

**Commissioner's Work Session Minutes  
1/31/2017**

**PRESENT:** Eddie Holbrook, Chairman  
Susan Allen, Vice-Chair  
Jason Falls, Commissioner  
Johnny Hutchins, Commissioner  
Ronnie Whetstine, Commissioner  
Jeff Richardson, County Manager  
Andrea Leslie-Fite, Assistant County Attorney  
Henry Earle, Clerk to the Board  
April Crofts, Deputy Clerk to the Board  
Kerri Melton, Community Services Director  
Brian Epley, Finance Director  
Allison Mauney, Human Resources Director  
Kristin Reese, Economic Development Director  
Perry Davis, Emergency Management Director

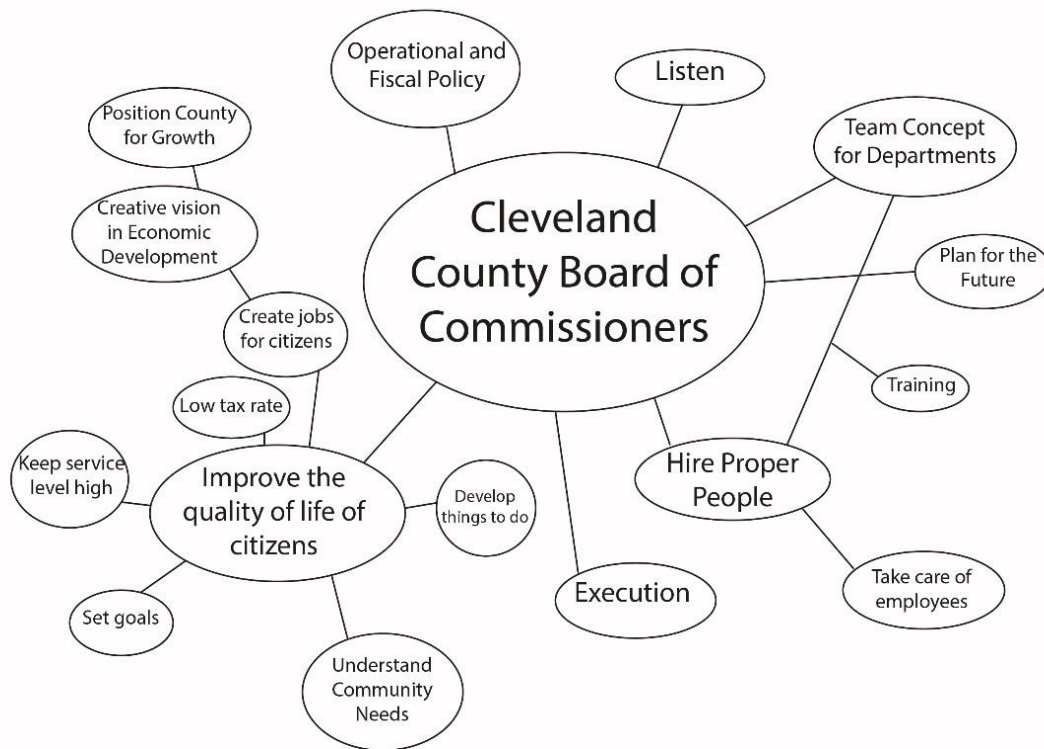
**WELCOME AND INTRODUCTIONS**

The Cleveland County Board of Commissioners Chairman Holbrook opened the meeting at 9:02 a.m., welcomed everyone, and stated that he was excited for the day. Chairman Holbrook then introduced County Manager Jeff Richardson, who in turn introduced David Nicholson and Linda Milsap from the North Carolina Association of County Commissioners.

**MAPPING THE ROLE OF THE BOARD**

Mr. Nicholson asked Commissioners what they wanted to accomplish for the day. Commissioners listed that they hoped to understand Board priorities for the upcoming budget as well as resetting goals and seeing what has been accomplished. Mr. Nicholson then asked the Board to create a map of what the role of the Board is:

## Mapping the Role of the Board



### **THE ROLE OF THE COUNTY BOARD OF COMMISSIONERS**

Mr. Nicholson began by reminding Commissioners that County government is a political subdivision of the state government and that Counties provide state mandated services like school buildings, health and human services, courthouses and optional items like solid waste, fire protection and ambulance services.

The Board has several functions:

- **General Administration:** The Board sets policy for County government and acts on that policy through the County Manager.
- **Fiscal Oversight:** The Board establishes fiscal policy through taxing and spending authority. Counties receive money from property and sales tax, as well as debts and services. The biggest expenditures Counties typically face are Human Services, Education and Public Safety.
- The power of the Board of Commissioners is vested in the Board as a body, not as individuals. That power must be expressed collectively and a quorum must be present to make decisions and those decisions come through orders, resolutions and ordinances.

- The Board of Commissioners is part of a shared power system. Counties, unlike municipalities, are more horizontal than hierarchical and elected officials, as well as state mandated boards, have power and authority.
- Commissioners' ability to do work depends on two things: the ability of the Board to get along well with others and being conscientious about appointment powers.

Linda Milsap spoke to the Commissioners regarding fiscal oversight. Ms. Milsap discussed Cleveland County's revenue percentages as well as expenses and how Cleveland County compares to peer groups in various revenue and expense categories. With Cleveland County reporting a higher percentage spent on health and human services (35%) compared to its peer Counties (28%) Ms. Milsap showed several slides of health indicators and Cleveland County's percentages among its peers.

- 19.4% of Cleveland County residents reported to be in fair or poor health, which fell in line with peer Counties.
- The Cleveland County per capita income is \$31,699, which is below the peer county average.
- The percentage of children living in poverty in Cleveland County is 31.0%, which is the highest among the peer Counties.
- Ms. Milsap stated that these factors, put together, explain the strain on health and human services and could help to explain why Cleveland County spends more.

Mr. Nichols stated that he and Ms. Milsap were going to turn it over to staff so the focus could shift into strategic planning. As he sat down Commissioner Falls stated that not enough focus has been given to the appointment powers of the Board. Commissioner Falls stated that he did not think that since he has been on the Board, that the Commissioners have evaluated the Boards that they appoint to and that there might be Boards that need to be created and some whose function is no longer necessary. Mr. Nichols stated that when he was the Manager in Henderson County that each committee had a charter that was evaluated to ensure that the board/committee was doing what it was intended to do and still a necessary Board. Chairman Holbrook stated that it would also be advantageous to ensure that, as priorities and strategic goals change, that Boards are evaluated to see if their purpose aligns with strategic goals. County Manager Jeff Richardson mentioned an example from Mr. Nichols' presentation of a special committee put together between the Commissioners and the School Board to help navigate through some questions between Boards.

The creation of this committee fostered better communication and led to updates being given to each Board from this committee. Community Services Director Kerri Melton asked if the staff needed to create a system of updates so that boards/committees could come before the Board once a year. Mr. Nichols said that was difficult because with 20+ boards there would be an update at every Commissioners' meeting. Chairman Holbrook stated that the County had a small administrative staff and that it might not be feasible to have updates at meetings but that the topic could be revisited.

### **HEALTH DEPARTMENT RANKING**

Chairman Holbrook introduced Public Health Director Dorothea Wyant and Community Health Services Director Anne Short and stated that the Board was interested in hearing from the Public Health Center about the County's health ranking, which, in 2016, was 80 out of 100. Ms. Short went over the various statistics used to determine the County's ranking and stated that these County Health rankings have been coming annually since 2012 to give counties a way to measure against other counties and against other states. Ms. Short indicated that while the data was useful, some parts to it were multiple years old. Commissioner Falls stated that the County spent more on health and human services than peer counties and yet the County's health ranking was worse. Commissioner Holbrook stated that the Board is aware of where the County is and where it wants to be in the health rankings but what the Board needed from the health department was to have some suggestions on how to get there. Ms. Short stated there were certain issues that the County could do something about, such as tobacco use, obesity and diabetes and that policy changes have to be crafted around these issues. Ms. Short described the social determinants of health; poverty, education, housing and transportation, and that those items needed to be addressed to make public health impact. Ms. Short then stated that Carolinas Healthcare was conducting an eleven county study on social determinants of health and what can be done. Ms. Short stated that some things that could be done were utilizing green space in new developments, more walking trails, health education and the possibility of a Federally Qualified Health Center located in Cleveland County.

**ACTION: The Board of Commissioners asked the Public Health Director to give 3-5 specific action items that she believed the Public Health Center could act upon to help improve Cleveland County's quality of life and to improve the County's health ranking of 80. The Board asked for these items to be brought to the Board within a three week time period.**

## **STRATEGIC GOAL UPDATE**

Community Services Director Kerri Melton went over FY 16-17 Strategic Goals with the Board.

- Top Priorities
  - Creation of a sustainable Pay Plan: 4% raise given and pay and classification study performed.
  - Maintain support for County Volunteer Fire Departments: VFD Strategic Plan created in March of 2016. Even though the Sales Tax Referendum did not pass, due to a stable fund balance, the County was able to give more to operations.
  - Creation and Implementation of the Small Business Program: Adopted in March of 2016. The internal team has met to ensure that businesses that are investing \$500K-\$1 million can be a part of the small business program.
  - Creation of commercial dilapidated buildings ordinance: A non-residential maintenance regulation was created by former Planning Director Bill McCarter and is ready to be sent to the Planning Board for review.
  - Encourage Animal Control to reduce numbers of unwanted pet births: The health department has been working with the Target Zero group to work toward becoming a zero kill shelter as well as moving toward their focus being on animal adoption.

Commissioner Hutchins asked about the Volunteer Fire Department work and asked Fire Marshal Perry Davis to bring them up to speed. Mr. Davis said that Kevin Gordon would like to come before the Board to give an update. Fallston VFD wants to come under the County service district and Mr. Davis stated that the Volunteer Fire Departments are still trying to gather consensus around Article 46 and whether or not they would like to see it back on the ballot and how they would like to move forward.

Commissioner Holbrook called on Kristin Reese to discuss economic development. Mrs. Reese stated that she appreciated the Board's support and their willingness to look at the small business incentive program to make it more encompassing and show that Cleveland County is willing to work with businesses of all types and sizes. Staff Attorney Andrea Leslie-Fite stated that she was updating the language on the Incentive Agreement documentation. Mrs. Reese stated that the County was being ranked as the 4th highest of 565 micropolitan area in the United States. This ranking speaks to the foresight of

the Board and the hard work that County staff has put together. The rankings are project based and shows the County's success. Finance Director Brian Epley asked if any of those ranked ahead of Cleveland County were in North Carolina and Mrs. Reese stated that she was not told about the other areas but she did know that for several years Tupelo, Mississippi had been number one but that any of the areas near the top are making strides in economic development. Commissioner Holbrook stated that what economic development did eight years ago by making a concerted effort to be better has reaped this new ranking and even though it's a different issue with the health department perhaps an effort like that would help with county rankings.

### **FISCAL YEAR 2017/2018 BUDGET FORECAST**

County Manager Jeff Richardson first looked at the current strategic goals:

- Create a sustainable pay plan: The key is sustainability. For sustainability to work there had to be multi-year planning to ensure that it was affordable and that employees had confidence in the organization moving forward.
- Maintain support for Volunteer Fire Departments: Mr. Epley had been the one to note Article 46 as an option in 2016 and even though it did not pass there are ways to move forward.
- Create Phase III of the Shooting Complex: There is no dedicated funding to this at the moment and there has also been the strain of opening a range and the issues that come with remediation of the rifle range and normal year one activities.
- Implementation of Small Business Program: This was talked about with Mrs. Reese earlier.

The mid-year report showed things were going well but it was important to remember in 2016 mandatory revaluation created an effective loss of 2 cents. Over the past two budget cycles the County has given \$3.4 million in raises and \$775,000 to the health plan, which is stable. The five years that step raises were frozen led to compression with 283 employees at step 1A with an average tenure of 3.7 years and this past year that compression was lifted leading to 132 employees being at step 1A with an average tenure of 0.75 years. In 2017 the health fund plan, as mentioned above, is stable. Claims are stable and the strategies that have been employed in wellness are paying off. Mr. Richardson spoke about continued momentum for both public safety and economic development with both departments receiving \$1.2 million in allocated funding over the last two budget cycles (facility upgrades for public safety and land acquisition and workforce development for economic development).

Commissioner Hutchins suggested that, due to the level of activity with economic development that the County should put back 10% instead of 5% for economic development, starting on the next project.

**ACTION: The Board instructed the County Manager to increase the percentage of taxes placed in an economic development fund from incentivized projects from 5% to 10% moving forward for projects approved after 1/31/2017.**

The County Manager reviewed challenges and opportunities for the coming year.

- Challenges: Slow Revaluation recovery, employee compensation, master facility planning, VFD Strategic Plan, Healthcare Inflation, Economic Development and Workforce Development.
- Opportunities: Known Out-Year Tax Base Growth, Fund Balance Growth, and Incentive Roll-Offs.
- Remaining Un-allocated funding: \$6.3 million from the reimbursement resolution. Mr. Richardson asked the Board that this money stay unused to see what happens with the Master Facility Plan.
- Mr. Richardson stated that, in summary, the County was anticipating \$2,000,000 in new available money tax from base growth, incentive roll-offs, reduction in manager's contingency, re-engineering and vacant position reviews, and a \$400,000 strategic draw-down of the fund balance (keeping the fund balance at 18%).
- Mr. Richardson asked the Board to consider, when setting priorities:
  - Look at setting aside \$600,000 for the employee pay plan.
  - \$350,000 into the employee wellness fund, specifically to help continue the momentum of Cleveland Strong with the YMCA partnership. The original partnership with the YMCA was three years and the manager stated his desire to continue that partnership.
  - \$250,000 for debt set off for the Legrand Center. The manager stated that direction had been given to have the County take control of the Legrand Center once the debt service is paid off. The County would assume the Foundation's \$250K per year for the life of the loan. (10 years)
  - \$800K for other Board priorities and VFD Strategic Plan

Mr. Richardson stated that 17/18 would be the year that there was not as much flexibility as in other years. He then turned the meeting over to Chairman Holbrook. Chairman Holbrook stated that, in consideration of

what was mentioned above with the Legrand Debt Service, the agreement with the Foundation for the Legrand Center is currently structured so that it goes to the Community College and Chairman Holbrook has been working to ensure that the property and facility remain under County ownership and control. Moving the debt from the Foundation to the County would help ensure retention of ownership and control. Commissioner Whetstine asked if the Foundation had to go along with that decision and Chairman Holbrook stated that, informally, the Foundation would like for the County to own and run the Legrand Center. Commissioner Falls stated that the Legrand Center will probably always be a subsidized operation and that is something the Community College probably does not want to have to subsidize. Mr. Richardson had a few items to expand upon. The first was the County YMCA partnership. The three year partnership with the Cleveland County YMCA for diabetes prevention classes is ending on June 30th and the YMCA has already approached the County Manager about extending the contract for another three years. Commissioner Hutchins stated that he and the Manager had talked about expanding the YMCA classes to cardiovascular health as well.

**ACTION: The Board gave direction to move forward in negotiating a new contract with the YMCA for diabetes prevention classes, with the possibility of expansion with weight loss or cardiovascular health.**

Commissioner Falls stated that another consideration of the Board was to look at the County's dental plan. Commissioner Hutchins stated that he believed the Public Health Center had capacity and it would be worth looking into the current costs of the dental reimbursement plan versus having employees utilize the dental clinic at the public health center, much in the same way that employees utilize the health and wellness center. Commissioner Holbrook stated that he and Commissioner Hutchins had been speaking about putting down the cement pad at the shooting complex, completing the back side bathroom and cleaning up the old police club building (which has been deeded to the County). Commissioner Hutchins also stated that the Community College was interested in partnering with the County to use the building for the BLET course. The County Manager stated that there was still \$140,000 in the capital fund that had been earmarked for the shooting complex.

**ACTION: The Board gave direction to move forward in partnering with Cleveland Community College on the renovation of the police club building and utilizing the earmarked \$140,000**



**to pay for the renovating as well as proceed on the cement pad and the bathrooms on the backside of the range.**

### **PRIORITIZATION OF STRATEGIC GOALS**

The Board Chair turned the meeting over to Mrs. Melton for priority setting. Mrs. Melton suggested that before the Commissioners use their “dots” to set priorities, that the Board goes through current year priorities and see if there are current year strategic goals that can be taken off the list.

- Economic Development: Small Business Incentive Program (remove-created), Exploring partnerships with other governmental agencies to for beautification of Highway 74 (remove-tied into retail task force), consolidation of growing tax base strategically and examining ED partnership to insure success in recruiting industry), increase retail business in Cleveland County (keep). Manage occupancy tax revenue, aimed at growing travel and tourism throughout Cleveland County (see below)
- Public Safety: Maintain support for County VFD (keep, see below), Dilapidated buildings ordinance (keep, see below), Encourage Animal Control to find alternative ways of reducing unwanted births (keep), Broadband (keep), Identify cost savings with the Health and Human Services campus (keep)
  - **ACTION: The Board gave direction for Jeff, Brian, and Vice-Chair Allen to meet with Kevin Gordon to hear recommendations from the Volunteer Fire Departments for their upcoming budget needs.**
  - **ACTION: The Board gave direction for the Planning staff to move forward with the Dilapidated Buildings Ordinance, and to get it to the Planning Board for recommendation to the Commissioners.**
- Fiscal sustainability: Sustainable pay plan (keep), seek alternatives to increasing revenue (remove-ongoing responsibility), Explore ways to maximize the county’s grant opportunities for community projects (remove), grow fund balance from 18-20% (remove), Continue cross-departmental partnerships for re-engineering (complete), Master-Facility Plan (keep-in progress)
- Community Education and Customer Service Outreach: Complete Phase 3 of the Shooting Complex (keep), Increase Veterans’ support services (keep), Support the Public Health Center in defining public health as a key community value (keep), create a marketing strategy to include county

- rebranding (in progress), Support for the Meals on Wheels Program (remove), Take steps to increase county wide recycling (keep, below)
- The solid waste task force has been researching the possibility of a single stream recycling system for the County. There are not numbers to go along with the project yet but the Task Force has worked on it considerably.

After the Board went through their current year strategic goals and examined strategic goals for the coming year, each Board member was given 7 “dots” to place next to items that each Commissioner felt should be a top priority for the coming year. Commissioner Strategic Goals for 2017-2018 are as follows:

- Community Education and Customer Service Outreach:
  - Explore Opportunities to Increase Veterans’ Support Services.
  - Work with the Board of Health to determine ways of improving the overall health of our community.
  - Continue to study the availability of youth programs to include life coaching, career assistance and healthy lifestyle education to provide opportunities for youth to become successful, productive adults.
  - Create a marketing strategy to include county rebranding to educate citizens of county programs available to them. Create a dialogue between municipalities and community partners to create a sharing of information on upcoming issues and events.
- Economic Development:
  - Determine ways to assist the Agricultural community in their efforts to promote Agriculture as an economic development opportunity.
  - Examine current Economic Development Partnership structure to insure continued success in growing the County's tax base and increasing jobs by recruiting and retaining industry in Cleveland County.
  - Continue to look for outside the box ways of increasing retail business in Cleveland County.
  - Manage occupancy tax revenue to support synergetic partnerships, aimed at growing travel and tourism throughout Cleveland County.
  - Research the availability of transportation funding for projects such as sidewalks, bike trails and Rails to Trails programs.
- Public Safety:
  - Create Partnerships to complete Phase III of the Public Shooting Range to include an Education Center and Law Enforcement Driving Pad.

- Maintain support for County Volunteer Fire Departments and explore additional ways in increase county assistance.
- Encourage Animal Control to find alternative ways to reducing unwanted births of animals.
- Creation & implementation of commercial dilapidated buildings ordinance.
- Evaluate options for expanding broadband services to areas of the County which are not served.
- Fiscal Sustainability:
  - Review the Pay and Classification Study to determine the best option to create a sustainable Cleveland County Employee Pay Plan.
  - Identify cost savings associated with the creation of a Health and Human Services campus.
  - Take steps to increase county-wide recycling to reduce landfill waste stream.
  - Review the Facilities Master Plan and Energy Audit to determine the life and programming of existing county buildings.
  - Work with other local government agencies to explore the benefits of constructing compressed natural gas (CNG) fueling stations.
- **ACTION: The Board gave direction for the staff to put together the lists (above) and prepare for distribution to the staff and public at the same time.**
- **ACTION: Commissioner Hutchins moved to adjourn the meeting at 5:12 p.m. It was seconded by Commissioner Falls and unanimously approved by the Board.**