

Cleveland County Board of Commissioners
May 17, 2016

The Cleveland County Board of Commissioners met in a regular session on Tuesday, May 17th at 6:00 p.m. in the Commission Chamber of the Cleveland County Administrative Office.

PRESENT: Jason Falls, Chairman
Eddie Holbrook, Vice-Chair
Johnny Hutchins, Commissioner
Jeff Richardson, County Manager
Tim Moore, County Attorney
Andrea Leslie-Fite, Assistant County Attorney
April Crotts, Deputy Clerk to the Board
Kerri Melton, Community Services Director
Brian Epley, Finance Director
Allison Mauney, Human Resources Director
Chris Green, Tax Administrator
Perry Davis, Emergency Management Director

ABSENT: Johnny Hutchins, Commissioner
Henry Earle, Clerk to the Board

CALL TO ORDER

Chairman Jason Falls called the meeting to order and County Tax Administrator Chris Green led the audience in the Pledge of Allegiance and provided the invocation for the meeting.

AGENDA ADOPTION

ACTION: Commissioner Allen made the motion to adopt the agenda as presented. It was seconded by Commissioner Holbrook and unanimously adopted by the Board.

SPECIAL RECOGNITION

RECOGNITION OF MISS SHELBY 2016: Chairman Falls introduced Danyel Phelps, who introduced Rachel Mower, Miss Shelby 2016. Ms. Mower spoke to the Commissioners about her role as Miss Shelby and her Community Service platform which is to educate individuals on Cystic Fibrosis. Ms. Mower has given over 86 appearances/speeches in five months addressing the NC Cystic Fibrosis Foundation.

Commissioners thanked Ms. Mower for her work and took pictures with her.

CITIZEN RECOGNITION

- No one signed up for citizen recognition.

CONSENT AGENDA

MINUTES: There being no corrections, additions or deletions, the Minutes of the May 3rd, 2016 regular meeting were presented.

ACTION: Commissioner Hawkins made the motion to adopt the minutes as presented. It was seconded by Commissioner Holbrook and unanimously adopted by the Board.

TAX ADMINISTRATION: For April 2016 Abatements were \$226.09 and Supplements were \$11,411.87.

ACTION: Commissioner Hawkins made the motion to approve the Tax Administrator's report. It was seconded by Commissioner Holbrook and unanimously adopted by the Board.

TAX ADMINISTRATION: As of April 30, 2016, the Cleveland County Tax Collector's Office had collected 97.22% of property taxes in Cleveland County.

ACTION: Commissioner Hawkins made the motion to accept the Tax Collector's report. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

EMERGENCY MANAGEMENT: BNA #064

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.445.4.310.00	FED GOV GRANTS	\$17,918.00	
010.445.5.910.00	CAPITAL EQUIPMENT	\$17,918.00	

Explanation of Revisions: Budget funds received from Emergency Management Performance Grant. Funds will be used to purchase a drone and remaining money will go toward a new truck for Emergency Management.

ACTION: Commissioner Hawkins made the motion to accept the budget amendment. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

HEALTH DEPARTMENT: BNA #065

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
012.541.4.350.00	STATE GOV GRANTS	\$17,762.00	
012.541.5.210.00	DEPARTMENTAL SUPPLIES	\$7,762.00	
012.541.5.240.00	AUTOMOTIVE SUPPLIES	\$3,000.00	
012.541.5.241.00	MOTOR FUELS	\$3,000.00	
012.541.5.310.00	TRAVEL/TRAINING	\$4,000.00	

Explanation of Revisions: Budget state performance based food and lodging funds for operating expenses.

ACTION: Commissioner Hawkins made the motion to accept the budget amendment. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

SHERIFF'S OFFICE: BNA #066

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.438.4.810.00	CONTRIBUTIONS	\$400.00	
010.438.5.790.00	DONATIONS	\$400.00	

Explanation of Revisions: Budget donation received from the Alliance for health for the purchase of charcoal to be used in the drug incinerator.

ACTION: Commissioner Hawkins made the motion to accept the budget amendment. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

EMERGENCY MANAGEMENT: BNA #064

<u>Account Number</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.450.4.510.27	SHELBY BUILDING INS.	\$39,390.00	
010.450.5.910.00	CAPITAL EQUIPMENT	\$24,728.00	
010.445.5.910	CAPITAL EQUIPMENT	\$14,662.00	

Explanation of Revisions: Budget funds received from the City of Shelby to purchase a new truck for Building Inspections. The balance will go toward a new truck for Emergency Management.

ACTION: Commissioner Hawkins made the motion to accept the budget amendment. It was seconded by Commissioner Holbrook and unanimously approved by the Board

PLANNING: The planning department requested to set a public hearing for June 7th for Zoning Case 16-05. Property owner Kenneth Davis is requesting a zoning map amendment for a portion of his property at 822 McDaniel Road in Kings Mountain from restricted residential to residential.

ACTION: Commissioner Hawkins made the motion to approve setting the public hearing for June 7th. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

EMERGENCY MANAGEMENT: Per General Statute 136-18, Volunteer Fire Departments are allowed to request up to \$25,000 in reimbursement from the state for parking lot paving costs if the parking lot touches a State Department of Transportation maintained road. The request for reimbursement must come in the form of a resolution from the Board of Commissioners. Bethlehem Volunteer Fire Department requested the Commissioners write the resolution requesting reimbursement.

ACTION: Commissioner Hawkins made the motion to approve the resolution requesting reimbursement for Bethlehem Volunteer Fire Department. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

EMERGENCY MANAGEMENT: Per General Statute 136-18, Volunteer Fire Departments are allowed to request up to \$25,000 in reimbursement from the state for parking lot paving costs if the parking lot touches a State Department of Transportation maintained road. The request for reimbursement must come in the form of a resolution from the Board of Commissioners. Polkville Volunteer Fire Department requested the Commissioners write the resolution requesting reimbursement.

ACTION: Commissioner Hawkins made the motion to approve the resolution requesting reimbursement for Polkville Volunteer Fire Department. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

FINANCE: The finance department presented a contract with Martin, Starnes and Associates for \$56,500 to cover the contract for the 2015/2016 fiscal year. The audit report will be presented to the County's finance department by no later than October 31st, 2016.

ACTION: Commissioner Hawkins moved to approve the audit contract with Martin Starnes and Associates. It was seconded by Commissioner Holbrook and unanimously approved by the Board.

REGULAR AGENDA

2016-2017 MANAGER'S RECOMMENDED BUDGET MESSAGE: Chairman Falls called Jeff Richardson, County Manager, to the podium. Mr. Richardson thanked Commissioners for their guidance and patience in setting priorities and strategic goals so as to give staff guidance.

Cleveland County, North Carolina

FY 2016-2017
Managers
Recommended
Budget

COMMISSIONER STRATEGIC GOALS FOCUS AREAS

- FISCAL SUSTAINABILITY
- PUBLIC SAFETY
- ECONOMIC DEVELOPMENT
- COMMUNITY EDUCATION AND CUSTOMER SERVICE OUTREACH

FISCAL SUSTAINABILITY

- Commissioner FY 16-17 Top Priority:
 - Focus on 2016 county-wide revaluation with goal of stabilizing tax rate/base to avoid budgetary shortfall
 - Seek Alternatives for increasing revenues, lessening the County's burden on property taxes

5 YEAR TAX BASE GROWTH (ASSESSED VALUE)

2012	4.58%
2013	6.68%
2014	6.16%
2015	2.10%
2016	-3.60%* (natural growth 2.2%↑)

REVALUATION

- First County Wide Tax Revaluation since 2008
- Tax Assessor Projects Conservative Net Valuation decrease of approximately **3.6%**
 - County General \$1,600,000
 - County Schools \$ 400,000
- **General Fund Revenue Neutral: 59 cents**
- **Recommended Budget: 57 cents**
- **Equates to a 2 Cent Tax Cut for General Fund**

PUBLIC SCHOOL FUNDING

- Revaluation Tax Cut \$ 400,000
- Session Law 2015 -241 \$ 250,000
 - Sales Tax Re-Distribution Legislation
- County Allocated Sales Tax \$ 150,000
 - Article 42
- Per Pupil Funding:

FY 2015-16	FY 2016-17
\$1,890	\$1,890

FY 16-17 FISCAL SUSTAINABILITY: ALTERNATIVE REVENUE SOURCES

- Session Law 2015 -241 Sales Tax Re-Distribution Legislation \$ 900,000
- FY 16-17 Re-Engineering Savings (Year 2) \$ 580,000
- Debt Service Reduction \$ 250,000
- Incentive Roll Offs \$100,000
- Total Alternative Revenue \$1,830,000

RE-ENGINEERING SAVINGS (YEAR 2)

Re-Engineering Strategies	Budget Flexibility Created
Central Collections	\$450,000 / per year
Health & Human Services Campus - Operational Savings	\$130,000 / per year

Operational Cost
Re-Engineering



Strategic Goal
Progression

FISCAL SUSTAINABILITY: TAX REVALUATION SUMMARY

- Focus on 2016 county-wide revaluation with goal of stabilizing tax rate/base to avoid budgetary shortfall
- Property Tax Cut \$ 1,600,000
- Alternative Revenue \$ 1,830,000

PUBLIC SAFETY / FISCAL SUSTAINABILITY

- Commissioner FY 16-17 Top Priority:
 - Maintain support for County Volunteer Fire Departments and explore additional ways to increase County assistance

VFD STRATEGIC PLAN

- Prioritize Task Force Recommendations
 - First Quarter FY 16-17
- Short-Mid-Long Term Action Planning
 - Second Quarter FY 16-17
- Exploration of alternative revenue structure
 - Second Quarter FY 16-17
- VFD Strategic Plan Adoption
 - Fourth Quarter FY 16-17

PUBLIC SAFETY

- Increase Support to County VFD Service Districts ✓
- Health & Human Services Campus Security ✓
- Grand Opening of District Attorney's Office ✓

TAX RATES: SUMMARY

- Recommended No Change
 - Cleveland County Property Tax / **57 Cents**
 - County School Supplemental Tax / **15 Cents**
 - County Volunteer Fire Service District Tax / **5 Cents**

ECONOMIC DEVELOPMENT

- Commissioner FY 16-17 Strategic Goal:
 - Grow County's Tax Base Strategically to Increase Jobs Locally
 - Examine current Economical Development Partnership structure to insure continual success of recruiting and retaining industry in Cleveland County

ECONOMIC DEVELOPMENT

- 39 Clients = 13.9 cents / 57 cent tax rate
 - 13.9 cents equates to \$10.5M
- Top 6 = 5.2 cents / 57 cent tax rate
 - 5.2 cents equates to \$4.1M



ECONOMIC DEVELOPMENT

- Continuation of Workforce Development ✓
 - Scholarship Program CCC
 - Machining & Robotics Program
- E.D. Industry Growth / Tax Base Growth ✓
 - Property Acquisition
 - Infrastructure Enhancement
 - State/Municipal Partnerships

ECONOMIC DEVELOPMENT

Commissioner FY 16-17 Strategic Goal:

Manage occupancy tax to support synergetic partnerships aimed at growing travel tourism throughout Cleveland County

ECONOMIC DEVELOPMENT

- LEGRAND CENTER
 - ALWS
- CHAMBER / TRAVEL TOURISM
- PUBLIC SHOOTING COMPLEX PARTNERSHIPS
 - EARL SCRUGGS CENTER
 - GREENWAY TRAIL SUPPORT
 - K.M. HISTORICAL MUSEUM

COMMUNITY EDUCATION & CUSTOMER SERVICE OUTREACH

• Commissioner FY 16-17 Top Priority:

- *Creation and implementation of a Small Business Incentive Grant Program in effort to encourage small business growth in Cleveland County*

COMMUNITY EDUCATION & CUSTOMER SERVICE OUTREACH

- Small Business Grant Incentive Program ✓
- Organizational Re-Branding & Marketing ✓
- Cooperative Extension Staffing ✓
- Community Partnerships Support ✓

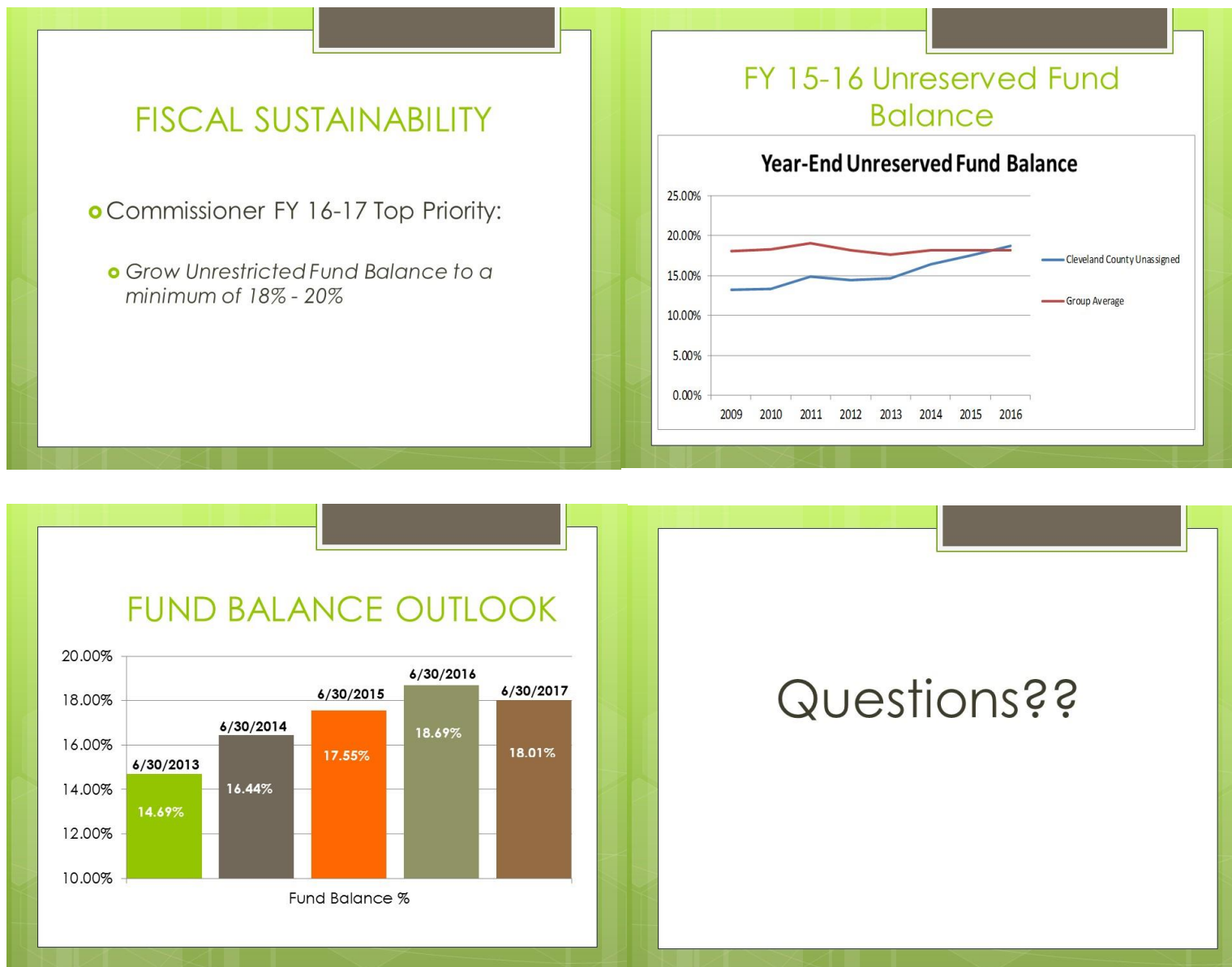
FISCAL SUSTAINABILITY

• Commissioner FY 16-17 Top Priority:

- *Create a sustainable Cleveland County employee pay plan*

FISCAL SUSTAINABILITY: EMPLOYEE COMPENSATION

- ½ Step Pay Adjustment \$ 900,000
 - (FTE > 1 Year Tenure)
- 1.6% COLA \$ 700,000
- Health Plan Investment \$ 375,000



Commissioner Hawkins thanked the County Manager for his presentation, and said it was very well done.

He thanked the Finance Director as well as the Finance staff for their hard work on getting the budget ready.

Commissioner Allen thanked the staff for their work and was excited about the direction the county was moving.

Commissioner Holbrook said it was remarkable to have started where the county did several years ago and to be, in a revaluation year, where the county is now. Chairman Falls said it is rare to not have an increase in taxes in a revaluation year. He thanked the County Manager and Finance Director and said it was a job well done. Chairman Falls noted that copies of the budget would be in the County Manager's Office beginning May 18th and that the public hearing for the budget would be held on Tuesday, June 7th at the Commissioner's Regular Meeting.

COMMISSIONER REPORTS

Commissioner Hawkins: Spoke to members of the School Board last week about Cleveland Community College. He said he was very impressed that the School System had so many scholarships given to students with a 4.0 or higher that they had to have two nights of scholarship recognitions. The Early College High School graduated 39 graduates with associate's degrees. Behavioral Health is having a ribbon cutting at the Public Health Center at 2:30 on Thursday, May 19th.

Commissioner Holbrook: Attended the Cleveland Community College Board of Trustees and Foundation meetings. The American Legion World Series is beginning to wind up for the year.

Commissioner Allen: Ready for the Relay for Life in Cleveland County.

Chairman Falls: Attended the swearing in of the Interim Register of Deeds and look forward to working with Mrs. Harrill.

ADJOURN

Chairman Falls entertained a motion to adjourn. The motion was made by Commissioner Hawkins, seconded by Commissioner Allen and unanimously approved by the Board. The next regularly scheduled meeting of the Cleveland County Board of Commissioners will be Tuesday, June 7th at 6:00 in the Commissioner's Chamber.