

**CLEVELAND COUNTY BOARD OF COMMISSIONERS**

**June 5, 2012**

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:** Johnny Hutchins, Chairman  
Ronnie Hawkins, Vice-Chairman  
Eddie Holbrook, Commissioner  
Mary S. Accor, Commissioner  
Jason Falls, Commissioner  
Eddie Bailes, County Manager  
Robert Yelton, County Attorney  
Kerri Melton, County Clerk  
April Crotts, Deputy Clerk  
Alexis Pearson, Human Resources Director  
Chris Crepps, Finance Director  
Barry Ditz, Cleveland Headline News  
Rebecca Clark, The Star  
Other individual names on file in the Clerk's Office

**CALL TO ORDER**

Chairman Johnny Hutchins called the meeting to order and led the audience in the "Pledge of Allegiance" to the flag of the United States of America. County Clerk Kerri Melton provided the invocation for the meeting.

**AGENDA ADOPTION**

**ACTION:** Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, to *adopt the agenda as presented by the County Clerk with the following change:*

***Move item #4- RECOGNITION OF ZACH TROGDON above item #3 CONSENT AGENDA.***

**CITIZEN RECOGNITION**

***Guy Smith***, 115 Stoney Point Road, Kings Mountain, has attended several Rural Planning Organization (RPO) meetings over the last ten weeks. Mr. Smith voiced his concern for the "Connect Our Future" project. A short presentation was given to the elected officials who serve on the RPO. Chairman Hutchins, Cleveland County representative on the RPO, voiced his concern during the meeting. He did not feel comfortable voting for something without more details. Mr. Smith thanked Chairman Hutchins for taking a stand.

Mr. Smith also expressed concern with the timing of the RPO meetings. He felt as though these meetings should be held in the evening to encourage citizen participation.

**SPECIAL RECOGNITION**

**ZACH TROGDON**

After serving as the Boiling Springs Town Manager for seven years, Zach Trogdon will be leaving Cleveland County to pursue a job opportunity in Charles City/County in Virginia. Commissioners presented Mr. Trogdon with a Cleveland County Architecture Book as a keepsake of his time in Cleveland County.

Commissioners each spoke kind words of Mr. Trogon and his work for the Town of Boiling Springs.

**CONSENT AGENDA**

**APPROVAL OF MINUTES**

There being no corrections, additions, or deletions to the Minutes of *May 1, 2012*, motion was made by Mary Accor, seconded by Ronnie Hawkins, and unanimously adopted by the Board, to ***approve the minutes as written.***

**HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #080)**

**ACTION:** Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, ***to approve the following budget amendment:***

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
054.473.4.810.00	Solid Waste/Donations/Contributions	\$202.	
054.473.5.790.00	Solid Waste/Donations/Contributions	202.	

*Explanation of Revisions: Budget donations received at 4/21/12 Hazardous Waste Day for operational expenses.*

**HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #081)**

**ACTION:** Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, ***to approve the following budget amendment:***

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
012.542.4.810.00	Rabies Control/Donations/Contributions	\$484.	
012.542.5.790.00	Rabies Control/Donations/Contributions	484.	

*Explanation of Revisions: Budget donations for operating expenses.*

**SHERIFF'S OFFICE: BUDGET AMENDMENT (BNA #082)**

**ACTION:** Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, ***to approve the following budget amendment:***

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
010.444.4.357.02	Detention Center/Grants/Inmate SSA	\$1,000.	
010.444.5.581.00	Detention Center/Advertising/Promo	1,000.	

*Explanation of Revisions: Request approval to purchase 300 Challenge coins (1.5" double-sided gold coins)*

**COOPERATIVE EXTENSION: BUDGET AMENDMENT (BNA #083)**

**ACTION:** Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, ***to approve the following budget amendment:***

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
010.495.5.700.00/NCCES 2495	Cooperative Extension/Grants	\$1,500.	
010.495.4.410.00/NCCES2495	Cooperative Extension/Local & Oth Grants	1,500.	

*Explanation of Revisions: Competitive non-cost share grant received from NC Cooperative Extension Foundation to support Agritourism Farm Tour coordinated by Tour Cleveland County and NC Cooperative Extension. Funds will be directed to Cleveland County Chamber and used to offset cost of motor coach transportation.*

**BOARD OF ELECTIONS: BUDGET AMENDMENT (BNA #084)**

**ACTION:** Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, ***to approve the following budget amendment:***

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
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010.410.4.991.00	General Revenues/Fund Bal Approp	\$39,000.
010.418.5.122.00	Board of Elections/Salaries/Wages PT	20,000.
010.418.5.210.18	Board of Elections/BOE Ballots	5,000.
010.418.5.410.00	Board of Elections/Rental/Lease Equip	5,200.
010.418.5.411.00	Board of Elections/Rental of Bld. Space	800.
010.418.5.490.00	Board of Elections/Professional Serv	8,000.

Explanation of Revisions: To provide additional support for statewide second primary election to be held on July 17<sup>th</sup>.

**Clerks Note:** Commissioner Hawkins voiced his concern with the county have to pay \$39,000 for a second primary includes all state officials. He suggested NCACC address this issue as one of their legislative goals. All Commissioners agreed with the sentiments of Commissioner Hawkins.

**EMERGENCY MANAGEMENT: BUDGET AMENDMENT (BNA #085)**

**ACTION:** Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, *to approve the following budget amendment:*

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.445.4.310.00/97067-7445	Emergency Mgmt/Federal Grant	\$44,444.	
010.445.5.700.00/97067-7445	Emergency Mgmt/Grants	22,222.	
010.445.5.910.00/97067-7445	Emergency Mgmt/Capital Equipment	22,222.	

Explanation of Revisions: To budget grant awarded from NC Department of Public Safety through 2007 Homeland Security Programs for purchase of two generators- one for Cleveland County and one for another county.

**OAK GROVE FIRE DEPARTMENT PAVING**

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

**Number 09-2012**

***Paving at the Oak Grove Volunteer Fire Department***

**WHEREAS,** Oak Grove Volunteer Fire Department serves a five and six-mile district which includes the Oak Grove, Woodbridge and Gold Run communities as well as industries located in the T-5 Data park; and

**WHEREAS,** Oak Grove Volunteer Fire Department answers approximately 350 calls in an average year; and

**WHEREAS,** Oak Grove Volunteer Fire Department had outgrown their facility and it was in need of substantial repair. New equipment could not be housed in the station due to the length and height of modern fire equipment; and

**WHEREAS,** Oak Grove Volunteer Fire Department constructed a state-of-the-art station. The project cost was \$967,000; and

**WHEREAS,** Oak Grove Volunteer Fire Department paid for the station through loans, fundraisers and donations; and

**WHEREAS,** Oak Grove Volunteer Fire Department will move into their newly constructed Fire Station in early July 2012; and

**NOW THEREFORE BE IT RESOLVED,** that the Cleveland County Board of Commissioners hereby submits a request for \$16,365.36 in funding for the paving of the Oak Grove Volunteer Fire Department driveway.

Adopted this 5<sup>th</sup> day of June, 2012 at 6:00 p.m.

**PUBLIC HEARINGS**

**TRANSPORTATION ADMINISTRATION OF CLEVELAND COUNTY (TACC): RURAL OPERATING ASSISTANCE PROGRAM (ROAP) APPLICATION**

Bob Davis, TACC Director, stood before Commissioners requesting approval of the ROAP application. This year TACC will be requesting a total of \$200,492. The application contains various programs including: Elderly & Disabled Transportation Assistance Program (EDTAP), Employment Transportation Assistance Program (EMPL) and Rural General Public Program (RGP).

The FY13 ROAP individual program totals are:

PROGRAM	TOTAL
EDTAP	\$84,08100
EMP	\$39,571.00
RGP	\$76,840.00
TOTAL	\$200,492.00

Mr. Davis explained TACC is in possible negotiations with the Town of Boiling Springs about providing service to the Boiling Springs Community.

Chairman Hutchins declared the public hearing open. Hearing no comments, Chairman Hutchins closed the public hearing (*Notice of this hearing was accomplished in accordance with General Statutes, with a legal advertisement published in The Star.*)

**ACTION:** Ronnie Hawkins made the motion, seconded by Mary Accor, and unanimously adopted by the Board, *to approve the Rural Operating Assistance Program (ROAP) application as presented by Mr. Davis.*

**BUDGET: FISCAL YEAR 2012-2013**

County Manager Eddie Bailes presented Commissioners the 2012-13 budget, in accordance with State statutes. The budgeted revenues and expenditures were presented balanced with no change in the current property tax rate of \$.57 per \$100 of property valuation.

The projected tax base for fiscal year 2012-13 is \$6.950 billion. This projected increase of \$225 million translates to \$1,244,000 in new revenue. In the budget, he projected an increase in the overall tax base. However, the county is still facing economic challenges. Sales tax revenue remains flat and is still down significantly since 2008. Fee collections and residential building permits are leveling off with slight increases over last year.

He highlighted several departments as follows:

**Department of Social Services** – When the budget message was prepared, staff was looking at a 7.31% increase in county funding for DSS over last year. Last week, they were informed that Cleveland County would receive additional Federal grant funds. Therefore, the county contribution will decrease by \$210,706. The new DSS county appropriation is \$7,414,278 for an increase of 4.3%.

**Health Department** – The Health Department budget reflects a modest increase of .04%. Three new positions have been added to the budget fully funded by Carolina Access grant funds.

**Landfill** – Within the budget there is the addition of a \$200 fee to be charged for any banned materials brought into the landfill. Some of the banned items include; used oil, yard waste, whole scrap tires and wooden pallets. These items are not allowed to be placed in the landfill but they are still being collected at the recycling centers.

**Sheriff's Office** – The Sheriff's Office budget reflects a modest increase of .79% with the addition of 11 new Sheriff's vehicles. The Detention Center budget is increasing by 25.80% for a total allocation of \$4,051,761. The increase comes primarily from the county's voluntary participation in the Statewide Misdemeanant Confinement program in which the county agrees to house misdemeanants that have been sentenced from 91 to 180 days. The county has hired 15 new detention officers for this program. The revenue to the county from the state will be used to offset the program expenses.

**Tax Administration** – The tax rate will remain at 57 cents per \$100 of property valuation. The county-wide schools supplement tax rate remains at 15 cents per \$100 of valuation and the County Fire District rate remains at 3 cents per \$100. We will continue to also offer early payment discounts to taxpayers who pay in the month of August at one half of 1%.

**Human Resources** – Over the past 4 years, county employees have not been eligible for any pay increases. This year, the budget includes a \$500 bonus for full time employees with one or more years of service as of July 1. In addition, county employees will receive additional vacation hours of 3-5 days based on years of service.

**Library** – The library continues to operate two facilities in Cleveland County, the main branch in Shelby & the Spangler Branch in Lawndale. The Library Board of Trustees is recommending that the county increase the overdue fines to 25 cents per day to a maximum of \$10.00 per item. This increase will make their fee structure compatible with the members of the NC Cardinal Consortium.

**Public Schools** – The current expenditure allocation for the Cleveland County Schools remains the same at \$10,408,213. The total county allocation is \$24,058,213 equating to \$1,744 per pupil. The budget includes a decrease in the capital outlay of \$200,000.

**Cleveland Community College** – The budget includes an allocation of \$1,481,000 for the operations at the College. The funding for capital projects will remain unchanged.

Health Savings Accounts (HSA) have been offered as an option for employees for the past several years. The County health insurance plan has remained stable due primarily to the HSA plan. Beginning this year, the HSA will be the only health insurance plan option available to employees and their families. The

premiums paid by the county on behalf of the employees will increase by 4.5%. The County Wellness and Pharmacy program continues as a great benefit for county employees and their families.

The Retirement System Board of Trustees met and approved a decrease in the employee retirement rate. Effective July 1, the county budgeted rate will decrease from 7% to 6.75%.

**Capital Projects:**

The County continues to work on the construction of a Farmer's Market project with the City of Shelby. The funding has been acquired and construction will begin sometime later this year.

The County has been collaborating with the Cleveland County Schools and Cleveland Community College Foundation to construct a Conference Center, Early College High School and Continuing Education facility on the Community College Campus. Construction is scheduled to be completed on the LeGrand Center this summer with the first event to be held in August.

The County is continuing to work with the City of Shelby and the Economic Development Partnership to market the 100,000 square foot shell building in the Foothills Commerce Center. CCEDP is seeing lots of activity and looking forward to other joint projects in the 152 acre business park.

The construction for the Earl Scruggs Center is near completion with the purchase and installation of exhibits scheduled for some time next year.

The County continues to be a partner in assisting with the renovations at the Shelby High School Baseball Stadium for the American Legion World Series. The county is looking forward to the upcoming events and another successful baseball World Series tournament in August.

Cleveland County continues to see a lot of activity in Economic Development. Kristin Fletcher continues to work hard to recruit new businesses and Ken Mooney has been very successful with existing industry expansions.

When the budget message was written the County unemployment rate was 10.8%, it is now 9.8%. The economy continues to struggle in many sectors but Cleveland County has seen some stabilization over the past year or so. Some of the market indicators are struggling, but Cleveland County has seen improvements especially in industrial growth and development and the unemployment rate.

Overall, the county departments did a great job looking for savings opportunities in their budgets while making sure that the county continues to provide exceptional public services. County Manager Bailes thanked Chris Crepps and his staff in the Finance Department for their efforts with the budget.

Chairman Hutchins opened the public hearing. Hearing no comments, Chairman Hutchins closed the public hearing.

Vice-Chairman Hawkins voiced his concern with the decrease in sales tax revenue that Cleveland County has faced over the last several years. "We all realize there is an outpouring of sales tax dollars going to other counties. We, the Commissioners would like to address the issue of incentives for retail industries.

I would like to see an emphasis placed on this.”

Sales tax revenues in 2008 were \$12 Million. Projected sales tax revenue for FY 2012/2013 are \$7 Million.

Commissioner Holbrook responded by saying, “Fortunately, the announcement of several larger industries has equated to the loss of the sales tax revenue.”

Commissioner Falls felt that the county needs to be proactive in attracting retail businesses to Cleveland County.

Chairman Hutchins suggested a work session at the end of July to look at the issue of incentives for small businesses and retail businesses.

Commissioner Accor gave special thanks to the Department Heads who have followed the direction of the County Manager and have done a great job with the budget.

**ACTION:** Ronnie Hawkins made the motion, seconded by Mary Accor and unanimously adopted by the board to, *to adopt the budget as presented by the County Manager.*

## **COUNTY MANAGER’S BUDGET MESSAGE**

**FY 2012-2013**

June 5, 2012

### **To the Cleveland County Board of Commissioners:**

The proposed fiscal year 2012-2013 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 2012-2013 budgeted revenues and expenditures are balanced with a property tax rate of 57 cents per \$100 of property valuation. The budget will be open for public inspection on May 25, 2012 and a public hearing will be held on June 5, 2012.

The Board of Commissioners met on May 1, 2012 to discuss and evaluate budget and capital project priorities for fiscal year 2012-2013. The county has been facing challenging economic conditions over the past several years that have negatively affected county revenues, but because of the Commissioners strong leadership and sound fiscal management, Cleveland County has been able to present a balanced budget with no tax increase and no reduction in county funded services.

### **General Fund Budget**

The projected tax base for fiscal year 2012-2013 is \$6,950,000,000. This is a projected increase of \$225,000,000 in value over the previous year, which translates into \$1,244,000 in new revenue at a 57 cents tax rate with a 97% collection rate. Sales tax revenues are projected to continue to stabilize this year but will still not rise to the levels from several years ago. Overall service-related fee collections also seem to have reached the bottom and are increasing slightly over last year. We have recently seen a slight increase in residential building permits. We hope this trend continues through the coming year. We must continue to recruit new businesses to our community. Growth in the tax base and sales taxes must increase to match our mandated spending requirements or our current allocated funding levels will be difficult to sustain over time.

### **Human Services**

The overall appropriation of county funding for the *Department of Social Services* is \$7,624,984 for an increase in funding of 7.31% over the previous year. This increase is primarily due to a reduction in Federal and State funding for county mandated programs and services. These programs provide essential services for families and children.

The *Health Department* budget reflects an overall increase of 0.04% for a total county appropriation of \$3,690,936. A Pharmacist, Public Health Nurse II, and a Processing Assistant III have been added to the Health Department. All of these new positions are fully funded by Carolina Access grant funds.

### **Landfill (Enterprise Fund)**

In the budget, there is the addition of a \$200.00 fee that will be charged for any banned materials that are brought into the Cleveland County Solid Waste Management Facilities. Any violations of these rules will result in the rejection of the load, additional acceptance fee of \$200.00 plus tipping fees and possible legal action. Some of the banned items include used oil, yard waste, whole scrap tires, and wooden pallets. While they may not be dumped in the landfill, many of the banned items are still being collected at the recycling centers.

### **Public Safety**

The *Emergency Medical Services* department budget is allocated a total of \$5,443,141. This department budget reflects an increase of 0.43%.

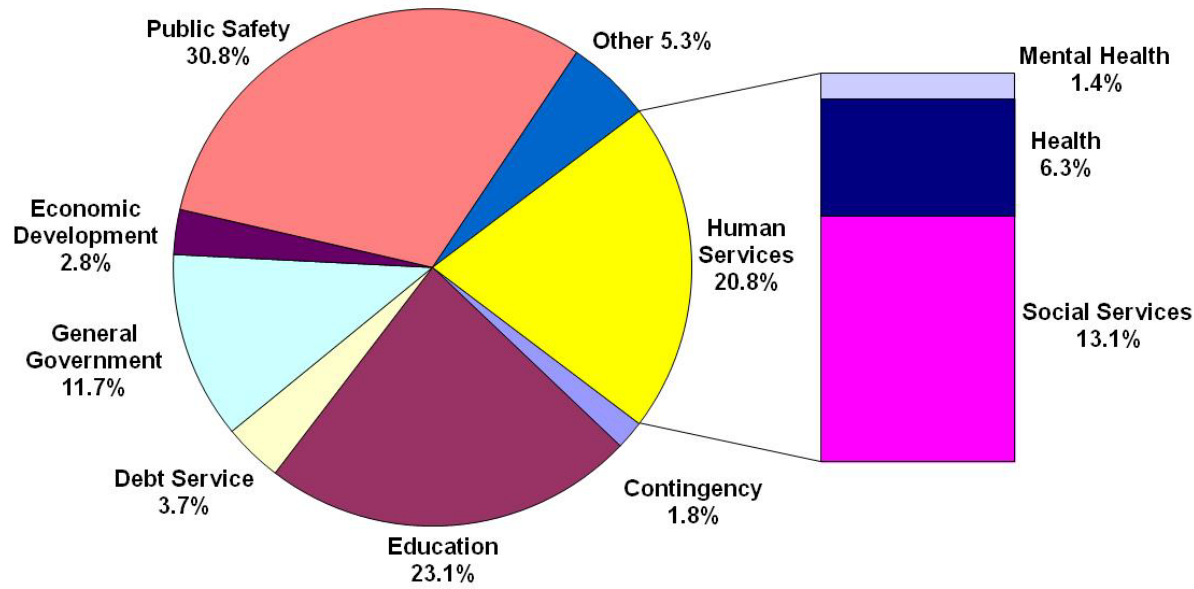
The *Sheriff’s Office* budget reflects an increase of 0.79% for a total appropriation of \$5,791,137. This budget includes the addition of 11 new Sheriff’s vehicles to replace current high mileage vehicles.

The Detention Center appropriation is increasing by 25.80% for a total allocation of \$4,051,761. The State recently implemented a voluntary program offering county detention facilities the opportunity to house misdemeanants that have been sentenced for a period of 91 to 180 days. In order to participate, the county has hired an additional 15 new detention officers.

The revenues from this program will be used to offset their salaries and other departmental expenses. Along with this program and the expansion at the Detention Center annex, the budget includes additional expenditures for food, laundry, utilities, fuel, and health care costs. We have been working closely with the Sheriff's Office to keep costs down as much as possible, but with the new jail expenses some increases in operational costs are unavoidable.

## Cleveland County Expenditures

### FY 2012-2013 Primary Fund By Function



#### Volunteer Fire Service Districts

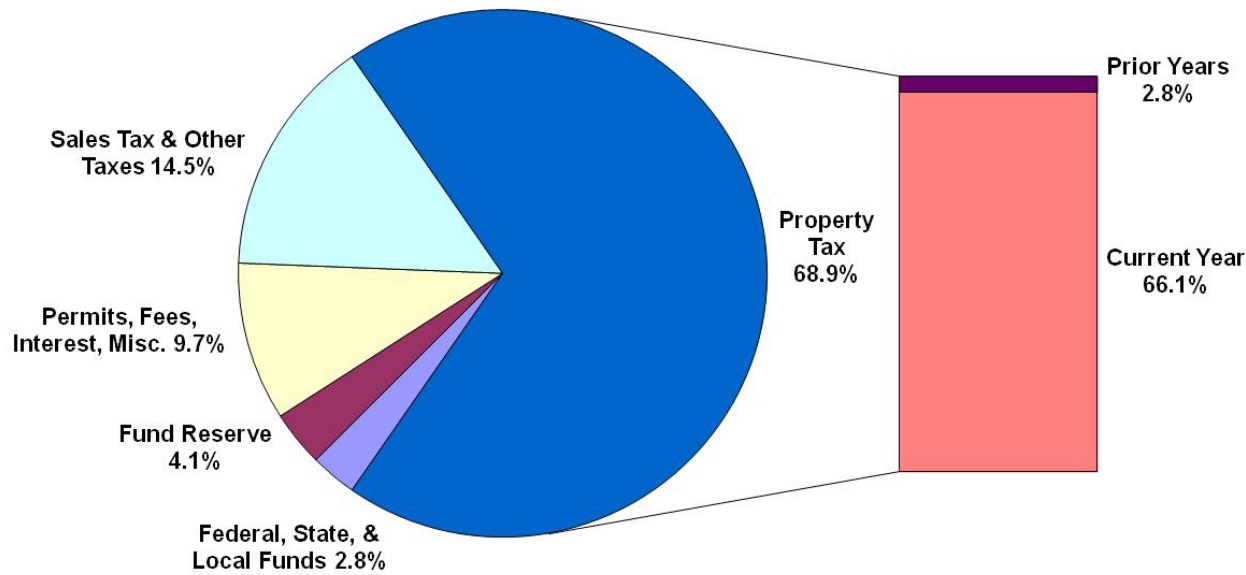
All fire service district tax rates will remain unchanged from last fiscal year. It is often difficult for many volunteers to be available to respond to calls during the day, so it may be necessary in the near future to explore the probability of having some paid staff during daytime hours. This county is fortunate to have a well trained and well equipped fire service. Our volunteers are enthusiastic in their desire to provide outstanding service to the citizens of Cleveland County.

#### Tax Administration

This budget proposes no change in the current property tax rate of 57 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. The early payment discount for taxpayers who pay during the month of August will remain at the current discount rate of one-half of 1%.

## Cleveland County Revenues

### FY 2012-2013 Primary Fund By Source



#### Veterans Services

The Cleveland County Veterans Services office assists our 8,759 local veterans and their dependents in applying for pension, health care, compensation, and other benefits and services. Due to the economy and rising costs in health care, the Veterans Office has seen a 30% increase in applications for health care benefits. The county staff has been doing an outstanding job in providing exceptional service to our local veterans.

#### Human Resources

It has been several years since county employees have received the opportunity for a pay increase. This budget includes a \$500 bonus for all permanently budgeted full time employees with one or more years of service as of July 1, 2012. The \$500 bonus will be pro-rated for part time employees in permanently budgeted positions.

In addition to the bonus payment, county employees will receive additional vacation hours based on years of service. The years of service will be determined as of July 1, 2012. These vacation hours may be used like any other vacation time. The hours will be pro-rated for part time employees in permanently budgeted positions.

Years of Service	Bonus Vacation Hours
1-10	24



11-25	32
25+	40

Beginning this year, the county will provide employees with a Health Savings Account (HSA) as the only health insurance plan option. Our health insurance costs have remained stable over the past several years due primarily to the savings of the HSA plan. We are fortunate in that we have been able to maintain our increase in premium costs over the past several years in the single digits. For next year, the premiums paid by the county on behalf of the employees will rise by 4.5%. The dental program has been stable this past year so there will not be an increase in dental premiums in the budget.

The Wellness Program continues to be a great benefit for county employees. Employees are encouraged to make healthy choices which have a positive effect on their individual health as well as the overall stability of our health plan. In conjunction with our health plan, we have continued to promote our employee wellness clinic and pharmacy program as affordable options.

The North Carolina Local Government Employees' Retirement System Board of Trustees approved a decrease in the employer retirement contribution rate. Effective July 1, 2012, the new county budgeted rate will be reduced from 7.00% to 6.75%.

### **Cleveland County Library System**

The Cleveland County Library System consists of two facilities that provide up-to-date library services to the people of Cleveland County. The main library in Shelby, located across from the Shelby City Park, is open 6 days a week. Besides the traditional library services, the main library provides free access to the Internet for the public as well as free access to the latest in ebooks and audiobooks. Over 150,000 people visit the main library every year and check out approximately 250,000 items. The Spangler Branch Library, located in Lawndale, serves the residents of upper Cleveland County. Offering all the same services of the main library but on a smaller scale, the branch is open 26 hours a week and circulates more than 30,000 items each year.

The Library Board of Trustees is recommending that the county approve an increase in overdue fines to twenty-five cents a day up to a maximum of \$10.00 per item. Effective July 1, 2012, this increase will make the fee structure compatible with other members of the NC Cardinal consortium.

### **Public Schools**

The current expense allocation for the Cleveland County School System will remain the same as in the previous year. The county allocation in the budget totals \$24,058,213 with the overall funding equating to over \$1,744 per pupil. The increase in per pupil funding is due primarily to a projected decrease in the number of students. Capital outlay will be reduced by \$200,000 and special capital projects will be funded at a total of \$1.2 million.

<b>COUNTY OF CLEVELAND, NORTH CAROLINA SCHOOL FUNDING WORKSHEET (ACCRUAL BASIS) April 23, 2012</b>						
<b>FISCAL YEAR</b>	<b>2013 <i>projected</i></b>	<b>2012 <i>estimated</i></b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Current Expense</b>	10,408,213	10,408,213	10,408,213	10,408,213	10,408,213	9,908,213
<b>Capital Outlay</b>	1,550,000	1,750,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Special Capital Projects</b>	1,200,000	1,200,000	1,400,000	1,400,000	1,400,000	1,400,000
<b>Supplemental Tax</b>	10,900,000	10,725,000	10,150,211	10,170,229	10,099,060	9,215,690
<b>Fines &amp; Forfeitures</b>	500,000	500,000	506,623	580,292	590,056	640,742
<b>Sales Tax</b>	2,740,500	2,690,500	2,589,580	2,600,505	3,282,542	4,022,266
<b>Total Funding</b>	<b>27,298,713</b>	<b>27,273,713</b>	<b>27,054,626</b>	<b>27,159,239</b>	<b>27,779,872</b>	<b>27,186,911</b>
<b>Student Population</b>	15,651	15,886	16,107	16,411	16,768	16,957
<b>Per Pupil Funding</b>	<b>1,744.22</b>	<b>1,716.84</b>	<b>1,679.68</b>	<b>1,654.94</b>	<b>1,656.72</b>	<b>1,603.29</b>
<b>Annual Amount Change</b>	27.38	37.16	24.74	(1.78)	53.43	35.23
<b>Annual Percent Change</b>	1.59%	2.21%	1.49%	-0.11%	3.33%	2.25%

### **Community College**

The budget includes an allocation of \$1,481,000 in current expenditures for Cleveland Community College. Funding for capital projects will remain unchanged. The construction of the LeGrand Center, located on the campus at the Community College, is progressing well and is anticipated to be completed in July 2012.

### **Capital Projects**

This budget addresses several capital projects. These projects are summarized as follows:

- Farmers' Market – Working on a joint project with the City of Shelby to create a new farmers' market located in Uptown Shelby.
- Conference Center/Early College High School/Continuing Education facility - Collaborating with the Cleveland County Schools and the Cleveland Community College to construct this multi-purpose facility.
- Foothills Commerce Center – Working on a joint venture with the City of Shelby to develop an industrial park west of Shelby. A 100,000 square foot shell building has been completed in the park and is currently being marketed to prospective clients.
- Historic Courthouse Renovations – Assisting with the renovation of the historic courthouse. The Earl Scruggs Center is scheduled to be completed early next year.
- American Legion Baseball Facilities – Assisting with the renovation of the Shelby High School Baseball Stadium in preparation for another successful American Legion World Series in August.

### **Economic Development/Tourism**

The budget appropriates \$161,000 to the Cleveland County Economic Development Partnership to be used in the recruitment of new businesses, as well as existing industry expansions. We continue to receive calls and visits from potential businesses considering locating to our area. We will also continue to explore new and innovative ways to be more marketable to current and future businesses.

The county has continued to place an emphasis on local travel and tourism within our community. This budget is allocating \$104,352 for travel and tourism with a majority of funding coming from the local occupancy tax. Work continues at the Shelby High School baseball stadium to prepare for the American Legion World Series baseball tournament. As a result of the hard work of many dedicated volunteers, our community will see a tremendous economic benefit and national recognition from this event. Along with the support of the county, private donors, and a grant from the Economic Development Administration, Destination Cleveland County is continuing with the renovations of the former historic county courthouse. The new Scruggs Center, once complete, along with the Don Gibson Theatre, will have a significant impact on the number of visitors to our county.

**Conclusion**

The county unemployment rate is currently 10.8%. While the overall economy is still struggling, retail sales have been stabilizing over the past couple of years and local housing starts have been improving but are not near the levels of several years ago. With economic uncertainty, this budget focuses on keeping operating costs down while maintaining the same level of public services. The county departments have been exploring all avenues to manage costs while providing exceptional quality services. With the County Commissioners' direction and leadership, we will continue to operate with no reduction in county funded services and no increase in property taxes.

We look forward to continuing our focus on the recruitment of new businesses and the retention of our current businesses. There have been several recent existing industry job expansions and new company announcements. Creating and retaining jobs for our citizens will help stabilize our local economy as well as assist with maintaining a stable tax rate. We are currently working on several more economic development projects which, if successful, will have a positive impact on our overall economy and unemployment rate.

I would like to thank Chris Crepps, Finance Director and his staff for their outstanding work in assisting with the preparation of this budget. Our county departments and staff continue to work diligently to contain costs and manage our resources wisely while providing exceptional public services.

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

**SECTION I. FUND ESTIMATED REVENUES.** It is estimated that the revenues and fund balances of the funds and departments as listed below will be available during the fiscal year beginning July 1, 2012 and ending June 30, 2013 to meet the functional 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.

<b><u>A. GENERAL FUND ESTIMATED REVENUES</u></b>			<b>\$108,866,982</b>
		<i>Less Transfers</i>	
		<i>In:</i>	(\$13,700,762)      \$95,166,220
<b><u>Primary</u></b>			<b>\$60,242,441</b>
		<i>Less Transfers</i>	
		<i>In:</i>	(\$1,362,325)      \$58,880,116
<u>Ad Valorem Tax:</u>	Current Year	\$38,426,550	
	(57.0 Cents per \$100 value) X (\$6,950,000,000 total value) X (97% collection)		
	Prior Years	\$1,149,975	
	Advertising/Penalties	\$490,000	
	Sales		
<u>Other Taxes:</u>	Tax      1 Cent (Article 39)	\$4,525,000	
	Two 1/2 Cents (Art 40 & 42)	\$3,450,000	
	Occupancy Tax	\$216,000	
	Heavy Equip Tax	\$24,000	
	Vehicle Lease		
	Tax	\$30,000	
	Excise Stamps Tax	\$200,000	
<u>Intergovernmental:</u>	US Forfeited Property-Sheriff	\$91,809	
	US Grant-Emergency Management	\$15,862	
	NC Telecommunications Surcharge	\$310,000	
	NC Grants-Third Party (Pass-Thru)	\$878,772	
	NC Grant--J.C.P.C.		
	Admin.	\$1,471	
	NC Grant--Crim. Just. Part. Prog.	\$0	
	NC Court Arrest Fees-Sheriff	\$40,000	
	NC Forfeited Property-Sheriff	\$25,000	
	NC Housing of State Prisoners-Jail	\$650,000	
	NC Court Fees-		
	Jail	\$50,000	
	NC License Revocation-		
	Jail	\$8,000	
	NC Grant-Soil Conservation Match	\$25,600	
	NC Grant-Veterans' Services Match	\$1,452	
	NC Grant-State Aid to Libraries	\$135,297	
	Kings Mtn: County Library System	\$5,878	
	Schools: School Resource Officers	\$272,958	
	Shelby: Payment in Lieu of Taxes	\$11,000	
	Other Various Sources	\$13,326	

<u>Permits/Fees:</u>	Register of Deeds	\$425,000
	Sheriff	\$175,000
	Inspections	\$200,000
	Planning & Zoning	\$21,000
<u>Sales/Services:</u>	Rents	\$1,474,000
	Contracted Revenues	
	Municipal Tax Collection	\$250,000
	Municipal Elections	\$0
<u>Sales/Services:</u>	Local Fees & Medicaid	
	Emergency Med Serv	\$2,550,000
	Volunteer Rescue	\$20,000
	Electronic Maintenance	\$15,000
	Cooperative Extension	\$15,000
	County Library System	\$32,000

**SECTION I. FUND ESTIMATED REVENUES.**

(continued)

**A. GENERAL FUND ESTIMATED REVENUES**

(continued)

<u>Interest:</u>	Interest on Investments	\$250,000		
<u>Miscellaneous:</u>	ABC Per Bottle & Profit Distribution	\$50,000		
	Sale of Used Assets	\$25,000		
	Vending/Payphone Commissions	\$60,000		
	Contributions & Donations	\$42,800		
	Other Miscellaneous	\$20,000		
<u>Other Sources:</u>	School Capital Reserve Fund (Transfer)	\$1,290,000		
	Emergency Telephone Fund (Transfer)	\$72,325		
	ROD Automation E & P	\$57,463		
	Fund Balance Appropriated	\$2,149,903		
	<b><u>Social Services &amp; Public Assistance</u></b>		<b>\$22,828,890</b>	
		<i>Less Transfers</i>		
		<i>In:</i>	(\$7,414,278)	\$15,414,612
	Grants-Federal and State Govts	\$15,356,078		
	Local Fees	\$58,534		
	Primary Fund (Transfer)	\$7,414,278		
	<b><u>Public Health</u></b>		<b>\$12,917,250</b>	
		<i>Less Transfers</i>		
		<i>In:</i>	(\$3,813,319)	\$9,103,931
	Grants-Federal and State Govts	\$1,482,796		
	Local Fees & Medicaid	\$7,621,135		
	Primary Fund (Transfer)	\$3,690,936		
	Other Funds (Transfer)	\$122,383		
	<b><u>Employee Wellness</u></b>		<b>\$778,579</b>	
		<i>Less Transfers</i>		
		<i>In:</i>	(\$592,000)	\$186,579
	Local Fees	\$186,579		
	Health Insurance Fund (Transfer)	\$592,000		
	<b><u>Court Facilities</u></b>		<b>\$322,822</b>	
		<i>Less Transfers</i>		
		<i>In:</i>	(\$125,000)	\$197,822
	Departmental Fees	\$197,822		
	Primary Fund (Transfer)	\$125,000		
	<b><u>School Property Taxes</u></b>		<b>\$10,425,000</b>	\$10,425,000
	Ad Valorem Tax: Current Year	\$10,425,000		
	(15.0 Cents per \$100 value) X (\$6,950,000,000 total value)			
	<b><u>Workers' Compensation</u></b>		<b>\$720,000</b>	
		<i>Less Transfers</i>		
		<i>In:</i>	(\$393,840)	\$326,160
	Interest on Investments/Other	\$326,160		
	Primary Fund (Transfer)	\$105,000		
	Other Funds (Transfer)	\$288,840		
	<b><u>Health Insurance</u></b>		<b>\$632,000</b>	\$632,000
	Fund Balance Appropriated	\$632,000		

**SECTION I. FUND ESTIMATED REVENUES.**

(continued)

**B. SPECIAL REVENUE FUND ESTIMATED REVENUES**

		<b>\$1,869,257</b>		
		<i>Less Transfers</i>	(\$300,000)	\$1,569,257

	<i>In:</i>		
<b><u>Emergency Telephone</u></b>		<b>\$353,291</b>	\$353,291
E911 Subscriber Fees	\$300,551		
Other Revenues	\$27,013		
Fund Balance Appropriated	\$25,727		
<b><u>County Fire Service District</u></b>		<b>\$1,515,966</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$300,000)	\$1,215,966
Ad Valorem Tax: Current Year (3.0 Cents per \$100 value) X (\$3,100,000,000 total value) X (97% collection)	\$902,100		
Ad Valorem Tax: Prior Years	\$25,650		
Other Revenues	\$230,000		
Primary Fund (Transfer)	\$300,000		
Fund Balance Appropriated	\$58,216		
<b><u>C. DEBT SERVICE FUND ESTIMATED REVENUES</u></b>		<b>\$5,531,160</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$3,968,572)	\$1,562,588
<b><u>Debt Service</u></b>		<b>\$5,531,160</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$3,968,572)	\$1,562,588
Other Unit's Share of Expenditures	\$1,562,588		
Primary Fund (Transfer)	\$2,071,398		
School Capital Reserve Fund (Transfer)	\$1,897,174		
<b><u>D. CAPITAL PROJECT FUND ESTIMATED REVENUES</u></b>		<b>\$5,553,842</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$2,283,334)	\$3,270,508
<b><u>Capital Projects</u></b>		<b>\$1,183,334</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$1,183,334)	\$0
Capital Reserve Fund (Transfer)	\$1,183,334		
<b><u>County Capital Reserve</u></b>		<b>\$1,183,334</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$1,100,000)	\$83,334
County Funds	\$1,100,000		
Fund Balance Appropriated	\$83,334		
<b><u>School Capital Reserve</u></b>		<b>\$3,187,174</b>	\$3,187,174
Sales Tax: Two 1/2 Cents (Art. 40 & 42)	\$1,770,398		
Grants-Public School Bldg. Cap. Fds.	\$1,416,776		
<b><u>E. ENTERPRISE FUND ESTIMATED REVENUES</u></b>		<b>\$6,502,447</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$500,000)	\$6,002,447
<b><u>Solid Waste Landfill</u></b>		<b>\$6,252,447</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$250,000)	\$6,002,447
Grants and Shared Taxes-State Govt	\$169,984		
Local Fees and User Fees	\$5,663,463		
Sale of Recyclables/Other	\$169,000		
Primary Fund (Transfer)	\$250,000		
<b><u>LeGrand Conference Center</u></b>		<b>\$250,000</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$250,000)	\$0
Primary Fund (Transfer)	\$250,000		
<b><u>SECTION I TOTAL (TOTAL FUND ESTIMATED REVENUES)</u></b>		<b>\$128,323,688</b>	
	<i>Less Transfers</i>		
	<i>In:</i>	(\$20,752,668)	\$107,571,020
<b>SECTION II. FUND APPROPRIATIONS.</b>	<b>It is hereby affirmed that the appropriations of the funds and departments as listed below will be sufficient to meet the County's normal operating obligations.</b>		
<b><u>A. GENERAL FUND APPROPRIATIONS</u></b>		<b>\$108,866,982</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$16,043,612)	\$92,823,370
<b><u>General Government</u></b>		<b>\$25,927,410</b>	

		<i>Less Transfers</i>		
		<i>Out:</i>	(\$15,938,612)	\$9,988,798
10.411	Commissioners (Governing Body)	\$393,402		
10.412	County Manager's Office	\$399,303		
10.413	Finance/Purchasing	\$625,743		
	Property Tax			
10.415	Administration	\$1,475,175		
10.416	Legal/County Attorney	\$67,560		
10.418	Elections	\$419,780		
10.419	Register of Deeds	\$353,393		
10.421	Information Technology	\$548,289		
	Human			
10.423	Resources	\$346,156		
10.426	Building Maintenance	\$1,387,278		
10.428	Municipal Elections	\$0		
10.430	Municipal Grants	\$147,048		
10.432	Grants--Third Party (Pass Thru)	\$878,772		
10.433	Grant--J.C.P.C. Administration	\$1,671		
10.613	Communities in Schools	\$58,500		
10.619	ROD Automation E & P	\$23,100		
10.981	Transfers Out To:	\$15,306,612		
	Social Services	\$4,895,990		
	Public			
	Assistance	\$2,518,288		
	Public Health	\$3,690,936		
	Courts	\$125,000		
	Workers' Comp.	\$105,000		
	County Fire Service			
	District	\$300,000		
	Debt Service	\$2,071,398		
	Capital Reserve	\$1,100,000		
	Solid Waste	\$250,000		
	Conference Center	\$250,000		
10.998	Emergency & Contingency	\$1,042,227		
13.660	Employee Wellness	\$778,579		
14.417	Court Facilities	\$322,822		
60.650	Workers' Compensation	\$720,000		
65.981	Employee Medical Insurance (Transfer)	\$632,000		

**Public Safety**

			<b>\$18,046,701</b>	<b>\$18,046,701</b>
10.439	Grant--Criminal Justice Partnership	\$0		
10.440	School Resource Officers	\$322,953		
10.441	Sheriff	\$5,791,137		
	Forfeited Property--			
10.442	Federal	\$91,809		
10.443	Forfeited Property--State	\$25,000		
10.444	Detention Center/Jail	\$4,051,761		
10.445	Emergency Management	\$292,626		
10.446	Emergency Medical Services	\$5,443,141		
10.447	Volunteer Rescue	\$143,175		
10.448	Communications	\$985,647		
10.449	Electronic Maintenance	\$369,103		
10.450	Building Inspections	\$420,452		
10.451	Coroner	\$89,817		
10.453	Hazardous Materials	\$20,080		

**SECTION II. FUND APPROPRIATIONS.**

**A. GENERAL FUND APPROPRIATIONS**

**Economic & Physical Development**

	Planning &		<b>\$1,639,048</b>	<b>\$1,639,048</b>
10.491	Zoning	\$315,552		
10.492	Economic Development/Tourism	\$860,934		
10.495	Cooperative Extension	\$298,639		
10.496	Forestry Management	\$71,190		
10.498	Soil Conservation	\$92,733		

**Transportation**

10.497	Transportation Admin. of Clev. Cty.	\$39,465	<b>\$39,465</b>	
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**Human Services**

	<b>\$36,790,625</b>			
	<i>Less Transfers</i>			
	<i>Out:</i>	(\$105,000)	\$36,685,625	

10.560	Mental Health (Pathways)		\$791,939		
10.591	Veterans' Service Officer		\$98,511		
10.617	Council on Aging (Senior Center)		\$154,035		
	Social Svcs. & Public				
11.000	Asst.		\$22,723,890		
11.000	Transfers Out To Other Funds		\$105,000		
12.000	Public Health		\$12,917,250		
<b><u>Education</u></b>				<b>\$25,154,213</b>	<b>\$25,154,213</b>
10.600	Cleveland County Schools		\$13,248,213		
	Current				
	Expense	\$10,408,213			
	Capital Outlay	\$2,840,000			
10.604	Cleveland Community College		\$1,481,000		
	Current				
	Expense	\$1,481,000			
20.600	School Property Taxes		\$10,425,000		
<b><u>Cultural</u></b>				<b>\$1,200,294</b>	<b>\$1,200,294</b>
10.611	Libraries		\$1,055,393		
	County Library System	\$985,372			
	Other Libraries	\$70,021			
10.612	Recreation		\$79,900		
10.614	Historic Artifacts		\$65,001		
<b><u>Debt Service (small lease purchase agreements)</u></b>				<b>\$69,226</b>	<b>\$69,226</b>
10.800	Debt Service		\$69,226		
<b><u>B. SPECIAL REVENUE FUND APPROPRIATIONS</u></b>				<b>\$1,869,257</b>	
			<i>Less Transfers</i>		
			<i>Out:</i>	(\$72,325)	\$1,796,932
<b><u>Public Safety</u></b>				<b>\$1,869,257</b>	
			<i>Less Transfers</i>		
			<i>Out:</i>	(\$72,325)	\$1,796,932
26.454	Emergency Telephone		\$280,966		
26.454	Transfer Out To Other Funds		\$72,325		
28.452	Volunteer Fire Departments		\$1,515,966		
<b><u>C. DEBT SERVICE FUND APPROPRIATIONS</u></b>				<b>\$5,531,160</b>	<b>\$5,531,160</b>
<b><u>Debt Service</u></b>				<b>\$5,531,160</b>	<b>\$5,531,160</b>
30.800	Debt Service		\$5,531,160		
<b><u>SECTION II. FUND APPROPRIATIONS.</u></b>					<b>(continued)</b>
<b><u>D. CAPITAL PROJECT FUND APPROPRIATIONS</u></b>				<b>\$5,553,842</b>	
			<i>Less Transfers</i>		
			<i>Out:</i>	(\$4,370,508)	\$1,183,334
<b><u>Capital Projects</u></b>				<b>\$5,553,842</b>	
			<i>Less Transfers</i>		
			<i>Out:</i>	(\$4,370,508)	\$1,183,334
40.210	General Projects		\$1,183,334		
41.209	County: Capital Reserves (Transfer)		\$1,183,334		
42.105	Schools: Local Option Sales Taxes (Tr'fer)		\$1,770,398		
42.106	State Corporate Income Taxes (Transfer)		\$1,416,776		
<b><u>E. ENTERPRISE FUND APPROPRIATIONS</u></b>				<b>\$6,502,447</b>	
			<i>Less Transfers</i>		
			<i>Out:</i>	(\$266,223)	\$6,236,224
<b><u>Environmental</u></b>				<b>\$6,252,447</b>	
			<i>Less Transfers</i>		
			<i>Out:</i>	(\$266,223)	\$5,986,224
54.472	Solid Waste Capital Projects		\$0		
54.473	Solid Waste Disposal		\$4,092,687		
54.473	Transfer Out To Other Funds		\$266,223		
54.474	Solid Waste Collections		\$1,893,537		
<b><u>Cultural</u></b>				<b>\$250,000</b>	<b>\$250,000</b>
55.480	LeGrand Conference Center		\$250,000		
<b><u>SECTION II TOTAL (TOTAL FUND APPROPRIATIONS)</u></b>				<b>\$128,323,688</b>	
			<i>Less Transfers</i>	(\$20,752,668)	\$107,571,020

Out:

**SECTION III. PROPERTY TAX RATES.** The County-wide property tax rate shall be 57 cents per \$100 valuation for purposes of the General Fund and 15 cents per \$100 valuation for purposes of the School Property Taxes Fund; thus, the combined County-wide property tax rate shall be 72 cents per \$100 valuation. Further, the property tax rate for the County Fire Service District shall be 3 cents per \$100 valuation and derived revenues shall be used to benefit volunteer fire departments in the district.

**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 Fund Estimated Revenues and Total Fund Appropriations remain at the level, including all subsequent budget amendment, approved and adopted by the County Board of Commissioners, except as provided below.

**SECTION V. BUDGET CARRY FORWARDS.** The County Manager shall have authorization to include in the budget all prior year budget amounts remaining for outstanding purchase order encumbrances, unspent grants, unspent donations, and other ongoing projects as determined by the Finance Department.

### **REGULAR AGENDA**

#### **NACo VOTING DELEGATE**

**ACTION:** Ronnie Hawkins made the motion, seconded by Jason Falls, and unanimously adopted by the Board, *to appoint Mary Accor as the Voting Delegate for the NACo Conference to be held July 14-17 in Pennsylvania .*

### **COMMISSIONER REPORTS**

Commissioner Falls enjoyed County Assembly Day especially sharing of information among counties in North Carolina.

Commissioner Holbrook is continuing to work on Economic Development Projects and funding for the LeGrand Center.

Commissioner Accor attended the first graduation for the Cleveland Early College High School. Several students received their High School Diploma and an Associates Degree in four years. Several Commissioners met with Lt. Governor while in Raleigh for County Assembly Day. The purpose of this meeting was to discuss the Highway 74 Bypass project.

### **ADJOURN**

There being no further business to come before the Board at this time, Mary Accor made the motion, seconded by Ronnie Hawkins, and unanimously adopted by the Board, *to adjourn.*

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*Johnny Hutchins, Chairman  
Cleveland County Board of Commissioners*

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*Kerri Melton, Clerk  
Cleveland County Board of Commissioners*