

- Maintain/enhance the delivery of medically accurate, culturally appropriate comprehensive reproductive health and safety educational programs
- Identify and engage in opportunities to deliver reproductive health and safety education
- Maintain and enhance the work of the Teen Pregnancy Prevention
- Maintain and enhance the work of the Strong Teens Youth Council
- Design and deliver a community campaign regarding teen pregnancy and teen births

The Board was provided with updated metrics, programmatic updates, partner relationships, and areas that have impacts throughout the 2022 year, as well as emerging issues. The following information and PowerPoint were presented to the Commissioners. *(a full copy of the 2022 State of the County Health Report (SOTCH) is on file in the Clerk's Office and the Cleveland County Health Department).*

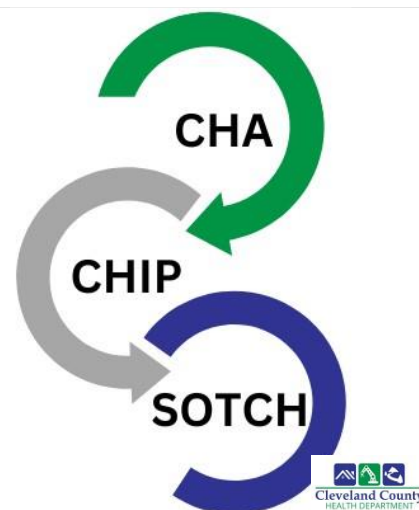
## 2022 State of the County Health Report (SOTCH)

Tiffany Hansen



### Data Collection composed of 4 year cycle

- Community Health Assessment (CHA)
- Community Health Improvement Plans (CHIP)
- State of the County Health Report (SOTCH)/HNC2030 Scorecard



## Community Health Assessment (CHA)

- Once every 4 years
- Foundation for improving and promoting the health of the community
- Purpose:
  - Identify factors affecting the health of a population
  - Determine availability of resources to address health factors
  - Provides basis for discussion and action



## Community Health Improvement Plans (CHIP)

- Focus on at least two health priorities identified in the CHA
- Each CHIP must relate to one or more Healthy North Carolina 2030 indicators
- Formatted using the Results -Based Accountability Model
  - Results statement – picture of where we would like to be
  - Indicators – local and state data – measures how we are doing
  - Programs implemented to address priorities
  - Key performance measures for programs



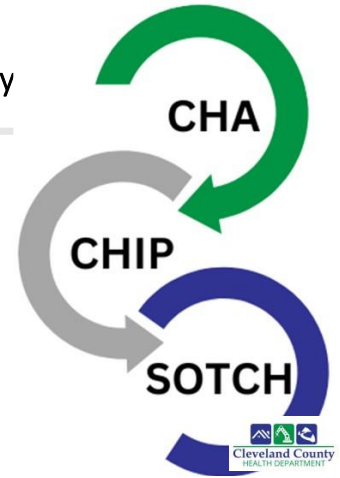
## State of the County Health Report (SOTCH)

- Published annually after completing CHA
- Now includes HNC 2030 Scorecard
- Includes county-specific and state data to report progress on performance measures
- Three measures for monitoring local performance included:
  - How much did you do?
  - How well did you do it?
  - Is anyone better off?



## Priorities for Cleveland County

- Tobacco Utilization/Cessation
- Teen Births



## Strategic Plan for Tobacco Utilization/Cessation

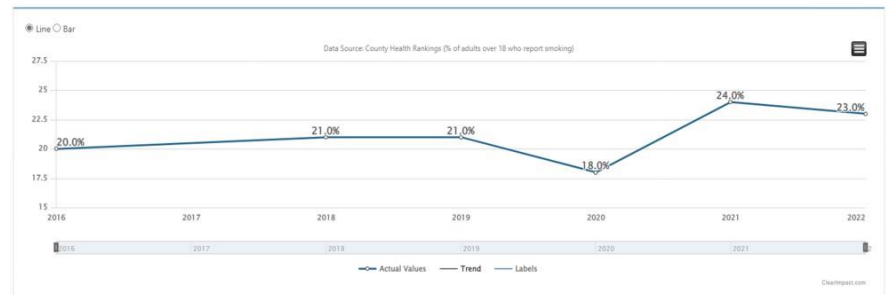
- Develop, implement and maintain a comprehensive tobacco messaging program
- Facilitate delivery of multiple options for tobacco cessation programming for county residents
- Develop, implement and maintain episodic programming to target populations

### Partners:

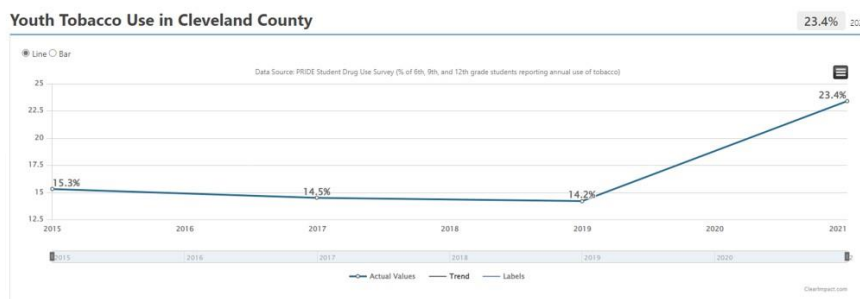
CCHD Staff  
Public Health Board of Cleveland County  
Substance Abuse Prevention Coalition  
Atrium  
Centers for Disease Control and Prevention  
NC Tobacco Prevention Control Branch



## Adult Tobacco Use in Cleveland County



## Youth Tobacco Use in Cleveland County



## Youth Strategies

- Deliver a range of early intervention/diversion programs either in person or virtually to students who have violated tobacco-free policies established by the school system.
- Develop, implement and maintain a comprehensive tobacco messaging program directed to youth
- Work with school nurses to refer students to age-appropriate tobacco cessation programming offered by physician practices and/or public health providers to reduce nicotine dependence.
- Develop, implement and maintain episodic programming to targeted youth populations

### Partners:

CCHD Staff  
Cleveland County Schools faculty, staff and administration  
Cleveland County Schools students, parents, guardians  
Substance Abuse Prevention Coalition  
Public Health Board  
NC Tobacco Prevention Control Branch  
Partners Behavioral Health  
Drug Free Communities Grant Program  
Atrium



## Teen Birth Strategies

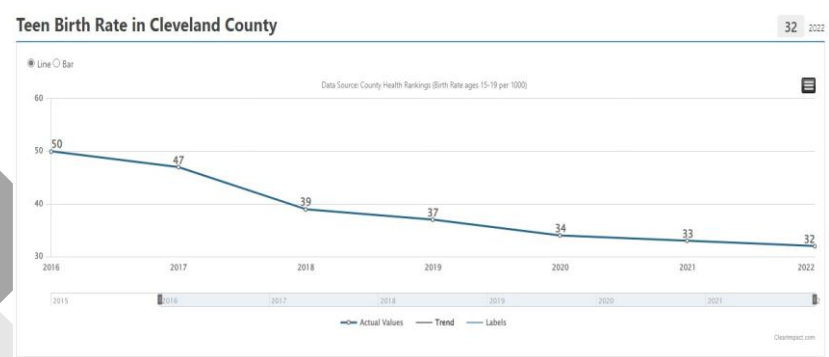
- Maintain/enhance the delivery of medically accurate, culturally appropriate comprehensive reproductive health and safety educational programs
- Identify and engage in opportunities to deliver reproductive health and safety education
- Maintain and enhance the work of the Teen Pregnancy Prevention
- Maintain and enhance the work of the Strong Teens Youth Council
- Design and deliver a community campaign regarding teen pregnancy and teen births using multiple media formats.

### Partners:

CCHD Staff  
Public Health Board  
Cleveland County School faculty and administration  
Teen Pregnancy prevention Coalition members  
Minority Health Council  
Community stakeholders in health and human service agencies  
NC Teen Pregnancy Prevention Initiative staff members



## Teen Birth Rate in Cleveland County



Chairman Gordon opened the floor to the Board for questions and comments. Commissioner Hutchins asked

Mrs. Hansen to give an update on the mobile health buses and telemedicine in schools. Mrs. Hansen shared:

Cleveland County and Cleveland County Schools has expanded telemedicine to all elementary schools in the

county via Atrium over the last two years. She spoke of the positive impacts telemedicine has on the children and

community. In addition, Atrium Health has deployed one community mobile health bus that will be stationed at Washington Ministries outreach once a week.



Mrs. Hansen then spoke about National Public Health Week. Public health has continually impacting community health throughout the country. This year, it is essential to celebrate public health week's focus on "Centering and Celebrating Cultures of Health." Board members thanked Mrs. Hansen for the information and the hard work she and her department continue to do for the citizens of Cleveland County. The following proclamation was presented to Mrs. Hansen.



**OPIOID SETTLEMENT AGREEMENT**

Chairman Gordon called Deputy County Attorney Martha Thompson to present the Opioid Settlement Agreement. 76 NC Counties and eight NC municipalities filed lawsuits in federal court to hold accountable several companies involved in manufacturing, marketing, promoting, and distributing prescription opioid drugs. The



federal cases, including roughly 3,000 lawsuits from nearly every state, have been consolidated into Multi-District Litigation (MDL). An initial National Settlement Agreement with some of the companies involved in the MDL was reached in late 2021. Cleveland County's apportioned share was roughly \$7.2 million to be paid over eighteen years. The first of those funds was received last summer. Under the leadership of Health Director Tiffany Hansen, Cleveland County has been developing programs and partnerships for which the funds may be utilized. These special revenue funds are subject to audits, annual financials, and impact reports related to using the funds to address the epidemic.

First-wave funds must be used only on opioid remediation activities, including the following evidence-based, high-impact strategies to address the epidemic including:

- evidence-based addiction treatment
- recovery support services
- recovery housing
- employment-related services
- early intervention programs
- naloxone distribution
- post-overdose response teams
- syringe service programs
- criminal justice diversion programs
- addiction treatment for incarcerated persons
- reentry programs

Twenty-one billion in national settlements were released in November and December 2022 with CVS, Walgreens, Walmart, Allergan, and Teva ("Wave Two Settlements"). These Wave Two Settlements have the potential to bring significantly greater resources across North Carolina to address the opioid epidemic. North Carolina's state and local governments stand to receive more than \$600 million over 15 years from the Wave Two Settlements.

North Carolina counties and municipalities have until April 18, 2023, to agree to participate in these new settlements. North Carolina will receive its full share of payments only if all eligible governments sign onto each settlement. If North Carolina achieves the same 100% participation by counties and larger municipalities, funds from the Wave Two Settlement should start arriving in North Carolina during the second half of 2023.

The Supplemental Agreement for Additional Funds (SAAF) extends to the Wave Two Settlements which Cleveland County entered into in 2021. This means that funds are limited for the same type of opioid remediation activities delineated in the 2021 Memorandum of Agreement (MOA). Like the MOA, this settlement has the support of the North Carolina Department of Justice, the North Carolina Association of County Commissioners (NCACC), and the North Carolina League of Municipalities (NCLM). Cleveland County's projected allocated share for this Second Wave is \$5,774,440.09. When combined with the First Wave funds of \$7,213,741.97, it totals \$12,988,182.06.

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Whetstone, and unanimously approved by the Board to, *adopt the resolution directing Interim County Manager Todd Carpenter*



*to sign the Supplemental Agreement for Additional Funds (SAAF) for Additional Settlement Funds distribution on behalf of Cleveland County.*



## Resolution

08-2023

**RESOLUTION BY THE COUNTY OF CLEVELAND, NORTH CAROLINA  
AUTHORIZING EXECUTION OF OPIOID SETTLEMENTS AND APPROVING THE  
SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS BETWEEN THE STATE OF  
NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE  
SETTLEMENT OF OPIOID LITIGATION**

**WHEREAS**, the opioid overdose epidemic had taken the lives of more than 32,000 North Carolinians (2000-2021);

**WHEREAS**, the COVID-19 pandemic has compounded the opioid overdose crisis, increasing levels of drug misuse, addiction, and overdose death; and

**WHEREAS**, the Centers for Disease Control and Prevention estimates the total economic burden of prescription opioid misuse alone in the United States is \$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

**WHEREAS**, certain counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid manufacturers, pharmaceutical distribution companies, and chain drug stores to hold those companies accountable for their misconduct; and

**WHEREAS**, settlements have been reached in litigation against Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co., as well as their subsidiaries, affiliates, officers, and directors named in these Settlements; and

**WHEREAS**, representatives of local North Carolina governments, the North Carolina Association of County Commissioners, and the North Carolina Department of Justice have negotiated and prepared a Supplemental Agreement for Additional Funds (SAAF) to provide for the equitable distribution of the proceeds of these settlements; and

**WHEREAS**, by joining the settlements and approving the SAAF, the state and local governments maximize North Carolina's share of opioid settlement funds to ensure the needed resources reach communities, as quickly, effectively, and directly as possible; and

**WHEREAS**, it is advantageous to all North Carolinians for local governments, including Cleveland County and its residents, to sign onto the settlements and SAAF and demonstrate solidarity in

response to the opioid overdose crisis, and to maximize the share of opioid settlement funds received both in the state and this county to help abate the harm; and

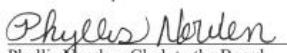
**WHEREAS**, the SAAF directs substantial resources over multiple years to local governments on the front lines of the opioid overdose epidemic while ensuring that these resources are used in an effective way to address the crisis;

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Cleveland County hereby authorizes the County Manager to execute all documents necessary to enter into opioid settlement agreements with Walmart, Walgreens, CVS, Allergan, and Teva, to execute the SAAF, and to provide such documents to Rubris, the Implementation Administrator.

Adopted this the 4<sup>th</sup> day of April, 2023.

  
Kevin Gordon, Chairman  
Cleveland County Board of Commissioners

ATTEST:

  
Phyllis Nowlen, Clerk to the Board  
Cleveland County Board of Commissioners



## Supplemental Agreement for Additional Funds from Additional Settlements of Opioid Litigation

### I. PURPOSE

The purpose of this Supplemental Agreement for Additional Funds (“SAAF”) is to direct Additional Funds from Additional Settlements of opioid litigation to the state of North Carolina and local governments in a manner consistent with the Memorandum of Agreement (“MOA”) Between the State of North Carolina and Local Governments on Proceeds Relating to the Settlement of Opioid Litigation that has governed the distribution of Opioid Settlement Funds to the State and its Local Governments since May 2022.

This SAAF does not change the scope or meaning of the MOA with respect to Opioid Settlement Funds governed by the MOA. Instead, this SAAF applies the terms of the MOA – with certain clarifications noted below – to the Additional Settlements and Additional Funds described below.

### II. SCOPE

A. Scope of the MOA. Under the terms of the MOA, the MOA governs Opioid Settlement Funds from:

1. The National Settlement Agreement with the drug distributors Cardinal, McKesson, and AmerisourceBergen and the drug maker Johnson & Johnson and its subsidiary Janssen Pharmaceuticals; and
2. The Bankruptcy Resolution with Mallinckrodt; any Bankruptcy Resolution with Purdue; and any other Bankruptcy Resolution as the term “Bankruptcy Resolution” is defined in the MOA.

B. Scope of this SAAF. This SAAF governs Additional Funds from the Additional Settlements with Additional Settling Defendants Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co., as well as their subsidiaries, affiliates, officers, and directors named in the Additional Settlements.

### **III. APPLICATION OF THE MOA TO ADDITIONAL SETTLEMENTS AND FUNDS**

The MOA, which is incorporated herein by reference, governs Additional Settlements and Additional Funds in every respect, except as set forth hereinbelow. In the event of any conflict between the MOA and this SAAF, with respect to Additional Settlements and Additional Funds, the provisions of this SAAF shall take precedence.

#### **A. Definitions.**

1. The definitions used in the MOA are incorporated by reference into this SAAF.
2. "Additional Funds" shall mean all funds allocated by the Additional Settlements to the State or Local Governments for purposes of opioid remediation activities, as well as any repayment of those funds and any interest or investment earnings that may accrue as those funds are temporarily held before being expended on opioid remediation strategies. Not included are funds made available in Additional Settlements for the payment of the Parties' litigation expenses or the reimbursement of the United States Government.
3. "Additional Settlements" means a national opioid settlement agreement with the Parties and one or more of the Additional Settling Defendants concerning alleged misconduct in manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic.
4. "Additional Settling Defendants" means the defendants listed in section II.B of this SAAF.
5. "Local Counsel" means legal counsel and law firms who have a principal office in North Carolina and represented one or more North Carolina counties and municipalities in litigation against one or more Additional Settling Defendant concerning opioids.
6. "National Counsel" means legal counsel and law firms who have a principal office outside of North Carolina and represented various North Carolina counties and municipalities in litigation against one or more Settling Defendant or Additional Settling Defendant concerning opioids.
7. "Required Local Governments" means all North Carolina counties and municipalities that have filed litigation against any of the Settling Defendants or Additional Settling Defendants.

#### **B. Allocation of Additional Funds**

1. Method of distribution. Pursuant to any Additional Settlements, Additional Funds shall be distributed directly to the State, Local Governments, and Local Counsel for such uses as set forth in the MOA and this SAAF, provided Opioid Settlement Funds shall not be considered funds of the State, any Local Governments, or any Local Counsel unless and until such time as each distribution is made.
2. Overall allocation of funds. Additional Funds shall be allocated as follows with respect to each payment from the Additional Settling Defendants: (i) 15% directly to the State ("State Additional Abatement Fund"), (ii) 84.62% to abatement funds established by Local Governments ("Local Additional Abatement Funds"), and (iii) 0.38% to a Local Counsel Fee Fund described in section IV of this SAAF.
3. The allocation of Local Additional Abatement Funds between Local Governments shall be as described in MOA section B.3. However, to the extent required by the terms of an Additional Settlement, the proportions set forth in MOA Exhibit G shall be adjusted: (i) to provide no payment from an Additional Settlement to any listed county or municipality that does not participate in the Additional Settlement; and (ii) to provide a reduced payment from an Additional Settlement to any listed county or municipality that signs onto the Additional Settlement after the deadline specified by the Additional Settlement.
4. Municipal allocations of Local Additional Abatement Funds shall be as described in MOA section B.4. Consistent with the manner in which MOA section B.4.b has been interpreted by the parties to the MOA with respect to Opioid Settlement Funds, a municipality that directs Local Additional Abatement Funds to the county or counties in which it is located pursuant to MOA section B.4 shall be relieved of any reporting or other obligations under the MOA with respect to the redirected funds.
5. The use of Additional Funds for opioid remediation activities shall be as described in MOA section B.5.
6. All Parties acknowledge and agree the Additional Settlements will require a Local Government to

release all its claims against the Additional Settling Defendants to receive Additional Funds. All Parties further acknowledge and agree based on the terms of the Additional Settlements, a Local Government may receive funds through this SAAF only after complying with all requirements set forth in the Additional Agreements to release its claims.

#### C. Payment of Litigating and Non-Litigating Parties

No party engaged in litigating the MDL Matter shall receive a smaller payment than a similarly situated non-litigating Party, other than as based on the Allocation Proportions in MOA Exhibit G.

#### D. Special Revenue Fund

Every Local Government receiving Additional Funds shall either (1) deposit the Additional Funds in the special revenue fund that the Local Government created for Opioid Settlement Funds pursuant to MOA section D.1 or (2) create a separate special revenue fund as described in MOA section D.1 that is designated for the receipt and expenditure of the Additional Funds. In either case, every Local Government receiving Additional Funds shall abide by MOA section D and other relevant provisions of the MOA with respect to the Additional Funds in the special revenue fund.

#### E. Opioid Remediation Activities

1. Local Governments shall expend Additional Funds according to the requirements for Opioid Settlement Funds stated in MOA section E.
2. The coordination group established by MOA section E.7 and described in MOA Exhibit D shall have the same responsibilities with respect to remediation activities funded by Additional Funds and related requirements and procedures that it has with respect to the Opioid Settlement Funds covered by the MOA.

#### F. Auditing, Compliance, Reporting, and Accountability

1. The Auditing, Compliance, Reporting, and Accountability provisions stated in MOA section F shall apply to Additional Funds in the way they apply to Opioid Settlement Funds.
2. The coordination group established by MOA section E.7 and described in MOA Exhibit D shall have the same responsibilities with respect to auditing, compliance, reporting, and accountability provisions relating to Additional Funds that it has with respect to the Opioid Settlement Funds covered by the MOA.

#### G. Effectiveness

1. When this SAAF takes effect. This SAAF shall become effective at the time a sufficient number of Local Governments have joined the SAAF to qualify the SAAF as a State-Subdivision Agreement under the Additional Settlements. If this SAAF does not thereby qualify as a State-Subdivision Agreement, this SAAF will have no effect.
2. Amendments to the SAAF.
  - a. Amendments to conform to final national documents. The Attorney General, with the consent of a majority vote from a group of Local Government attorneys appointed by the Association of County Commissioners, may initiate a process to amend this SAAF to make any changes required by the final provisions of the Additional Settlements. The Attorney General's Office will provide written notice of the necessary amendments to all the previously joining parties. Any previously joining party will have a two-week opportunity to withdraw from the SAAF. The amendments will be effective to any party that does not withdraw.
  - b. Coordination group. The coordination group may make the changes to the SAAF described and authorized in MOA Exhibit D.
  - c. No amendments to allocation between Local Governments. Notwithstanding any other provision of this SAAF, the allocation proportions set forth in MOA Exhibit G may not be amended.
  - d. General amendment power. After execution, the coordination group may propose other amendments to the SAAF, subject to the limitation in Section G.2.c of this SAAF. Such amendments will take effect only if approved in writing by the Attorney General and at least two-thirds of the Local Governments who are Parties to this SAAF. In the vote, each Local Government Party will have a number of votes measured by the allocation proportions set forth in MOA Exhibit G.

3. Acknowledgement. The Parties acknowledge this SAAF is an effective and fair way to address the needs arising from the public health crisis due to the misconduct committed by the Pharmaceutical Supply Chain Participants.
4. When SAAF is no longer in effect. This SAAF is effective until one year after the last date on which any (a) Opioid Settlement Funds are being spent by Local Governments pursuant to the National Settlement Agreement and any Bankruptcy Resolution or (b) Additional Funds are being spent by Local Governments pursuant to the Additional Settlements.
5. Application of SAAF to settlements. This SAAF applies to the Additional Settlements.
6. Applicable law and venue. Unless required otherwise by the Additional Settlements, this MOA shall be interpreted using North Carolina law and any action related to the provisions of this SAAF must be adjudicated by the Superior Court of Wake County. If any provision of this SAAF is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision which can be given effect without the invalid provision.
7. Scope of this SAAF. The Parties acknowledge this SAAF does not excuse any requirements placed upon them by the terms of the Additional Settlements, except to the extent those terms allow for a State-Subdivision Agreement to do so.
8. No third party beneficiaries. No person or entity is intended to be a third party beneficiary of this SAAF.
9. No effect on authority of parties. Nothing in this SAAF shall be construed to affect or constrain the authority of the Parties under law.
10. Signing and execution of this SAAF. This SAAF may be signed and executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A signature transmitted by facsimile, electronic image, or DocuSign shall be deemed an original signature for purposes of executing this SAAF. Each person signing this SAAF represents he or she is fully authorized to enter into the terms and conditions of, and to execute, this SAAF, and all necessary approvals and conditions precedent to execution have been satisfied.

#### **IV. LOCAL COUNSEL FEE FUND**

Local Counsel have reviewed the Additional Settlements, find them to be equitable, and recommend their clients execute these Additional Settlements and this SAAF. If (1) all Local Counsel sign this SAAF whereby they consent to the terms of this SAAF and agree to be legally bound by this SAAF, including but not limited to Section IV of this SAAF, and (2) all Required Local Governments agree on or before April 18, 2023 to dismiss all litigation against the Additional Settling Defendants as required by the Additional Settlements, then each Local Counsel shall be entitled to receive a portion of the Local Counsel Fee Fund for the Additional Settlements, in such proportions as set forth below. If one or more Required Local Governments does not dismiss litigation as required by the Additional Settlements, then the 0.38% share of Additional Funds set forth in Section III.B.2 of this SAAF for the Local Counsel Fee Fund shall be included in the Local Additional Abatement Funds, such that 85% of the Additional Funds will be allocated to Local Additional Abatement Funds, and 0% will be allocated to the Local Counsel Fee Fund.

Local Counsel release all North Carolina counties and municipalities from any claim regarding the obligation to pay legal fees or costs relating to their representation of North Carolina counties and municipalities regarding opioid claims and litigation against the Settling Defendants and Additional Settling Defendants. Local Counsel retain their rights to recover legal fees from any national legal fee fund established by a national settlement and to collect any fees due from National Counsel. If one or more National Counsel fails to release its North Carolina client counties and/or municipalities from any contractual obligation to pay legal fees or costs relating to their representation of North Carolina counties and municipalities regarding opioid claims and litigation against the Settling Defendants and Additional Settling Defendants, as required for National Counsel and Local Counsel to receive a portion of the national fee funds created by the National Settlement Agreements and Additional Settlement, then the 0.38% share of Additional Funds set forth in Section III.B.2 of this SAAF for the Local Counsel Fee Fund shall be included in the Local Additional Abatement Funds, such that 85% of the Additional Funds will be allocated to Local Additional Abatement Funds, and 0% will be allocated to the Local Counsel Fee Fund.

As soon as practicable, but in any event no later than May 1, 2023, Local Counsel shall report to the settlement administrator the proportion of the Local Counsel Fee Fund to be received by each Local Counsel. No funds shall be paid out of the Local Counsel Fee Fund until such report is received. Each Local Counsel's release of claims against all North Carolina counties and municipalities as provided above shall remain in full force and effect regardless of the proportion of the Local Counsel Fee Fund that any Local Counsel receives.



**IN WITNESS WHEREOF**, the parties, through their duly authorized officers, have executed this Supplemental Agreement for Additional Funds under seal as of the date hereof.

Cleveland County, NC  
Reference Number: CL-387445

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Todd Carpenter  
County Manager  
4/11/23

**PINNACLE CLASSICAL ACADEMY**

Deputy County Attorney Martha Thompson remained at the podium to present the outstanding Deed of Trust between Cleveland County and Pinnacle Classical Academy (PCA). PCA is a college-preparatory tuition-free public charter school for grades Kindergarten through 12th with 1,084 students and 114 employees. The school has been operating for ten years.

The Board was reminded, on December 18, 2012, Commissioners considered a funding request from Pinnacle Classical Academy to purchase land to construct the proposed Pinnacle Classical Academy. The Board unanimously approved the request to purchase, from Hallelujah Acres, approximately 56.3 acres located on Joe's Lake Road for a cash payment of \$125,000. As part of the purchase arrangement, Hallelujah Acres was not required to repay the \$200,000 CDBG and \$150,000 grant. The property was secured by a deed of trust in April 2013 in favor of the county, indicating that, if, within fifteen years, PCA ceases to operate as a charter school, the County will be repaid \$325,000. The deed of trust was subordinated through a USDA loan in the sum of \$13,000,000. The pending USDA loan to PCA of \$15,000,000 will be in addition to the first loan for a total of \$28,000,000.

Pinnacle Classical Academy is working on the next construction phase to increase the number of classrooms and the gymnasium. In order to be approved for the loan, the outstanding Deed of Trust between Cleveland County and PCA requires modification. Pinnacle seeks to have the County (1) release the Deed of Trust or (2) sign a subordination agreement placing the existing deed of trust in 3<sup>rd</sup> lien position behind the USDA.

Chairman Gordon opened the floor to the Board for questions and comments. Commissioner Hutchins stated he was not in favor of releasing the Deed of Trust. He continued, "*For clarification, Hallelujah Acres had a grant they could not fulfill, and PCA offered to take it if the property was deeded to them. Commissioners did not give PCA the property. PCA had to meet certain criteria to receive the grant, and a local bill from the state was passed to allow the transaction.*" Commissioner Whetstine commented that PCA has done very well and continues to grow every year, to which he believes the lien is no longer necessary.

**ACTION:** Commissioner Whetstine made a motion, seconded by Commissioner Hardin, and unanimously approved by the Board to, ***adopt the resolution to release Pinnacle Classical Academy from the \$325,000 Deed of Trust.*** (Commissioner Hutchins abstained from voting; abstaining counts as an automatic yes vote).



### Resolution

09-2023

#### Resolution to Cancel Deed of Trust from Pinnacle Classical Academy

WHEREAS, Cleveland County approved funding for the charter school known as Pinnacle Classical Academy ("Pinnacle") for the purchase of land to construct its school building on December 18, 2012, which was secured by a Deed of Trust of \$325,000, payable on July 1, 2028 should Pinnacle cease to operate as a charter school prior to 2028;

WHEREAS, Pinnacle Classical Academy is working on the next phase of construction where under the terms of the new USDA loan, a modification to the Deed of Trust is necessary, requiring cancellation of the Deed of Trust or subordination to the new USDA loan.

WHEREAS, Pinnacle has been open and operating as a college-preparatory, tuition-free charter school for the past 10 years, meeting or exceeding the expectations of this Board and of the Cleveland County community at large.

WHEREAS, the Commissioners agree that it would be appropriate to cancel the Deed of Trust, as there is every indication that Pinnacle will continue to exist as a charter school through 2028 and beyond.

#### THEREFORE, THE CLEVELAND COUNTY BOARD OF COMMISSIONERS RESOLVES THAT:

The Deed of Trust, recorded at Deed book 1655 page 887 on or about April 19, 2013, is to be cancelled and marked satisfied; and authorizes Chair Kevin Gordon to execute necessary documents as provided by County staff.

Adopted this 4<sup>th</sup> day of April 2023.

Kevin Gordon, Chairman  
Cleveland County Board of Commissioners

ATTEST:

Phyllis Nowlen, Clerk to the Board  
Cleveland County Board of Commissioners



### Resolution

10-2023

#### Resolution to Modify Deed of Trust from Pinnacle Classical Academy

WHEREAS, Cleveland County approved funding for the charter school known as Pinnacle Classical Academy ("Pinnacle") for the purchase of land to construct its school building on December 18, 2012, which was secured by a Deed of Trust of \$325,000, payable on July 1, 2028 should Pinnacle cease to operate as a charter school prior to 2028;

WHEREAS, Pinnacle Classical Academy is working on the next phase of construction where under the terms of the new USDA loan, a modification to the Deed of Trust is necessary, requiring cancellation of the Deed of Trust or subordination to the new USDA loan.

WHEREAS, the Commissioners agree that it would be appropriate for the existing Deed of Trust to be modified to be subordinated to the pending USDA loan, in addition to the current USDA loan.

#### THEREFORE, THE CLEVELAND COUNTY BOARD OF COMMISSIONERS RESOLVES THAT:

The Deed of Trust, recorded at Deed book 1655 page 887 on or about April 19, 2013, is to be modified to become subordinated to both the existing and the new USDA loans; and authorizes Chair Kevin Gordon to execute necessary documents as provided by County staff.

Adopted this 4<sup>th</sup> day of April 2023.

Kevin Gordon, Chairman  
Cleveland County Board of Commissioners

ATTEST:

Phyllis Nowlen, Clerk to the Board  
Cleveland County Board of Commissioners



### STATE OF NORTH CAROLINA

### COUNTY OF CLEVELAND

The undersigned, Cleveland County, North Carolina, certifies that they are the owner of the indebtedness secured by the hereinafter described Deed of Trust; and that the debt or other obligation in the amount of Three-Hundred and Twenty-Five Thousand and 00/100 Dollars (\$325,000.00) secured by the Deed of Trust executed by Pinnacle Classical Academy (Borrower), Robert W. Yelton. (Trustee) and Cleveland County, North Carolina (Beneficiary), recorded in the Cleveland County Registry in Book 1655, at Page 0887, was satisfied on the 4<sup>th</sup> day of April, 2023, hereby requests that this Certificate of Satisfaction be recorded and the above-referenced security instrument be canceled of record.

Cleveland County, North Carolina

By: Kevin Gordon, Chairman  
Cleveland County Board of Commissioners

### CERTIFICATE OF SATISFACTION

State of North Carolina – County of Cleveland

I, Phyllis Nowlen, a Notary Public in and for the State of North Carolina, hereby certify that Kevin Gordon, Chairman personally appeared before me this day and acknowledged the due execution of the foregoing document.

WITNESS my hand and notarial seal, this 4<sup>th</sup> day of April, 2023.

Phyllis Nowlen  
Notary Public

My Commission Expires: 05/26/2027



### CLOSED SESSION

**ACTION:** Commissioner Hardin made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to go into closed session per North Carolina General Statute § 143-318.11(a)(5) and (a)(6) to consider a personnel matter and to establish the terms of an employment contract. (Copy of closed session minutes are sealed and found in the Closed Session Minute Book).*

**RECONVENE IN REGULAR SESSION**

**ACTION:** Commissioner Hardin made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, ***reconvene in open session.***

*Chairman Gordon stated the following, “no action was taken.”*

**ADJOURN**

There being no further business to come before the Board at this time, Commissioner Hardin made a motion, seconded by Commissioner Whetstine and unanimously adopted by the Board, ***to adjourn.*** The next meeting of the Commission is scheduled for ***Tuesday, April 18, 2023*** at ***6:00pm*** in the Commissioners’ Chambers.

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*Kevin Gordon, Chairman  
Cleveland County Board of Commissioners*

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*Phyllis Nowlen, Clerk to the Board  
Cleveland County Board of Commissioners*