

CLEVELAND COUNTY BOARD OF COMMISSIONERS

June 5, 2007

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

PRESENT: Mary S. Accor, Chairwoman
Eddie Holbrook, Vice-Chairman
Jo Boggs, Commissioner
Ronald J. Hawkins, Commissioner
Johnny Hutchins, Commissioner
David C. Dear, County Manager
Robert Yelton, County Attorney
Kerri Melton, Clerk to the Board
April Crotts, Deputy Clerk
Eddie Bailes, Assistant County Manager
Chris Green, Tax Administrator
Bill McCarter, Planning Director
Chris Crepps, Finance Director
Kathryn Larson, Cleveland Headline News
Other individual names on file in the Clerk's Office

CALL TO ORDER

Chairwoman Mary Accor called the meeting to order and led the audience in the "Pledge of Allegiance" to the flag of the United States of America. County Manager David Dear provided the invocation for the meeting.

AGENDA ADOPTION

ACTION: Jo Boggs made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, to *adopt the agenda as presented by the County Clerk.*

CONSENT AGENDA
APPROVAL OF MINUTES

There being no corrections, additions, or deletions to the Minutes of *May 15, 2007*, motion was made by Ronnie Hawkins, seconded by Eddie Holbrook, and unanimously adopted by the Board, to *approve the minutes as written.*

RESOLUTION: SUPPORT FOR THE CLEAN WATER ACT OF 2007

ACTION: Ronnie Hawkins made the motion, seconded by Eddie Holbrook, and unanimously adopted by the Board, to *adopt the following resolution.*

Number 18-2007

Resolution of Support for the Clean Water Act of 2007

WHEREAS, North Carolina's continued prosperity depends on protecting the State's water resources for current use and future generations; and,

WHEREAS, North Carolina is expected to grow by 3.5 million people to exceed 12 million by the year 2030, placing pressures on the State's water resources and local water providers; and,

WHEREAS, North Carolina's businesses, traditional and emerging industries all depend on reliable supplies of clean water, reasonable utility costs, well maintained water infrastructure and an attractive natural environment; and,

WHEREAS, the 1998 Clean Water Bonds delivered significant benefits to North Carolina communities and citizens, supporting 1,103 projects in 97 counties, which

- Helped create or retain 42,000 jobs
- Corrected major regulatory violations in 97 communities
- Addressed failing septic systems and contaminated wells in 59 counties
- Resulted in 50 communities receiving sewer service for the first time
- Encouraged regional efficiencies, sound planning and conservation practices; and,

WHEREAS, North Carolina's public water, sewer and storm water utilities will require investments totaling \$16.63 billion to keep pace with necessary improvements and population growth over the next 25 years, including \$6.85 billion in investments within the next five years;

NOW THEREFORE BE IT RESOLVED that the Cleveland County Board of Commissioners urges the North Carolina General Assembly to enact the "Clean Water Act of 2007", which provides for a \$500 million bond issue to be expended over the next five years, and an annual appropriation of \$50 million in recurring funding to address urgent needs.

Adopted this 5th day of June, 2007

CITIZEN RECOGNITION

PAM ELWOOD- ASTHMA CHAMPION AWARD WINNER

Commissioners presented Ms. Pam Ellwood of the Cleveland County Health Department with a certificate of recognition for her work with the Cleveland County Asthma Coalition.

CERTIFICATE OF RECOGNITION

**FROM THE
CLEVELAND COUNTY BOARD OF COMMISSIONERS**

PRESENTED TO

PAMELA A. ELLWOOD, RN

IN RECOGNITION OF HER COMMITMENT TO SERVING THE CITIZENS OF CLEVELAND COUNTY THROUGH THE CLEVELAND COUNTY ASTHMA COALITION. SERVING AS CO-CHAIR, MS. ELLWOOD HAS HELPED THE CLEVELAND COUNTY ASTHMA COALITION BECOME NUMBER ONE (#1) IN THE STATE OF NORTH CAROLINA. FOR BEING PRESENTED WITH THE NORTH CAROLINA ASTHMA CHAMPION AWARD IN APPRECIATION OF YOUR DEDICATION TO IMPROVING THE LIVES OF THOSE WITH ASTHMA, WE COMMEND YOU FOR YOUR DISTINGUISHED SERVICE TO OUR COMMUNITY!

Presented this the 5th day of JUNE 2007.

BUDGET: FISCAL YEAR 2007-2008

David Dear, County Manager, reviewed the budget process, the budget ordinance, and the budget message. Advertisements were been published in the Shelby Star, the Kings Mountain Herald, and the Shelby Shopper.

Chairwoman Accor opened the public hearing (*notice of this hearing was accomplished in accordance with the mandates of NCGS 159-11 and 159-12 with a legal advertisement published in The Shelby Star on May 18 and May 25, 2007*). Hearing no comments, the Chairwoman declared the public hearing closed.

COUNTY MANAGER'S BUDGET MESSAGE

FY 2007-08

This proposed fiscal year 2007-08 budget for Cleveland County has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act and General Statute 153A-82. The fiscal year 2007-08 budgeted revenues and expenditures are balanced and maintain the current property tax rate of 58 cents per \$100 of property valuation. The budget will be open for public inspection on May 23, 2007 and a public hearing will be held on June 5, 2007.

The Board of Commissioners met on March 14, 2007 to review and affirm the budget goals for fiscal year 2007-08. Departmental budget presentations were held on April 12, 2007. The major budget initiatives as agreed upon by the County Commissioners are: (1) No tax increase; (2) Address Medicaid issue; (3) Community College funding; and (3) 3% cost of living increase for county employees. This budget attempts to address your primary budget goals while maintaining sound fiscal practices.

General Fund Budget

The projected tax base for fiscal year 2007-08 is \$6,025,000,000. This is a projected increase of \$175,000,000 in value over the previous year, which translates into \$974,400 in new revenue at a 58¢ tax rate and a 96% collection rate. We estimate sales tax revenues will increase by \$400,000 as consumer spending statewide continues to grow. Fees for services are expected to grow by approximately \$400,000. These items account for the vast majority of the general fund increase of \$1,988,865 or 3.65% over last year. With the property tax base growth at 2.99%, we will not be able to sustain this funding level in the future unless growth in the tax base increases to match our mandated spending requirements.

Human Services

The overall appropriation of county funding for *Social Services*, including public assistance is \$14,042,989 for a 1.83% increase over the previous year. Two positions in this department which were previously temporary assignments will be converted to full time with a majority of the funding coming from the State.

The *Health Department* budget reflects an overall increase of 6.85% for a total county appropriation of \$3,498,136. A new employee in the landfill is budgeted in this department which will be funded by enterprise funds.

Public Safety

The Emergency Medical Services department is budgeted a total of \$4,789,790. Although this department budget reflects an increase of 7.17%, most of the funds are comprised of salaries, billing company fees, and minor equipment purchases.

The Sheriff's Office and the Detention Center appropriation totals \$7,461,157 for an increase of 4.75%. The only specific equipment costs compared to the previous year's budget is the addition of one more new vehicle.

Tax Administration

As stated in the introduction, this budget maintains the current property tax rate at 58 cents per \$100 of valuation. The tax rates for the county-wide school district and the county fire district will also remain at 15 cents and 3 cents respectively. A three-quarter of 1% early payment discount will continue to be offered for those taxpayers who pay during the month of August.

In fiscal year 2008-09, the budget will include a property revaluation. The tax administration department has been diligently preparing to complete the adjustment numbers by November of this year to be effective January 2008.

Fees

Our departmental fee schedule has been evaluated carefully and as a result several departments have included a revised fee schedule in this year's budget. These fees are being recommended to maintain a competitive fee schedule in comparison with other counties and municipalities in the region. A copy of the detailed schedule is included in the budget.

Environmental Health - A fee schedule increase is proposed in several areas of service ranging from \$10.00 to \$50.00. In addition, there is a new fee schedule for the recently state mandated well regulation program.

Building Inspection – This department's proposed fees are based primarily upon the type of construction (new, residential, or commercial) and the square footage of the structure.

Emergency Medical Services - The proposed fee schedule is changing with most services increasing around \$25.00 due to increases in the Medicare allowable rate.

Hazardous Materials Response - The Cleveland County Emergency Management Office coordinates the response of governmental agencies and the general public to natural and manmade disasters. These responses involve costly equipment and manpower. The proposed fees for a response will be charged to the owner or agent of the owner who is liable for the containment and removal of the hazard.

Human Resources

In order to stay competitive in the region, this budget includes a 3% cost of living increase for county employees. The merit pay system will be distributed at a rate of 25% full merits for eligible employees or up to 50% if distributed as half merits. The distribution of merits to employees will be determined at the discretion of the department heads. As implemented last year, the employees who are eligible for merit will be provided justification for why they received or did not receive a merit.

Earlier this year, staff met with healthcare consultants who advised us that our health insurance costs would be projected to increase by 15%. To slow this growth and provide more options for employees, a Health Savings Account (HSA) option was provided along with a traditional PPO. Employees will have the ability to manage their own accounts which roll over from year to year if unused. In conjunction with our health plan, we will continue to promote our employee wellness clinic and pharmacy program as affordable options. Our direct reimbursement dental plan has been operating effectively for many years. Premiums for this plan have increased only a couple of times in the past 20 years. There are no planned changes in our dental program.

Public Schools

Cleveland County is providing an increase in the current expenditures for the Cleveland County School System by \$100,000 over the previous year. The total appropriation of \$27,130,213 equates to almost \$1,600 per pupil funding, which is an increase of 2.85% over the previous year. Restricted capital projects funding also increased by a total of \$100,000.

CLEVELAND COUNTY SCHOOL FUNDING WORKSHEET (ACCRUAL BASIS) April 30, 2007						
FISCAL YEAR	2008 estimate	2007 projected	2006	2005	2004	2003
Current Expense	9,908,213	9,808,213	9,808,213	9,808,213	9,599,895	9,591,540
Capital Outlay	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000
Special Capital Projects	1,400,000	1,300,000	1,100,000	866,000	866,000	666,000
Supplemental Tax	9,300,000	9,075,000	8,972,776	8,743,152	8,229,246	8,069,183
Fines & Forfeitures	500,000	495,000	488,464	498,141	513,868	580,475
Sales Tax	4,022,000	3,905,000	3,828,164	3,634,624	3,561,726	3,307,847
Total Funding	27,130,213	26,583,213	26,197,617	25,550,130	24,770,735	23,215,045
Student Population	16,957	17,089	17,217	17,609	17,235	17,220
Per Pupil Funding	1,599.94	1,555.57	1,521.61	1,450.97	1,437.23	1,348.14
Amount Change	44.37	33.96	70.64	13.74	89.09	
Percentage Change	2.85%	2.23%	4.87%	0.96%	6.61%	

Community College

This budget includes increased funding of \$80,000 in current expenditures for the Cleveland Community College along with an increase in restricted capital of \$10,000. The increase in expenditures is a 7.55% increase over the previous year and will be helpful in moving the Community College up in the statewide comparison of county funding per budgeted FTE.

Volunteer Fire and Rescue

We are in the last year of a three year funding plan for the volunteer fire departments. The budget includes reduction in funding for the five volunteer rescue squads. All five rescue squads have expressed an interest in billing for services. This will shift a greater burden on payment for services versus funding from the general fund. We will continue to explore ways to encourage more new volunteers as well as maintain our current base of volunteers. These efforts will include lobbying for state incentives and exploring ways to help at the county level.

Capital Projects

There are several capital projects included in the budget summarized below:

- Airport terminal – Matching funds with the City of Shelby for terminal improvements– \$160,000
- EMS Base Station – To be located in the southern end of the county
- City of Kings Mountain – Matching funds for boat docks for Chris-Craft Corporation
- Council on Aging/Senior Center – Provide a \$140,000 loan to be paid back interest free over a 10 year period
- Health Department – Complete building renovations, complete landfill cell on Fielding Drive, and animal shelter renovations

Late this summer, you will be presented with a financial plan to pay for the remaining costs of the 800 MHz system. The costs are estimated at approximately \$6 million to complete the system. In addition, this budget will include a request for your adoption of a 5 year capital improvement plan.

Medicaid

We continue to remain optimistic that we will receive some relief from the Medicaid burden during this year's legislative session. Based upon projections through next year, the 15% of the non-

<p>Medicaid costs have increased 62% vs. 13% for the property</p>
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Federal share of Medicaid paid by Cleveland County will have grown by \$3,109,188, or 62%, in 5 years. The General Fund Property Tax Levy will have grown by \$4,007,739, or 13%, over the same time period. Whereas the property tax levy is increasing, on average, about 2.5% per year, the average growth of Medicaid expenditures has exceeded 10% per year. Likewise, the adopted budget for the General Fund has increased \$10,951,090, or 15.5%, in the past 5 years, or about 3% per year.

<p>tax levy over the past 5 years.</p>

In the fiscal year ended June 30, 2003, Medicaid expenditures absorbed 10 cents of the property tax rate. In the fiscal year ending June 30, 2008, the County expects to spend about 13.5 cents of the property tax rate toward Medicaid expenditures. This represents a 34% increase in the share of the property tax revenues being applied to Medicaid expenditures over 5 years.

Economic Development/Tourism

It has been an exciting year in economic development. The efforts of the Cleveland 20/20 Economic Development Partnership have resulted in the addition of several new major corporations, as well as existing corporate expansions, for a total of over 1,500 new jobs and an investment of almost \$80 million.

An emphasis on local travel and tourism is building in our community. This past year, our occupancy tax collections have continued to grow over the previous year. To continue this momentum, this budget appropriates the excess of our occupancy tax dollars over \$13,000 per month to fund travel and tourism efforts.

Conclusion

There have been many accomplishments over this past year. Cleveland County has collaborated with the City of Shelby to make needed improvements at the Shelby-Cleveland County Regional Airport. In addition, we have worked with the City of Kings Mountain to make improvements at Moss Lake to support the Chris-Craft Corporation. We are also looking ahead and preparing for the future by establishing permanent EMS bases in the county and constructing a new solid waste landfill to ensure our citizens have an environmentally safe place to dispose of their waste.

Although there are always challenges in any community, Cleveland County maintains a progressive attitude. We look forward to a continuation of the past successes which will sustain our local economy by creating jobs for our citizens and assist with maintaining a stable tax rate. Medicaid funding continues to be a focal point of our budget. Resolution of this issue will be imperative to create stability in our county budget. As always, our county departments and staff do an outstanding job containing costs while providing exceptional public services. We will assure you that we will continue to focus our efforts on being good stewards of our allocated resources.

2007 - 2008 BUDGET ORDINANCE

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF CLEVELAND COUNTY:

SECTION I. ESTIMATED REVENUES. *It is estimated that the revenue and fund balance of the funds and departments as listed below will be available during the fiscal year beginning July 1, 2007 and ending June 30, 2008 to meet the appropriations as set forth in Section II. All fees, commissions, and other sums paid to or collected by any County Officer or agent in their capacity shall accrue to the benefit of the County and become County funds.*

		<u>GENERAL FUND</u>	
		<u>ESTIMATED REVENUES</u>	
			\$100,698,442
		<i>Less Interfund Transfers</i>	(\$20,096,405)
		Actual Estimated Revenues	\$80,602,037
<u>Primary</u>		\$59,194,091	
		<i>Less Interfund Transfers</i>	(\$1,400,000)
			\$57,794,091
<u>Ad Valorem Tax:</u>			
	Current Year	\$33,547,200	
	<i>(58.0 Cents per \$100 value) X (\$6,025,000,000 total value) X (96% collection)</i>		
	Prior Years	\$1,119,690	
	Advertising/Penalties	\$250,000	
	Local		
<u>Other Taxes:</u>	Option		
	1 Cent (Article 39)	\$5,175,000	
	Two 1/2 Cents (Art 40/42)	\$3,900,000	
	Third 1/2 Cent (Art 44)	\$2,800,000	
	Franchise	\$265,000	
	Occupancy Tax	\$186,000	
	Gross Receipts Tax	\$22,500	
	Excise Stamps	\$225,000	
<u>Intergovernmental:</u>	Revenues from Federal Government:		
	Forfeited Property--		
	Federal	\$87,683	
	Emergency Management	\$12,000	
	County Library System	\$25,670	
	Revenues from State Government:		
	Grants-Third Party	\$973,542	
	Grant--J.C.P.C. Admin.	\$100	

	Grant--Crim. Just. Part.	\$99,623		
	Forfeited Property--State	\$81,840		
	Soil Conservation	\$25,916		
	Veterans' Service Officer	\$2,000		
	County Library System	\$167,020		
	Revenues from Local Agencies:			
	Grants--Public Safety	\$3,000		
	School Resource Officers	\$216,488		
	Emergency Management	\$2,800		
	County Library System	\$13,665		
	Payment in Lieu of Taxes	\$12,000		
	Sheriff: Court Arrest Fees	\$60,000		
	Detention: House Inmates	\$100,000		
	Fees	\$35,000		
	License Revocation	\$10,000		
<u>Permits/Fees:</u>	Register of Deeds	\$440,000		
	Sheriff's Office	\$130,000		
	Inspections	\$240,000		
	Planning & Zoning	\$55,000		
	County Library System	\$40,000		
	Old Courthouse (Museum)	\$30,000		
<u>Interest:</u>	Interest on Investments	\$1,100,000		
<u>Sales/Services:</u>	Rents	\$1,474,000		
	Contracted Revenues			
	Finance	\$210,000		
	Elections	\$86,046		
	Department Fees / Medicaid			
	Emergency Med Serv	\$2,150,000		
	Volunteer Rescue	\$15,000		
	Planning / Zoning	\$2,000		
	Cooperative Extension	\$16,000		
<u>Miscellaneous:</u>	ABC Profits	\$75,000		
	Sale of Fixed Assets	\$25,000		
	Miscellaneous	\$20,000		
	Detention Center	\$44,000		
	Contributions & Donations	\$74,900		
<u>Other Sources:</u>	School Capital Reserve Fund			
	(Transfer)	\$1,400,000		
	ROD Automation E & P	\$56,763		
	Fund Balance Appropriated	\$2,091,645		
<u>Social Services & Public Assistance</u>			\$28,661,228	
		<i>Less Interfund Transfers</i>	(\$14,042,989)	\$14,618,239
	State/Federal	\$14,563,229		
	Departmental Fees	\$55,010		
	Primary Fund (Transfer)	\$14,042,989		
<u>Public Health</u>			\$10,707,370	
		<i>Less Interfund Transfers</i>	(\$3,549,207)	\$7,158,163
	State/Federal	\$2,070,224		
	Departmental Fees / Medicaid	\$5,087,939		
	Primary Fund (Transfer)	\$3,498,136		
	Other Funds (Transfer)	\$51,071		
<u>Employee Wellness</u>			\$784,209	
		<i>Less Interfund Transfers</i>	(\$629,209)	\$155,000
	Departmental Fees	\$155,000		
	Medical Insurance Fund (Transfer)	\$629,209		
<u>Court Facilities</u>			\$347,335	
		<i>Less Interfund Transfers</i>	(\$100,000)	\$247,335
	Departmental Fees	\$247,335		
	Primary Fund (Transfer)	\$100,000		
<u>Workers' Compensation</u>			\$375,000	
		<i>Less Interfund Transfers</i>	(\$375,000)	\$0
	Primary Fund (Transfer)	\$100,000		
	Other Funds (Transfer)	\$275,000		
<u>Medical Insurance</u>			\$629,209	\$629,209
	Fund Balance Appropriated	\$629,209		

		<u>SPECIAL REVENUE FUND</u>	
		<u>ESTIMATED REVENUES</u>	\$13,437,267
		<i>Less Interfund Transfers</i>	(\$11,000)
		Actual Estimated Revenues	\$13,426,267
<u>Public School</u>		\$8,676,000	\$8,676,000
	Ad Valorem Tax	\$8,676,000	
	<i>(15.0 Cents per \$100 value) X (\$6,025,000,000 total value) X (96% collection)</i>		
<u>School Capital Reserve</u>		\$3,157,592	\$3,157,592
	Sales Tax	\$2,457,592	
	State Funds	\$700,000	
<u>Revaluation</u>		\$25,800	
		<i>Less Interfund Transfers</i>	(\$11,000)
	Primary Fund (Transfer)	\$11,000	
	Fund Balance Appropriated	\$14,800	\$14,800
<u>Emergency Telephone</u>		\$382,984	\$382,984
	Wireline 911 Subscriber Fees	\$233,495	
	Wireless 911 Subscriber Fees	\$149,489	
<u>County Fire</u>		\$1,194,891	\$1,194,891
	Ad Valorem Tax	\$728,640	
	<i>(3.0 Cents per \$100 value) X (\$2,530,000,000 total value) X (96% collection)</i>		
	District Revenues	\$466,251	
		<u>DEBT SERVICE FUND</u>	
		<u>ESTIMATED REVENUES</u>	\$5,143,429
		<i>Less Interfund Transfers</i>	(\$2,877,429)
		Actual Estimated Revenues	\$2,266,000
<u>Debt Service</u>		\$5,143,429	
		<i>Less Interfund Transfers</i>	(\$2,877,429)
	Hospital's Share of Expenditures	\$2,266,000	
	Primary Fund (Transfer)	\$1,119,837	
	School Capital Reserve Fund (Transfer)	\$1,757,592	
		<u>CAPITAL PROJECT FUND</u>	
		<u>ESTIMATED REVENUES</u>	\$2,350,000
		<i>Less Interfund Transfers</i>	(\$1,175,000)
		Actual Estimated Revenues	\$1,175,000
<u>Capital Projects</u>		\$1,175,000	
		<i>Less Interfund Transfers</i>	(\$1,175,000)
	Capital Reserve Fund (Transfer)	\$1,175,000	\$0
<u>Capital Reserve</u>		\$1,175,000	\$1,175,000
	Fund Balance Appropriated	\$1,175,000	
		<u>ENTERPRISE FUND</u>	
		<u>ESTIMATED REVENUES</u>	\$5,788,423
<u>Solid Waste Landfill</u>		\$5,788,423	
	State/Federal	\$215,000	
	Departmental and User Fees	\$5,415,268	
	Sale of Recyclables/Other	\$158,155	
		TOTAL FUND ESTIMATED REVENUES	\$127,417,561
		<i>Less Interfund Transfers</i>	(\$24,159,834)
		TOTAL ACTUAL ESTIMATED REVENUES	\$103,257,727
SECTION II. APPROPRIATIONS (OR ESTIMATED EXPENDITURES)			
		<u>GENERAL FUND</u>	
		<u>APPROPRIATIONS</u>	\$100,698,442
		<i>Less Interfund Transfers</i>	(\$19,601,131)
		Actual Appropriations	\$81,097,311
<u>General Government</u>		\$27,981,173	
		<i>Less Interfund Transfers</i>	(\$19,501,171)
10.411	Commissioners (Governing Body)	\$409,694	\$8,480,002

10.412	County Manager's Office		\$421,762		
10.413	Finance/Purchasing		\$573,856		
10.415	Property Tax Administration		\$1,228,674		
10.416	Legal		\$14,200		
10.418	Elections		\$296,649		
10.419	Register of Deeds' Office		\$353,204		
10.421	Information Technology		\$468,149		
10.423	Human Resources		\$330,927		
10.426	Building Maintenance		\$1,398,889		
10.428	Municipal Elections		\$86,046		
10.430	Municipal Grants		\$147,048		
10.432	Grants--Third Party (Pass Thru)		\$973,542		
10.433	Grant--J.C.P.C. Administration		\$300		
10.497	Transportation Admin. of Clev. Cty.		\$39,464		
10.613	Communities in Schools		\$58,500		
10.619	ROD Automation E & P		\$56,763		
10.981	Transfers Out to These Funds:		\$18,871,962		
	Social Svcs.	\$2,942,361			
	Public Asst.	\$11,100,628			
	Public Health	\$3,498,136			
	Court Facilities	\$100,000			
	Workers' Comp.	\$100,000			
	Revaluation	\$11,000			
	Debt Service	\$1,119,837			
10.998	Emergency & Contingency		\$900,000		
14.417	Court Facilities		\$347,335		
60.650	Workers' Compensation		\$375,000		
65.981	Employee Wellness (Transfer)		\$629,209		
	Public Safety			\$14,692,181	\$14,692,181
10.437	Grants--Public Safety		\$3,000		
10.438	Grants--Law Enforcement		\$0		
10.439	Grant--Criminal Justice Partnership		\$99,623		
10.440	School Resource Officers		\$258,770		
10.441	Sheriff's Office		\$5,248,261		
10.442	Forfeited Property--Federal		\$87,683		
10.443	Forfeited Property--State		\$81,840		
10.444	Detention Center		\$2,212,896		
10.445	Emergency Management		\$259,146		
10.446	Emergency Medical Services		\$4,789,790		
10.447	Volunteer Rescue		\$97,920		
10.448	Communications		\$730,691		
10.449	Electronic Maintenance		\$326,893		
10.450	Inspections		\$381,552		
10.451	Coroner		\$93,601		
10.453	Hazardous Materials		\$20,515		
	Human Services			\$41,234,708	
				<i>Less Interfund Transfers</i>	
				(\$99,960)	\$41,134,748
10.560	Pathways (Mental Health)		\$891,738		
10.591	Veterans' Service Officer		\$51,515		
10.617	Council on Aging (Senior Center)		\$138,648		
	Social Svcs. & Public Asst. (&				
11.000	Transfer)		\$28,661,228		
12.000	Public Health		\$10,707,370		
13.000	Employee Wellness		\$784,209		
	Education			\$14,448,342	\$14,448,342
10.600	Cleveland County Schools		\$13,308,213		
	Current Expense	\$9,908,213			
	Capital Outlay	\$3,400,000			
10.604	Cleveland Community College		\$1,140,129		
	Current Expense	\$1,140,129			
	Economic & Physical Development			\$1,297,515	\$1,297,515
10.491	Planning & Zoning		\$245,961		
10.492	Economic Development/Tourism		\$620,571		
10.495	Cooperative Extension		\$294,640		
10.496	Forestry		\$51,889		
10.498	Soil Conservation		\$84,454		
	Cultural			\$1,044,523	\$1,044,523
10.611	Libraries		\$964,823		
	County Library	\$906,552			

	System		
	Mauney Memorial		
	Library	\$58,271	
10.612	Broad River Greenway		\$49,700
10.614	Old Courthouse (Museum)		\$30,000

			<u>SPECIAL REVENUE FUND</u>	
			<u>APPROPRIATIONS</u>	\$13,437,267
			<i>Less Interfund Transfers</i>	<i>(\$3,157,592)</i>
			Actual Appropriations	\$10,279,675
<u>Education</u>			\$11,833,592	
			<i>Less Interfund Transfers</i>	<i>(\$3,157,592)</i>
				\$8,676,000
20.600	Public School Fund	\$8,676,000		
21.105	School Capital Fund-1/2 Cent (Transfer)	\$2,457,592		
21.106	School Capital Fund-PSBCF (Transfer)	\$700,000		
<u>General Government</u>			\$25,800	\$25,800
25.431	Revaluation	\$25,800		
<u>Public Safety</u>			\$1,577,875	\$1,577,875
26.454	Emergency Telephone-Land-based	\$233,495		
26.455	Emergency Telephone-Wireless	\$149,489		
28.452	County Fire District	\$1,194,891		
			<u>DEBT SERVICE FUND</u>	
			<u>APPROPRIATIONS</u>	\$5,143,429
<u>Debt Service</u>			\$5,143,429	\$5,143,429
30.800	Debt Service	\$5,143,429		
			<u>CAPITAL PROJECT FUND</u>	
			<u>APPROPRIATIONS</u>	\$2,350,000
			<i>Less Interfund Transfers</i>	<i>(\$1,175,000)</i>
			Actual Appropriations	\$1,175,000
<u>Capital Projects</u>			\$1,175,000	\$1,175,000
40.210	General Projects	\$1,175,000		
<u>Capital Reserve</u>			\$1,175,000	
			<i>Less Interfund Transfers</i>	<i>(\$1,175,000)</i>
				\$0
41.209	Capital Projects (Transfer)	\$1,175,000		
			<u>ENTERPRISE FUND</u>	
			<u>APPROPRIATIONS</u>	\$5,788,423
			<i>Less Interfund Transfers</i>	<i>(\$226,111)</i>
			Actual Appropriations	\$5,562,312
<u>Environmental</u>			\$5,788,423	
			<i>Less Interfund Transfers</i>	<i>(\$226,111)</i>
				\$5,562,312
54.472	Solid Waste Capital Projects	\$412,000		
54.473	Solid Waste Disposal (incl. Transfer)	\$3,644,550		
54.474	Solid Waste Collections (incl. Transfer)	\$1,731,873		
			TOTAL FUND	
			APPROPRIATIONS	\$127,417,561
			<i>Less Interfund Transfers</i>	<i>(\$24,159,834)</i>
			TOTAL ACTUAL	
			APPROPRIATIONS	\$103,257,727

SECTION III. BUDGET CARRY FORWARDS. *The County Manager shall have authorization to include in this Budget Ordinance the prior year budget amounts remaining for purchase order encumbrances, grants, and donations as determined by the County Finance Director.*

SECTION IV. BUDGET CHANGES. *The County Manager shall have authorization to make budget changes between any and all operating funds and departments as long as the total budget remains at the level approved and adopted by the County Board of Commissioners.*

SECTION V. PROPERTY TAX RATE. *The County property tax rate shall be 58 cents per \$100 valuation for purposes of the General Fund and 15 cents per \$100 valuation for purposes of the Public School Fund; the combined County-wide property tax rate shall be 73 cents per \$100 valuation.*

ACTION: Ronnie Hawkins made the motion, seconded by Eddie Holbrook to adopt the budget as presented by the County Manager.

During discussion, Commissioner Johnny Hutchins suggested that the county employee standard mileage rate be raised from \$0.38 to \$0.44 due to the recent increase in gas prices. The 2007 IRS Standard mileage rate is \$0.485 per mile.

ACTION: Ronnie Hawkins amended the motion, seconded by Eddie Holbrook, and adopted by a majority vote *to adopt the budget as presented by the County Manager with an increase in the standard mileage rate to \$0.44 per mile.* (Votes were recorded as Commissioner Hutchins voting no and all other Commissioners voting yes)

Before the vote was taken, Commissioner Hutchins also suggested that the merit system remain the same as it was the previous year (*ref. Minutes from April 9, 2006 Budget Work session*), including Department Heads being limited to giving "½ merits only" to eligible employees. Commissioner Hutchins stated that he felt that the system last year worked very well. Commissioner Hutchins voted against the budget because of the merit system.

PLANNING DEPARTMENT: ZONING MAP AMENDMENT (Case 07-03; KINGS MOUNTAIN PROPERTIES, LLC; INTERSECTION OF OAK GROVE ROAD AND STONY POINT ROAD)

Bill McCarter, Planning Director reviewed that Kings Mountain Properties, LLC presented a petition at the May 1, 2007 Board of Commissioners meeting (*reference May 1, 2007 minutes*) to rezone 4.5-acres from Residential (R) to General Business (GB). At this meeting, Commissioners voted *to table the decision until the June 5th regular Commissioners meeting. In the meantime, refer this rezoning request back to the Planning Board for further examination for them to come back to Commissioners with additional information. At the same time they are doing that, the Board of Commissioners will examine the possibilities of other conclusions that could be reached and bring them back before the Board.* Mr. McCarter reviewed the additional information received by the Planning Board as follows:

Buffer

- Existing vegetation to remain, approximately 20 feet in height
- Separation between church of 30 feet created by grading of 2:1 slope
- Commercial site 15 feet below elevation of the church

Mr. Champion has prepared a conceptual site plan to help illustrate the practical separation between the church, existing screening, and access to the site (attached).

Church

- Letter from Deacons (attached)

Mike Jimison, Chairman of the Deacons of Oak Grove Baptist Church, provided a letter (attached) indicating that the Board had taken no position on the matter. He stated "While we also have church members, that also live very near to

these properties, who are opposed to the proposed change in zoning, the deacons could legitimately see, both sides of the issue. We therefore could come to no consensus of opinion on the matter".

Traffic

- NCDOT stated "not aware of any excessive delays or accidents at that location"
- NCDOT stated "intersection operates at a good to very good" level of service
- NCDOT 2005 traffic count: 4,000 ADT = 33% of capacity (12,000 ADT)

Mr. Champion has met with Gary Spangler, NCDOT District Engineer, to discuss proposed access to the site. I have also attached copies of the traffic count maps from NCDOT to verify my data presented at the public hearing. (maps attached)

Sewer

- Letter of commitment from the City of Kings Mountain (attached)
- Estimated demand of 18,000GPD through an 8" line extension

Mr. Champion has also met with Marilyn Sellers, City Manager, and the city has agreed to serve this commercial project with sewer, subject to final approval by city council.

Recent changes in NCGS 153A-341 now require that the governing board adopt a statement of consistency with the Land Use Plan. This statement must also explain why the board believes the action taken was reasonable and in the public interest.

- Approve the rezoning as submitted
- Rezone a portion of the property (need legal description for the ordinance)
- Change the classification to Neighborhood Business NB
- Deny the rezoning

If the request is denied, the applicant may re-apply for:

- Conditional District Zoning
- Corridor Protection Overlay District (1000' radius of this intersection)

ACTION: Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, *to approve the rezoning and adopt the following ordinance.*

ORDINANCE AMENDING THE CLEVELAND COUNTY ZONING MAP Intersection of Oak Grove Road and Stony Point Road – 5.5 acres Residential (R) to General Business (GB)

WHEREAS, Article 18 of Chapter 153A of the North Carolina General Statutes provides for the planning and regulation of development within the territorial jurisdiction of the county; and

WHEREAS, the Cleveland County Planning Board recommended to approve the rezoning of this parcel totaling 5.5 acres on April 24, 2007; and

WHEREAS, this parcel is classified as "Commercial" on our 2015 Future Land Use Plan, and the General Business zoning district is consistent with the comprehensive plan for this area; and

WHEREAS, said amendment will promote the health, safety, and welfare of the citizens of Cleveland County, the public interest would be furthered, and said amendment would be reasonable and beneficial to the orderly growth of Cleveland County.

WHEREAS, notice of the Public Hearing was published in the Shelby Star on April 20, 2007, and April 27, 2007, notices were mailed to adjoining property owners on April 13, 2007 and a sign posted at the property on April 13, 2007; and

WHEREAS, all requirements of the North Carolina General Statutes have been met prior to any action by the Cleveland County Board of Commissioners to amend the Official Zoning Map following a Public Hearing on May 1, 2007; and

NOW THEREFORE BE IT ORDAINED by the Cleveland County Board of Commissioners that the Cleveland County Zoning Map, as described in Section 12-147 of the Code, be amended to rezone parcels 15350 (portion), 15351, 15353, 40057, and 53064, from Residential (R) to General Business (GB), as identified on the attached map designated "Rezoning Case 07-03", being incorporated herein by reference and made part of this ordinance.

Parcel 15350 (portion) and 15353

(DB 1513-2384)

BEGINNING at a point in centerline of Stony Point Rd.; north 19-05-52 east 68.32 feet, north 17-24-56 east 69.44 feet, north 16-29-16 east 42.62 feet, thence following property lines; north 69-59-46 east 138.00 feet, south 25-14-59 east 111.18 feet, south 25-48-06 east 299.94 feet, thence with centerline of Oak Grove Rd., south 52-04-58 west 228.76 feet, thence following property lines; north 31-58-07 west 170.16 feet to the point of beginning, containing approximately 2.4 acres.

Parcel 15351

(DB 1457-720)

BEGINNING at a point in the centerline of Oak Grove Rd. and following property lines, north 25-48-06 west 299.94 feet, north 64-16-59 east 173.14 feet, south 34-56-56 east 239.39 feet, thence with centerline of Oak Grove Road; south 47-30-14 west 220.49 feet to the point of beginning, containing approximately 1.2 acres.

Parcel 40057

(DB 1450-2405)

BEGINNING at a point in the center of Oak Grove Rd., thence with property lines; north 34-07-54 west 239.41 feet, north 18-22-30 east 185.54 feet, south 09-09-00 east 115.96 feet, south 53-30-00 east 152.34 feet, south 31-41-00 east 84.21 feet, thence with the center of Oak Grove Road; south 48-15-54 west 146.45 feet, to the point of beginning, containing approximately 0.8 acres.

Parcel 53064

(DB 1457-717)

BEGINNING at the intersection of Oak Grove Rd. and Stony Point Rd., thence with the centerline of Stony Point Rd.; north 16-45-53 east 143.64 feet, north 18-03-48 east 159.92 feet, north 19-12-54 east 173.35 feet, thence following property lines; south 31-58-07 east 174.37 feet, south 57-48-22 west 124.65 feet, south 31-46-55 east 129.82 feet, north 74-34-32 east 17.83 feet, south 07-15-06 east 38.35 feet, thence within the right-of-way of Oak Grove Rd; south 59-55-27 west 73.84 feet, south 70-09-14 west 171.60 feet, to the point of beginning, containing approximately 1.1 acres.

This Ordinance shall become effective upon adoption and approval.

Adopted this 5th day of June 2007 at 6:00 p.m.

CLEVELAND COUNTY SANITARY DISTRICT BOARD APPOINTMENT

As a result of the death of Mr. John Cline, a vacancy on the Cleveland County Sanitary District Board is required to be filled. The Cleveland County Sanitary District Board recommended Commissioners appoint Freddie Harrill to fill the unexpired term of John Cline.

ACTION: Ronnie Hawkins made the motion, seconded by Jo Boggs, and unanimously adopted by the Board, *to appoint Freddie Harrill to fill the unexpired term of John Cline on the Cleveland County Sanitary District Board.*

COMMISSIONER REPORTS

Commissioner Hutchins- At the 20/20 Economic Development Partnership, Adelaide Craver informed the board that she would not like to be re-appointed as Chair for the upcoming year.

Chairwoman Accor thanked the County Manager for his diligence in bringing the Commissioners a budget with no tax increase. She also congratulated Commissioner Hawkins on his award at the Boy Scout Awards Dinner.

ADJOURN

There being no further business to come before the Board at this time, Ronnie Hawkins made the motion, seconded by Jo Boggs, and unanimously adopted by the Board, to adjourn the meeting. The next regular meeting of the Commission is scheduled for *Tuesday, June 19, 2007 at 6:00 p.m.* in this Commission Chamber.

*Mary S. Accor, Chairwoman
Cleveland County Board of Commissioners*

*Kerri Melton, Clerk
Cleveland County Board of Commissioners*

