

Cleveland County Board of Commissioners
June 1, 2021

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: Doug Bridges, Chairman
Deb Hardin, Vice-Chair
Johnny Hutchins, Commissioner
Ronnie Whetstine, Commissioner
Kevin Gordon, Commissioner
Tim Moore, County Attorney
Brian Epley, County Manager
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Marty Gold, Information Technology Director
Jason Falls, Business Development Director
Allison Mauney, Human Resources Director
Katie Swanson, Social Services Director
Scott Bowman, Maintenance Director
Daryl Sando, Electronic Maintenance Director
Lucas Jackson, Finance Director
Martha Thompson, Deputy County Attorney
Perry Davis, Emergency Management Director/Fire Marshal
Chris Martin, Planning Director
Josh Davis, Solid Waste Director
Tommy McNeilly, Emergency Medical Services Director

CALL TO ORDER

Chairman Bridges called the meeting to order and announced Vice-Chairman Deb Hardin would be presiding over the meeting. She invited anyone from the audience to lead the Pledge of Allegiance and provide the invocation.

Floyd Queen, Shanghai Volunteer Fire Department, provided the invocation and led the audience in the Pledge of Allegiance.

AGENDA ADOPTION

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hutchins and unanimously adopted by the Board to, ***approve the agenda as presented.***

SPECIAL RECOGNITION

2021 NORTH CAROLINA GOVERNOR'S VOLUNTEER SERVICE AWARD

The Governor's Volunteer Service Awards program was created by the Office of the Governor in 1979 to recognize North Carolina's most dedicated volunteers. Through the years, the award has been bestowed on thousands of North Carolinians who have shown concern and compassion for their neighbors by volunteering in their local communities. Floyd Queen and Dr. Jack Weller from Cleveland County have been awarded certificates for their outstanding volunteer service. The Commissioners took turns commenting and giving congratulations to the award recipients.

CITIZEN RECOGNITION

No one registered to speak.

development. This will include a processing room, corral and parking lot. The surrounding uses are mostly residential, with some commercial uses in the corridor along Fallston Road. The Land Use Plan calls this area Future Rural Residential. The Cleveland County Unified Development Ordinance classifies slaughterhouses under NAICS 31100, Food Manufacturing. This use is only allowed in Light and Heavy Industrial with the issuance of a zoning permit

ACTION: Commissioner Gordon made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve scheduling the public hearing as requested.*

PLANNING DEPARTMENT: SET PUBLIC HEARING FOR TUESDAY, JULY 6, 2021 FOR CASE 21-11; REQUEST TO CONDITIONALLY REZONE PARCEL 59861 AT 110 BATTLEGROUND ROAD FROM LIGHT INDUSTRIAL (LI) TO RESIDENTIAL CONDITIONAL DISTRICT (R-CD)

The Moser Group, represented by Tom Crouch, is requesting to rezone a 56-acre parcel from Light Industrial (LI) to Residential Conditional Use (R-CU) for the purposes of developing multi-family housing. The project proposes 15 buildings with 360 housing units, landscape screening around the perimeter, parking, and walking trails throughout the property.

ACTION: Commissioner Gordon made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve scheduling the public hearing as requested.*

ISOTHERMAL PLANNING AND DEVELOPMENT: HOUSING CONSORTIUM RESOLUTION

Cleveland County completed a housing study in 2019. The purpose of the study was to determine current characteristics of all major housing components within the market and identify housing gaps by tenure and income segment. The study identified high priority in nearly every housing sector. Since that time, based on the growing need for housing across the region, Isothermal Planning, now Foothills Regional Commission, created a housing task force. As a result, this task force identified a potential funding opportunity for its member governments.

ACTION: Commissioner Gordon made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve the Foothills NC Home Consortium.*

FOOTHILLS NC HOME CONSORTIUM

**JOINT COOPERATION AGREEMENT
FOR
HOME INVESTMENT PARTNERSHIP ACT**

THIS AGREEMENT, entered into this 1st day of June, 2021, by and between the County of McDowell (herein called the "Lead Entity"), County of Polk, County of Rutherford, County of Cleveland, (herein called the Counties) and all other municipalities within McDowell County (including Marion and Old Fort), Polk County (including Columbus, Saluda, and Tryon), Rutherford County (including Bostic, Chimney Rock Village, Ellenboro, Forest City, Lake Lure, Ruth, Rutherfordton, and Spindale), and Cleveland County (including Belwood, Boiling Springs, Earl, Fallston, Grover, Kings Mountain, Kingstown, Lawndale, Polkville, and Shelby), herein known as Members, said parties to the agreement being geographically contiguous units of general local government of the State of North Carolina, and is made pursuant to North Carolina Statutes, Article 20 of Chapter 160A.

WITNESSETH THAT:

WHEREAS, the Cranston-Gonzales National Affordable Housing Act of 1990 (herein called the "Act") makes provisions whereby units of general local government may enter into cooperation agreements and form a Consortium to undertake or assist in undertaking affordable housing pursuant to the HOME Investment Partnership Program (HOME Program); and

WHEREAS, it is the desire of the parties that the Lead Entity will act in a representative capacity for the Members as well as itself. The Members desire that the Lead Entity assume overall responsibility for ensuring that the Consortium is carried out in compliance with the requirements of the Act, state and federal regulations' program requirements and the Consolidated Plan for the Consortium. The Lead Entity through written agreement is utilizing the Isothermal Planning and Development Commission (Administrative Agent) to assist in carrying out the daily

administration responsibilities of the Consortium. That written agreement specifies the duties and responsibilities of the Administrative Agent to carry out the administrative and other functions necessary, required and desirable to fulfill the requirements of the Act, its regulations, United States Department of Housing and Urban Development directives and state and federal law.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. The parties agree to cooperate to undertake or to assist in undertaking housing assistance activities for the HOME program. The Members hereby authorize the Lead Entity to apply for and receive HOME funding from the United States Department of Housing and Urban Development. The Lead Entity is authorized to act in a representative capacity for all Members for purposes of the HOME program.

2. The Members hereby authorize the Lead Entity to establish a local HOME Investment Trust Fund for receipt and disbursement of HOME funds and repayments.

3. The Lead Entity and Members shall cooperate in the implementation of the HOME Program and shall cooperate in the preparation of the Consolidated Plan by providing information to the Lead Entity. The Members shall execute and submit the required certifications, and shall prepare and submit plans for monitoring compliance with the Consolidated Plan. The Lead Entity, through the Administrative Agent, assumes overall responsibility for ensuring that the Consortium's HOME Program is carried out in compliance with the requirements of the HOME Program, including requirements concerning a Consolidated Plan in accordance with HUD regulations in 24 CFR Parts 91 and 92, respectively, and the requirements of 24 CFR 92.350.

4. The Lead Entity and each Member shall be responsible for providing matching funds required by federal regulations for any funds allocated for that jurisdiction. No Member shall refuse to provide matching funds required by its projects for the period of time that the participation of that Member is required in the Consortium by HUD regulations and this Agreement. Each Member

shall reimburse the Lead Entity immediately and in full for any and all expenses incurred by Lead Entity as a result of the failure of any Member to provide the matching funds. Matching funds will not be required when the Member does not have a project within its jurisdiction.

5. The Consortium agrees, that unless this requirement is suspended by HUD, that a minimum of fifteen percent (15%) of all HOME funds received will be set aside for the use of Community Housing Development Organizations (CHDOs) which have 501(c)(3) tax status as required by federal law.

6. The Lead Entity and the Administrative Agent will be paid an administrative fee totaling ten percent (10%) of the overall HOME funds allocation for the performance of their duties administering the HOME program in accordance with the applicable requirements of 24 CFR part 92. Said fee will be shared between the parties as stipulated in a separate administrative agreement. Only costs associated with the management and administration of the HOME program will be charged against HOME administrative allocations.

7. The Members do hereby agree to inform the Lead Entity through the Administrative Agent, in writing, of any income generated by the expenditure of HOME funds received by the Members, and that such program income must be paid to the Lead Entity for deposit into the Trust Fund or may be retained by the Members only if its use is defined in a separate agreement and approved by the United State Department of Housing and Urban Development.

8. The Members and Lead Entity shall affirmatively advance fair housing. And make all benefits of the program available in accordance with fair housing regulations.

9. The Members, as parties to the Consortium, agree that they shall direct all activities, with respect to the Consortium, to the alleviation of housing problems in the State of North Carolina.

10. This section shall not be construed as waiving any defense or limitation which any party may have against any claim or cause of action by any person not a party to this agreement.

11. The terms of this agreement will cover the period necessary to carry out all activities that will be funded from funds awarded for three federal fiscal years. The units of general local government which join the Consortium will remain in the Consortium for this entire period. The qualification period is Federal Fiscal Years 2021 -2023. The time for which this agreement remains in effect is until the HOME funds from each of the Federal Fiscal Years set out above are closed out pursuant to 24 CFR 92.507. No Consortium member may withdraw from the agreement while the agreement remains in effect.

12. This agreement will automatically renew for participation in successive three-year qualification periods. By the date specified in HUD's consortia designation notices, the Consortium's Lead Entity, through the Administrative Agent, will notify each participating unit of general local government in writing of its right not to participate for the successive three-year qualification periods. A copy of the notification to each jurisdiction must be sent to the HUD Field Office by the date specified in the consortia designation notice. The Lead Entity shall have the authority to amend the HOME consortium agreement on behalf of the consortium's members. The Lead Entity will incorporate all changes necessary to meet the requirements for cooperation agreements set forth in a Consortia Qualification Notice applicable for a subsequent three-year period, and will submit the amendment to HUD as specified in the Consortia Qualification Notice for that period, and failure to comply will void the automatic renewal of the consortia agreement.

13. The Members and Lead Entity agree that this Cooperation Agreement may require modifications when final regulations on HOME and Consolidated Plan are provided by the United States Department of Housing and Urban Development and will cooperate in executing a revised or amended written agreement acceptable to all parties.

14. Should disputes arise between any participants in the Consortium resulting in legal action, such actions shall be filed in the appropriate courts of McDowell County. All parties hereto located in Counties outside McDowell County specifically waive any alternate venue.

15. The program start date for the Consortium is July 1, 2022 – June 30, 2023, and all units of general local government are on the same program year.

16. A Consortium Committee has been formed with one representative from each Member. The Consortium Committee will meet quarterly to receive Consortium updates and to review progress made towards Consolidated Plan goals. The Lead Entity, through the Administrative Agent, shall establish all policies, determine funding allocations, and control all activities of the consortium. The Administrative Agent will accept project recommendations from all HOME consortium members, but reserves the right to make final funding decisions consistent with the Consolidated Plan.

IN WITNESS WHEREOF, the Lead Entity and the Members have caused this Agreement to be executed by a duly authorized officer of each party.

*approved @ the June 1, 2021 Comm. Mtg.
 COUNTY OF Cleveland
 By: Deaf R. Ryan
 Chairman, Board of Commissioners

ATTESTED:

By: Phyllis Nowlen



STATE OF NORTH CAROLINA
 COUNTY OF Cleveland

I, a Notary Public of Lenoir County and State of North Carolina, certify that Phyllis Nowlen personally came before me this day and acknowledge that she/she is Clerk of the County Board of Commissioners, a North Carolina body corporate, and that by authority duly given and as the act of the Cleveland County Board of Commissioners, the foregoing instrument was signed in its name and by its Chairman of Board of Commissioners, sealed with its corporate seal and attested by himself/herself as its Clerk.

Witness my hand and seal this 1st day of June, 2021.

Velda A. Currier (Signature)
Velda A. Currier, Notary Public
 (Printed Name)



My Commission Expires: 6-20-2025

APPROVED AS TO FORM:

Maena Thompson (Signature)
Maena Thompson (Printed Name)
 Attorney for Cleveland County Board of Commissioners

LEGAL: TAX FORECLOSURE UPSET BID PROCESS FOR PARCELS 20706, 27395, 27398, 40159, 26934

The County has owned each of these properties for several years:

Parcel #	Year Acquired	Property	Acreage	Tax Value	Offer
Parcel 20706	2017	Vacant Lot	.06 Acres	\$1,712	\$1,700
Parcel 27395	2017	Vacant Lot	.25 Acres	\$2,625	\$ 210
Parcel 27395	2017	Vacant Lot	.23 Acres	\$1,272	\$ 102
Parcel 40159	2017	Vacant Lot	.69 Acres	\$14,793	\$1,500
Parcel 26934	2012	Vacant Lot	.40 Acres	\$11,880	\$1,272

North Carolina General Statute § 153A-176 authorizes the County to dispose of property according to the procedures proscribed in Chapter 160A, Article 12 of the General Statutes. One of those procedures is found in

North Carolina General Statute § 160A-269. Under that statute, the County may receive an offer to purchase property and advertise it for upset bids.

ACTION: Commissioner Gordon made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, ***to approve the resolution authorizing negotiated offer and upset bid.***



Resolution

08-2021

Resolution Authorizing Negotiated Offer and Upset Bid (G.S. 160A-269)

WHEREAS, Cleveland County owns certain properties identified as follows:

Parcel Number	Location	Offeror
20706	1113 Withers Street, Shelby	Chad Hill
27395	Carver Street, Shelby	Wendy Jan
27398	Carver Street, Shelby	Wendy Jan
40159	Enola Drive, Kings Mountain	Janay Yarbrough
26934	416 E. Ross Grove Road, Shelby	Wendy Jan

and

WHEREAS, N.C.G.S. § 153A-176 and N.C.G.S. § 160A-269 permit the County to sell property by upset bid, after receipt of an offer for the property; and

WHEREAS, the County has received offers to purchase the properties described above in the amounts as follows:

Parcel Number	Amount Offered
20706	\$1,700.00
27395	\$102.00
27398	\$210.00
40159	\$1,500.00
26934	\$925.00

and

WHEREAS, the required five percent (5%) deposit has been received from each offeror;

THEREFORE, THE CLEVELAND COUNTY BOARD OF COMMISSIONERS RESOLVES THAT:

1. The Board of Commissioners authorizes sale of the properties described above through the upset bid procedure of N.C.G.S. § 160A-269.

2. The County paralegal will notify the offeror(s) of the Commissioners' authorization and the amount required of them for advertising costs to be paid by cash, money order or cashier's check to payable to the County and delivered to the County paralegal at 311 E. Marion Street, Suite 121, Shelby, North Carolina 28150.
3. Following receipt of payment of the advertising cost(s) by the offeror(s), the Clerk to the Board will cause a notice of the proposed sale to be published. (In the event that one or more offeror declines prepayment of the advertising cost, the corresponding property will not be advertised.) The notice will contain a general description of the property, the amount and terms of the offer, and a notice that within ten (10) days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder.
4. Persons wishing to upset the offer that has been received shall submit a **sealed bid** with their offer to Margaret Waggoner, paralegal, Cleveland County Administrative Office Building, 311 E. Marion Street, Suite 121, Shelby, NC, 28150 for hand delivery or PO Box 1210 Shelby, NC 28151 for mail delivery on or before 3:00 p.m. on or before the 10th day following publication of said notice. Use of the mail or any means of delivery is at the bidder's risk and any bids received after the deadline will not be considered. Any bid with conditions or terms will not be accepted or considered. Use of the mail or any means of delivery is at the bidder's risk and any bids received after the deadline will not be considered. Any bid with conditions or terms will not be accepted or considered.
5. At 3:00 p.m. on said date, the County Attorney/Deputy County Attorney will open the bids, if any, and the highest such bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer.
6. If a qualifying higher bid is received, the County Clerk will cause a new notice of upset bid to be published, and will continue to do so until a 10-day period has passed without any qualifying upset bid having been received.
7. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid and accompanying One Hundred Twenty-Five Dollars (\$125.00), or higher in the event of an increase, for advertising costs. This amount may be made in cash, money order, or cashier's check.
8. The County will apply the deposit of the final high bidder first to the costs of the bidding process, including but not limited to the cost(s) of advertising the notice(s) of the proposed sale, then the remaining balances to the purchase price at closing, unless the County withdraws the property from sale, at which time the deposit of the final high bidder will be returned. The County will also refund any deposit,

excluding costs, made by bidders other than the final high bidder within two (2) weeks of the delivery of the deed to the final high bidder.

9. The terms of the final sale are that:


- The Board of Commissioners must review and decide whether or not to approve the final high offer before the sale is closed, which it will do within thirty (30) days after the final upset bid period has passed,
- The buyer must pay with cash, money order, or cashier's check at the time of closing, and
- The County will transfer its interest in the property via quitclaim deed.

10. The County reserves the right to withdraw any property from sale at any time before the final high bid is accepted and the right to reject at any time any bids. In no event shall the costs of advertising any proposed sale or upset bid be returned to an offeror.

Adopted this 1st day of June 2021.


 Douglas G. Bridges
 Chairman
 Cleveland County Board of Commissioners

ATTEST:


 Phyllis Nowlen
 Clerk
 Cleveland County Board of Commissioners



PUBLIC HEARINGS

FY 2021 – 2022 COUNTY MANAGER’S RECOMMENDED BUDGET

Vice-Chairman Hardin recognized County Manager Brian Epley to present the FY 2021 – 2022 County Manager’s Recommended Budget. Mr. Epley reminded the Board at their May 18, 2021, regular meeting they were presented with a very in-depth presentation on the proposed budget and this evening’s presentation will be a review and highlights from the FY 2021 – 2022 recommended budget. The budget has been available as a full document to citizens online for the last two weeks on Cleveland County’s website. This is roughly a 250-page document and included the budget message in a narrative form accompanied by the revenue projection, capital improvement plans along with all the budget details via line items. The proposed budget has also available to multiple libraries around the community for public inspection.

This year’s budget has been a very challenging yet rewarding process. At the same time, it’s been an opportunity to link the pre-covid momentum with all the things learned during Covid-19, from a profit perspective, and trying to synchronize both in a way that maximizes county resources through the next 12-month operating plan which is the budget. It is beneficial to establish how the budget works and the mechanics behind the development process. The FY 2021 – 2022 proposed budget is rethinking high performance, doing more with less and achieving the Commissioners strategic goals which is comprised of five focus areas. Those goals are the guiding compass that helps draft the budget. The goals, measurements and proprieties in areas that are outlined in the strategic plan are ultimately what guides staff for allocated resources. The budget is priority based and those goals drive the budget. The proposed FY 2021 – 2022 is focused on high performance, serving the community and county’s purpose.

The general fund is the county’s primary operating fund and is balanced below revenue neutral at 54.75 cents, equaling a 2.25 cent tax rate reduction. The county worked through a required revaluation process in 2021, which statutorily, the county must calculate the tax rate that would equate to the same amount of revenue with a gross factor built in. The Cleveland County School budget is balanced on a 14-cent tax rate which is a 1 cent tax reduction. The proposed budget was developed from a zero-based perspective and does not include any American Rescue Plan funding. There is also a \$1.75MM allocation for future debt service for Phase I of Public Safety Capital which will be tied to the Board’s strategic plan for future public safety capital and anticipates recapturing the majority of prior year revenue loss created by COVID-19 such as occupancy tax, sales tax and permitting. There is no funding from the Catawba Resort Development in the proposed budget and includes a full year of the most recent comprehensive pay study. There is an allowance for a mid-year cost performance index (CPI) adjustment and two additional full-time employees; one in the Register of Deeds Office and the other in Code Enforcement. One of the biggest indicators that will show how the budget looks is tied directly to the economy. There are numerous key indicators that give an outlook and forecast the economy’s performance at a macro level.

The top four indicators include automobile sales, new home sales, retail sales and manufacturing. Mr. Epley reviewed the financial impact of these indicators.

The county has taken the tax base and has grown that incrementality at an adjusted rate of 2% - 3% based on short forms and the county can reasonably project what the tax revenue is going to be off that. Staff is prepared for the requirement from the State Treasury Department for a \$400,000 increase in the County's employee retirement contribution. Mr. Epley reviewed the five-year budget snapshot with Commissioners to include a very moderate investment into the county's wellness fund which continues to perform at a high level. Those funds and cost savings from health plans ultimately create flexibility in the budget that help achieve other priorities.

There is about a \$400,000 increase to the Cleveland Community College. Moving through the community and operating departments needs, there is a \$625,000 in general increase in cost for the business, to include contracts, materials, etc. The top three revenue sources continue to be add on ad valorem taxes about 15% restricted intergovernmental, which makes about 20%. That's primarily state grants, federal grants, Health and Human Services, about 30% sales tax, and those will be very common across North Carolina counties similar to Cleveland County. As a reminder, a citizen tax liability is a function of a product two variables. One is the value the assessed value of the property. And the second variable there is the effective tax rate. And so as one goes up, the other can go down. And the equation, whatever the tax liability may be, and in proposed budget with a reduced tax rate of 54.75 cents, the remainder is a lot of internally with a large disproportionate share going to payroll. The goal is to be consistent committed policy direction from Commissioners, currently and in the past, trying to minimize tax burdens on citizens.

As discussed at the May 18, 2021 Commissioners meeting, the Local Government Commission has a statutorily required calculation for what is revenue neutral. Revenue neutral is very different than revenue equal. The purpose of revenue neutral is what rate would be needed to generate tax revenue in a normal year if revaluation never happened to capitalize on prior to growth, but not on the current market adjustment. The rate for Cleveland County would be 55 cents for 2021. The largest three functions of the \$125MM budget are allocated to Human Services, Education and Public Safety while focusing on prioritizing and allocating funds based on Commissioner strategic goals. Reflecting on the 2015 budget, about 33% of that budget was allocated to Human Services and only about 19% to Public Safety. Staff has been able to, very strategically, shift those cost centers over the last seven years to be more properly aligned with the county's peer groups, with the benchmarking, but also with the priorities developed in the Board's strategic planning work sessions.

Cleveland County Public Schools recommended tax rate is 14-cents with a one cent reduction. The funding is from a cash flow perspective equivalent of the prior year with additional collections from the 14-cent, assuming it will be higher than what the 15-cent tax rate generated this year in additional sales tax that will go into an escrow controlled by the Board of Commissioners. Those funds will be allotted at the time there is satisfactory reporting on teacher supplements and capital programming. It is anticipated the escrow funds will be \$1.4MM.

Cleveland Community College's budget is 90% funded from federal and state appropriations but there is a local contribution both for operational and capital. Currently, there's about \$22 million operating budget and included in next year's budget is year two of the five-year funding ladder that will be intended to make Cleveland County, from the local funding perspective, more competitive. Historically, the local contribution from the county has been lacking, it's not been outside the top 50. The community college has been fruitful in private donations and state grants, but the County wants to be committed to making sure the workforce development and training partner is well funded. Continuing this five-year ladder through 2025 will make Cleveland County a more comparable to competing communities. The fire district has 12 volunteer fire departments in Cleveland County and included in next year's budget is a tax rate remaining the same at 8.5-cents. That would generate roughly \$150,000 in new revenue split equally across all 10 departments in the district at about \$15,000 apiece. The funding allocation protocol would help offset the new incurred service, public safety and communication replacement that took place last year.

In summarization from an operational priority perspective, the budget changes over the last six to seven operating years with a percentage change with a heavy focus on public safety but also strategically doing so in areas that make the organization more vertically integrated, more efficient, and more right sized government so the county can move forward in certain key areas that serve the purpose of improving community but in a way that doesn't grow the overall budget. Since 2015, there has only been a 6.15% total budget increase. The public safety strategic plan was a top priority coming out of the Commissioners work session in February 2021, to refresh the volunteer fire five-year strategic plan, to be more comprehensive of all public safety functions including 911, Emergency Management, EMS, Law Enforcement, and Fire. The county wants to stay position as an employer of choice for the 11th straight year, where there'll be no increases on spousal dependent care for health insurance purposes and being able to maintain \$1,100 contribution in HSA dollars. In April 2021, the county was very aggressive in fully implementing the market study, which included performance bonus project in this year's budget to manage and continuing to manage with a 7% to 8% total organizational wide turnover rate, something the organization should be proud of with dedicated funding for improving our community health rankings and keeping that in the lens of priority, and then re-engaging with our job creators.

Companies such as Greenheck, KSM and Clearwater Paper are in the community creating tax base, creating jobs and about three years ago, in 2018 – 2019, the project Accelerate Cleveland was created. This project is a paid partnership for interns going through the Community College and are paid an hourly rate to work for the production technician certification. Upon completion, the interns are actively recruited by those job creators. To date, there has been 100% job placement. Other priorities and deliverables include being prepared for electronic timekeeping and the Catawba Resort. All these strategies maintain compliance with the Board of Commissioners fund balance percentage greater than 18%, demonstrating leadership, and COVID to eradicate and move beyond that, in totality.

Staff is planning a Commissioners policy development summer work session to consider the Animal Services ordinance as well as the comprehensive Land Use Plan. For an operational perspective, being cognizant of jail population, remote workplace and having a recession ready budget. The Economic Development staff is continuing to market the sale of Shell Building 3, evaluating the possibility of Shell Building 4 and continue to evaluate the highest and best use for the Dover Mill property. Included the recommended budget is a cultural investment into our organizational workforce that promotes more with less and high performance and rewards bought into organizational wide data points that ultimately generate cost savings and more productivity, but also rewards employees for being part of that solution. The following PowerPoint was presented to the Board.

Cleveland County
NORTH CAROLINA

ReThinking High Performance

FISCAL YEAR 2022 BUDGET PRESENTATION

Budget Development Process

2

Commissioner's Strategic Plan

FOCUS AREA: CITIZEN ENGAGEMENT
To implement outreach strategies that reflect who we are and inspire people to be part of it.

FOCUS AREA: ECONOMIC DEVELOPMENT
To actively bring people to Cleveland County through recruitment of new industry, creating a healthy business climate for existing businesses and growing Cleveland County as a tourist destination.

FOCUS AREA: PUBLIC SAFETY
To ensure the safety of our residents through efficient and effective public safety agencies.

FOCUS AREA: FISCAL SUSTAINABILITY
To be a high-performing organization that effectively uses resources to provide high quality service to our residents.

FOCUS AREA: COMMUNITY WELLNESS
To promote physical activity, healthy eating, and positive relationships within families.

3

Budget Development

Resource Allocation Process

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    graph TD
      A[Most Important Goals] --> B[Biggest Impact]
      B --> C[Assigned Resource Allocation]
      C --> D[Output]
      D --> E[Data Driven Decisions & Measured Performance]
      F[Commissioner Strategic Plan] -.-> A
  
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4

Linking Values with Strategy

MAKING OUR COMMUNITY BETTER

Strategy

- LEAN Operations
- Future Focused
- Fiscal Discipline

Strategy	Culture
Goals	Values
Objectives	Practices
Activities	Behaviors

High Performance

Values

- High Performance
- Courage
- Teamwork
- Integrity
- Innovation

5

FY 22 Budget Highlights

- General Fund Balanced Below Revenue Neutral.....54.75 Cents
 - Cleveland County School Recommended Rate.....14.00 Cents
- Does Not Include Any American Rescue Plan Funding
- Developed from Zero Based
- Includes \$1.75MM for Future Debt Service Allocation for Phase I of Public Safety Capital
- Anticipates Recapturing the Majority of Prior Year Revenue Loss
- Does Not Include Any Funding from Catawba Resort Development
- Includes Full Year of Updated Pay Study
 - Allowance for mid-year CPI adjustment
- 2 Additional ITEs – ROD & Code Enforcement

6

FY 22 Economic Forecasts

7

Economic Outlook

- Automobile Sales
- New Home Sales
- Retail Sales
- Manufacturing

Optimistic Twelve (12) Month Outlook

8

5 Year Budget Snapshot

	54.75 Cents				
	2022	2023	2024	2025	2026
Tax Base	10,337,494,340	10,544,244,227	10,761,024,111	10,977,210,094	11,193,536,327
Tax Revenue	\$ 55,710,094	\$ 56,822,476	\$ 57,970,146	\$ 59,129,549	\$ 60,312,140
Tax Revenue Growth	\$ 2,555,337	\$ 1,335,362	\$ 1,398,670	\$ 1,259,403	\$ 1,182,591
ERIP Savings - Phase II	400,000	-	-	-	-
ERIP Savings - Phase III (2022-2023)	-	-	600,000	-	-
DHHS Cost Reduction	680,000	-	-	-	-
Economic Recovery Savings	1,762,500	300,000	175,000	-	-
Short Term Budget Transfer	1,000,000	-	-	-	-
Economic Development Job-Offs	-	850,000	634,000	725,000	850,000
Debt Refunding Savings	-	185,000	181,000	184,000	177,000
Citizens IGA Revenue	-	-	-	-	-
Other Operational Efficiency Gains (reorg, technology, etc.)	300,000	-	750,000	-	-
Total	6,697,837	2,674,302	3,728,670	2,969,403	2,205,591
Proposed Capital Reserve / Debt Service	1,750,000	-	1,250,000	-	-
Full Implementation of AIA Study (Market and Compression)	2,800,000	-	-	-	-
1% COLA - 1/1/2022	395,000	-	-	-	-
2% COLA - 7/1/2022, 2023, 2024, 2025	-	830,000	855,200	881,408	708,864
LIGERS Contribution Rate Increase	400,000	150,000	150,000	-	-
Proposed New Personnel	80,000	-	-	-	-
Welfare Fund Investment	250,000	500,000	500,000	500,000	500,000
Community College Capital Reserve	250,000	250,000	250,000	250,000	250,000
Community College Operational Funding Laidoff (Year 2 of 3)	150,000	150,000	150,000	150,000	-
Increase in Cost of Doing Business	625,000	500,000	500,000	500,000	500,000
Refunding Phase Year Fund Balance Drawdown (Year 1 of 2)	500,000	250,000	250,000	-	-
Total	6,420,000	2,430,000	3,705,200	2,081,408	1,959,864
	\$ 277,837	\$ 244,302	\$ 214,700	\$ 88,935	\$ 250,727

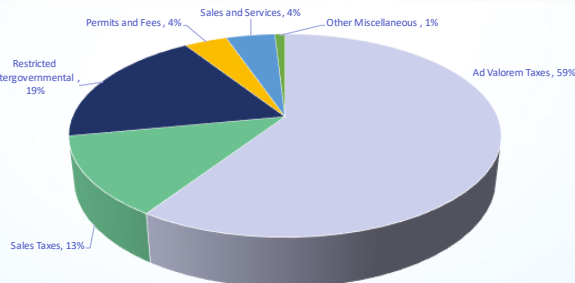
Revenue Portfolio



FY 22 Budgeted Revenues



Budgeted Revenues
\$120,556,672



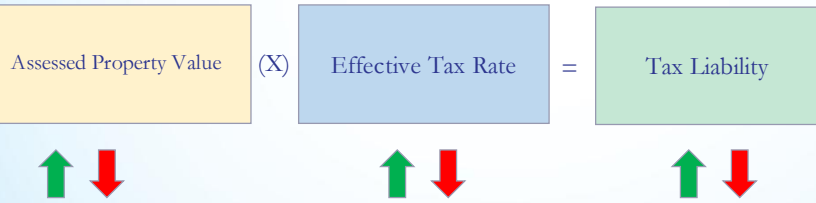
Property Tax & Revaluation



Revaluation 2021



Citizen Tax Liability Calculation



Property Tax Revenue



Revaluation 2021 Revenue Neutral Calculation



Fiscal Year	Assessed Value	Annual % Increase
2018	7,945,645,617	3.10%
2019	8,484,093,333	6.74%
2020	8,759,837,333	3.25%
2021	9,208,647,967	5.12%
2022 (projected)	9,508,589,000	3.26%

Average Growth: 4.30%

Expenditure Portfolio



FY 22 Budgeted Expenditures



Budgeted Expenditures \$120,556,672

Cleveland County Schools



	FY21	FY 22 Commissioner Escrow
Property Tax Revenue	\$13,937,099	\$ 13,937,099* \$ 199,589
Sales Tax Revenue	\$ 3,293,750	\$ 3,293,750 \$ 483,950
Local Operational Appropriation	\$10,250,000	\$ 10,250,000 \$ -
Local Capital Appropriation	\$ 1,400,000	\$ 1,400,000 \$ -
State Restricted Capital Appropriation	\$ 1,450,000	\$ 700,000 \$ 750,000
Total	\$30,330,849	\$ 29,580,849 \$ 1,433,539

* FY 22 Recommended Tax Rate = 14 Cents





Community College Funding

Current Cleveland Community College

Federal & State Appropriation..... \$19,616,909
 Current County Appropriation..... \$ 2,178,872
 Current County Capital Appropriation... \$ 230,000
 Total..... \$ 22,025,781

Proposed FY 22 Funding

Increase Local County Operational Allocation..... \$ 150,000 (+)
 Increase Local County Capital Allocation..... \$250,000 (+)
 Total..... \$ 400,000 (+)


Sustaining Momentum

CLEVELAND COUNTY, NORTH CAROLINA
 FIRE DISTRICTS
 FOR THE YEAR ENDED JUNE 30, 2022

	FY 20-21				FY 21-22				Annual Change from FY	Monthly Change from FY
	Total FY 20-21	Annual Capital	Personnel Budget	Operations Allocation	Percentage Allocation	Total FY 21-22				
Bethlehem	\$ 442,052	15.41%	\$ 100,000	\$ 120,000	\$ 180,000	\$ 77,050	\$ 457,050	\$ 16,998	\$ 1,250	
Bolling Springs	402,501	7.52%	100,000	120,000	180,000	37,500	417,500	14,999	1,250	
Casar	405,351	7.67%	100,000	120,000	180,000	38,350	418,350	14,999	1,250	
Cleveland	444,352	15.87%	100,000	120,000	180,000	79,350	459,350	14,998	1,250	
Fallston	418,252	10.65%	100,000	120,000	180,000	53,250	433,250	14,998	1,250	
Grower	380,950	3.19%	100,000	120,000	180,000	15,950	395,950	15,000	1,250	
Oak Grove	430,752	11.19%	100,000	120,000	180,000	65,750	445,750	14,998	1,250	
Polkville	407,487	8.50%	100,000	120,000	180,000	42,500	422,500	15,013	1,251	
Shanghal	399,201	8.84%	100,000	120,000	180,000	34,200	414,200	14,999	1,250	
Waco	421,002	11.20%	100,000	120,000	180,000	56,000	436,000	14,998	1,250	
Total	4,150,000		\$ 1,000,000	\$ 1,200,000	\$ 1,600,000	\$ 500,000	\$ 4,300,000	\$ 150,000	\$ 12,500	


Priority Based Budgeting

Department	FY 15	FY 22	\$ Change	% Change
Public Safety	\$19,608,050	\$27,287,458	\$7,679,408	39%
Central Administration	\$1,780,419	\$4,076,908	\$2,294,489	128%
Health & Human Services	\$11,962,328	\$9,709,121	-\$2,253,207	-18%
All Other Departments	\$80,232,941	\$79,483,185	-\$749,756	-1%
Total	\$113,283,738	\$120,556,672	\$6,970,934	6.15%




FY 14 / FY 22 Total Budget

Total Budget Management



FY 21-22 Strategic Plan Focus Areas




FY 22 Commissioner's Top Budget Priorities

1. Long Term Public Safety Strategic Plan
2. Implementation of Organizational Capital Plan to include Justice Center Campus
3. Position Cleveland County as an Employer of Choice
4. Identify and Implement Strategies to Improve Community Health Ranking
5. Re-Engage Accelerate Cleveland & Workforce Development Strategies




Other FY 22 Priorities

- Revaluation Management & Long-Term Financial Modeling
- Implementation of Electronic Timekeeping
- Catawba Resort Planning and Preparation
- Fund Balance Percentage > 18%
- COVID-19 Leadership and Community Vaccination
- Community Litter & Beautification
- Community Engagement & Transparency



FY 22 Emerging Issues & Projects



Emerging Issues & Projects

- Policy Development
 - Animal Services Ordinance
 - Land Use Plan & Development Standards
- Operations
 - Jail Population Management
 - Remote Workplace
 - Recession Ready Budget
- Economic Development Management
 - Shell Building Program
 - Accelerate Cleveland Re-Start
 - Dover Mill Property



Emerging Issues & Projects


Capital Improvement Plan

1. Jail Planning
2. Court House Planning
3. Board of Elections Campus
4. E-911 Expansion
5. Health Department and Social Services Co-Location


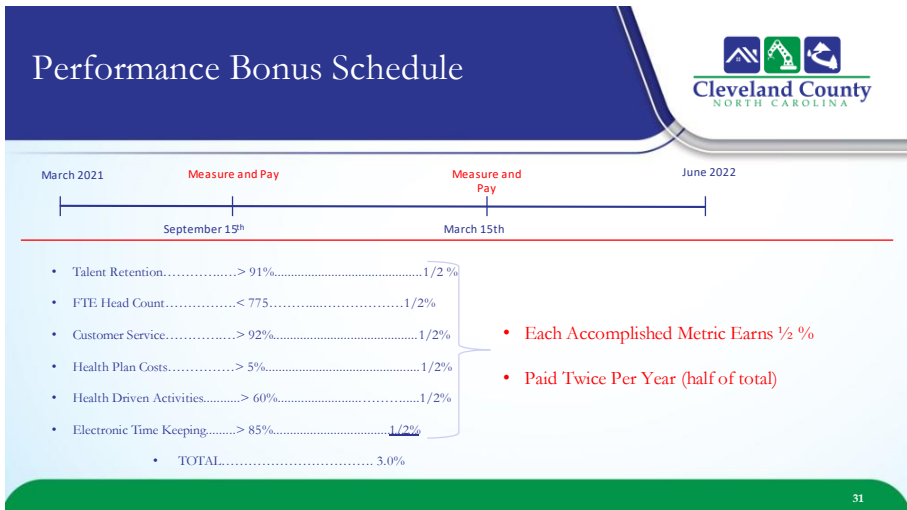
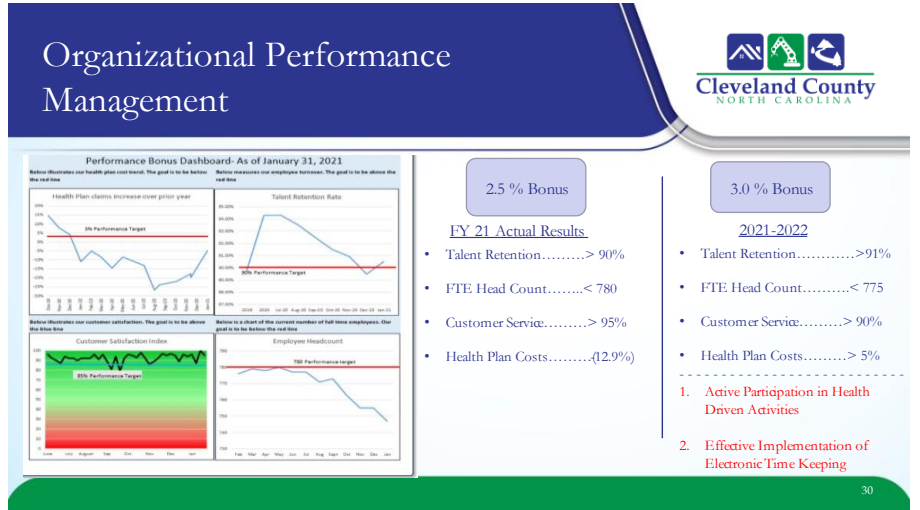
Technology Planning

- (+) \$150k annually **Automation** (Predictive Analytics, Process Re-Design, Business Intelligence)
- (+) \$150k annually **Data Security** (Reliability / Redundancy, Cyber Security, Local Data Storage)
- (+) \$150k annually **Transparency** (Customer Interface, Data Accessibility, Accountability)

2025 Systems Planning



FY 22 Performance Management

Questions

Vice-Chairman Hardin opened the floor the Board for questions and discussion. Commissioner Hutchins inquired about the amount of tax dollars allocated for Cleveland County Schools. Mr. Epley stated the school system receives an additional \$10.2MM from the county’s operating system, This is over and above the 14-cents they already receive. Commissioner Bridges asked Mr. Epley to explain the difference in calculation of revenue neutral versus true revenue neutral. Mr. Epley advised, *“The Physical Control Act, which is North Carolina General Statute 159, and that governs all procurement and finance related local government regulations. It specifically requires the Board of Commissioners to be presented with a revenue neutral reddit. That revenue neutral revenue formula generated calculation, that includes statutorily five years of average growth experienced in the community. You take the projected tax base post rebound, obviously, this is required as part of the revaluation process, which only happens periodically for Cleveland County. Sale ratios computation is managed by the North Carolina Department of Revenue that evaluates market sales prices compared to tax values. When homes and other real estate transactions are happening well above what the county has the tax base listed at, that creates great disproportion challenges on the sale ratio and requires a revaluation. Revenue neutral doesn't mean the same amount of money as last year, it doesn't mean the equivalent of revenue from last year to this year, it means what would revenue be this year had revaluation ever happened. And there would be some natural growth included in that. And that's insinuated through the average of the previous five years.”*

Commissioner Whetstine asked for further explanation on the American Rescue Plan. Mr. Epley responded, *“The Treasury Department is giving intermittent guidance regarding the American Rescue Plan. It is a one-time money distribution and Cleveland County is expecting to receive an estimated \$19 million dollars. The spending compliance and the allowable cost is still uncertain. The spending packet from the federal government is relatively guaranteed and staff thinks the most appropriate use of those dollars will be a onetime major. And we want to be*

more reliant on the scrutiny and the direction from the Treasury on how the monies can be spent. Staff would then put together a plan for spending for items such as capital projects and strategic priorities and present that to Commissioners for consideration at that time.”

Commissioner Bridges inquired about employee retention within the organization, factoring in compensation and performance bonus pay. Mr. Epley advised, *“The executive leadership team talks about this issue regularly and recently concluded an organizational wide survey, to assist in evaluating how the organization is operating and changes could be made to better improve services and what is currently working. The performance bonus program is working exceptionally well. The county’s turnover rate for the last eight months is above 92%; Cleveland County is competitive with other peer counties and the ability to recruit has significantly improved over the last three months.”*

Commissioner Hutchins questioned the increase to the county’s Human Resources Department. Mr. Epley explained. *“The Human Resources Department budget was previously around \$450,000 dollars and now it's about \$1.2 million dollars. Their allocation has increased three times in the last seven years, although the total budget for the organization hasn't. Central Administration, Human Resources, and Information Technology are the spine of the organization. The county is focusing on being lean, vertically integrated, quick and efficient. Those functions need to be appropriately staffed and funded, along with risk management strategies, as well as training and development. There's a variety of things that go into making sure the organization is programmed the right way, the specific change this year from last year, and that is supporting that concept of vertical integration. Although it looks like Human Resources may have increased, other departments have seen an offsetting decrease to cover right size and program resources centrally to more strategic.”*

Vice-Chairman Hardin opened the public hearing at 6:52 pm for anyone wanting to speak for or against the FY 2021 – 2022 County Manager’s Recommended Budget. *(Legal Notice was published in the Shelby Star on Friday, May 21, 2021 and Friday, May 28, 2021).*

Hearing no comments, Vice-Chairman Hardin closed the Public Hearing at 6:53 pm.

ACTION: Commissioner Gordon made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, ***approve the FY 2021 – 2022 County Manager’s Recommended Budget.***

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, 2021 and ending June 30, 2022 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.

		\$ 152,829,579
		(16,218,234) \$ 136,611,345
<u>Primary</u>		\$ 87,563,889
<u>Ad Valorem Tax:</u>		(2,343,780) \$ 85,220,109
	Current Year	
	(54.75 Cents per \$100 value) X (\$10,333,992,597 total value) X (97.5% collection)	\$ 55,164,144
	Prior Years	625,000
	Advertising/Penalties	295,000
<u>Other Taxes:</u>	Sales Tax	
	1 Cent (Article 39)	6,960,000
	Two 1/2 Cents (Art 40 & 42)	5,040,000
	Occupancy Tax	375,000
	Heavy Equip Tax	25,000
	Vehicle Lease Tax	50,000
	Excise Stamps Tax	285,000
<u>Intergovernmental:</u>	NC Telecommunications Surcharge	290,000
	NC Grants-Third Party (Pass-Thru)	113,261
	NC Grants-Third Party (Pass-Thru) LEVS	92,000
	NC Grants-Third Party (Pass-Thru) COPS	166,667
	NC Grant--J.C.P.C. Admin.	2,000
	NC Court Arrest Fees-Sheriff	25,000
	NC Forfeited Property-Sheriff	25,000
	NC Housing of State Prisoners-Jail	185,000
	NC Housing Inmate - SSA	8,000
	NC Court Fees-Jail	75,000
	NC License Revocation-Jail	6,000
	NC DOT Grant (Pass-Thru to TACC)	175,000
	NC Grant-Soil Conservation Match	25,600
	NC Grant-State Aid to Libraries	140,000
	Kings Mtn: County Library System	8,800
	JCPC Grant-Cleveland County Schools (Pass Thru)	40,000
	JCPC Grant-Communities in Schools (Pass Thru)	106,183
	Schools: School Resource Officers	756,122
	Shelby: Payment in Lieu of Taxes	11,000
	Shelby: Shared Economic Development	358,156
	Other Various Sources	131,800
<u>Permits/Fees:</u>	Register of Deeds	425,000
	Sheriff	232,800
	Inspections	225,000
	Planning & Zoning	20,950
<u>Sales/Services:</u>	Rents	3,177,210
	Municipal Tax Collection	400,000
	Municipal Elections	125,390
<u>Sales/Services:</u>	Local Fees & Medicaid	
	Emergency Med Serv	3,495,392
	Volunteer Rescue	1,000
	Electronic Maintenance	89,000
	Travel & Tourism	61,000
	Animal Control	162,400
	Cooperative Extension	28,200
	County Library System	19,000
	Public Firing Range	300,000
	Skeet & Trap	55,000
<u>Interest:</u>	Interest on Investments	350,000

<u>Miscellaneous:</u>	ABC Per Bottle & Profit Distribution	120,000		
	Sale of Used Assets	29,500		
	Vending/Payphone Commissions	158,000		
	Contributions & Donations (Library)	45,021		
	Other Miscellaneous	122,800		
<u>Other Sources:</u>	S/W Landfill Fund (Transfer)	1,346,280		
	School Capital Reserve Fund (Transfer)	750,000		
	Social Service Fund (Transfer)	97,500		
	Health Dept Fund (Transfer)	150,000		
	Fund Balance Appropriated	3,936,713		
	Mental Health Appropriation	81,000		
				\$ 87,563,889
				(87,563,889)
<u>Social Services & Public Assistance</u>				
		Less Transfers In:	20,802,619	
	Grants-Federal and State Govts	12,690,350	(7,547,801)	13,254,818
	Local Fees	564,468		
	Primary Fund (Transfer)	7,547,801		
<u>Public Health</u>				
		Less Transfers In:	10,846,928	8,240,208
	Grants-Federal and State Govts	1,825,418	(2,606,720)	
	Local Fees & Medicaid	5,315,276		
	Primary Fund (Transfer)	2,506,720		
	Other Funds (Transfer)	100,000		
	Fund Balance Appropriated	1,099,514		
<u>Employee Wellness</u>				
		Less Transfers In:	1,454,935	141,700
	Local Fees	141,700	(1,313,235)	
	Health Insurance Fund (Transfer)	1,313,235		
<u>Court Facilities</u>				
		Less Transfers In:	433,958	144,000
	Departmental Fees	144,000	(289,958)	
	Primary Fund (Transfer)	289,958		
<u>School Property Taxes</u>				
	Ad Valorem Tax: Current Year		17,938,600	17,938,600
	(14.0 Cents per \$100 value) X (\$10,333,992,597 total value) X (97.5% collection)	14,160,900		
<u>Other Taxes:</u>	Sales Tax	3,777,700		
<u>LeGrand Conference Center</u>				
		Less Transfers In:	825,805	201,250
	Fees, Beverage Sales	201,250	(624,555)	
	Primary Fund (Transfer)	624,555		
<u>Workers' Compensation / Property & Liability Insurance</u>				
		Less Transfers In:	1,617,685	125,500
	Interest on Investments/Other	125,500	(1,492,185)	
	Primary Fund (Transfer)	1,077,384		
	Social Services Fund (Transfer)	117,600		
	Other Funds (Transfer)	297,201		
<u>Health / Dental Insurance</u>				
		Less Transfers In:	11,345,160	11,154,160
	Fund Balance Appropriated	744,160	(191,000)	
	Primary Fund (Transfer)	191,000		
	Dental Premiums	210,000		
	Health Premiums	10,200,000		

B. SPECIAL REVENUE FUND ESTIMATED REVENUES**Emergency Telephone**

E911 Subscriber Fees
 Other Revenues
 Fund Balance Appropriated

Less Transfers In:

165,272
 10,000
 131,752

4,762,124 \$ **4,762,124**

-

307,024

307,024

County Fire Service District

Ad Valorem Tax: Current Year
(8.75 Cents per \$100 value) X (\$4,384,000,000 total value) X (97.5% collection)
 Other Revenues

3,740,100
 715,000

4,455,100

4,455,100

C. DEBT SERVICE FUND ESTIMATED REVENUES**Debt Service**

Other Revenues - Federal
 Other Unit's Share of Expenditures
 Primary Fund (Transfer)
 School Capital Reserve Fund (Transfer) - PSCBF
 School Capital Reserve Fund (Transfer)

237,161
 1,053,978
 4,622,399
 1,100,000
 2,040,205

Less Transfers In:**9,053,743** \$ **1,291,139**

(7,762,604)

D. CAPITAL PROJECT FUND ESTIMATED REVENUES**Capital Projects**

School Capital Reserve Fund (Transfer)
 Capital Reserve Fund (Transfer)
 Primary Fund (Transfer)

100,000
 2,805,000
 17,000

Less Transfers In:**17,200,684** \$ **10,908,909**

(6,291,775)

Less Transfers In:2,922,000
(2,922,000)

-

County Capital Reserve

County Funds/County Reserve (Transfer)
 Local Revenues
 Fund Balance Appropriated

2,686,296
 118,704
 1,050,000

Less Transfers In:3,855,000
(2,686,296)

1,168,704

School Capital Reserve

Sales Tax: Two 1/2 Cents (Art. 40 & 42)
 Grants-Public School Bldg. Cap. Fds.
 Primary Fund/Schools (Transfer)
 Fund Balance Appropriated

3,640,205
 1,100,000
 683,479
 5,000,000

Less Transfers In:10,423,684
(683,479)

9,740,205

E. ENTERPRISE FUND ESTIMATED REVENUES**Solid Waste Landfill**

Grants and Shared Taxes-State Govt
 Local Fees and User Fees
 Sale of Recyclables/Other
 Fund Balance Appropriated

576,667
 5,917,254
 2,885,284
 2,619,414

Less Transfers In:**11,998,619** \$ **11,998,619**

-

Less Transfers In:11,998,619
-

11,998,619

SECTION I TOTAL (TOTAL FUND ESTIMATED REVENUES)**Less Transfers In:****195,844,749**
(30,463,613)**165,381,136**

<u>Economic & Physical Development</u>			5,807,217	5,807,217
10.491	Planning & Zoning	490,531		
10.492	Economic Development/Tourism	4,725,531		
10.495	Cooperative Extension	371,668		
10.496	Forestry Management	84,879		
10.498	Soil Conservation	134,608		
<u>Transportation</u>			223,965	223,965
10.497	Transportation Admin. of Clev. Cty.	223,965		
<u>Human Services</u>			32,589,091	32,032,991
			Less Transfers Out:	(556,100)
10.560	Mental Health (Pathways)	642,396		
10.591	Veterans' Service Officer	128,816		
10.617	Council on Aging (Senior Center)	168,332		
11.000	Social Svcs. & Public Asst.	20,396,519		
11.000	Transfers Out To Other Funds	406,100		
12.000	Public Health	10,696,928		
12.000	Transfers Out To Other Funds	150,000		
<u>Education</u>			32,682,472	31,998,993
			Less Transfers Out:	(683,479)
10.600	Cleveland County Schools			
	Current Expense	10,250,000		
	Capital Outlay	1,400,000		
	Capital Outlay - Special Allocation	700,000		
	JCPC Early Intervention Grant (Pass Thru)	40,000		
10.604	Cleveland Community College			
	Utilities/Maint Bldg-Grounds	74,000		
	Current Expense	2,279,872		
20.600	School Property Taxes	17,255,121		
	School Capital Reserve (Transfer)	683,479		
<u>Cultural</u>			3,155,117	3,155,117
10.611	Libraries			
	County Library System	1,238,262		
	Other Libraries	85,500		
10.612	Recreation	121,000		
10.614	Historic Artifacts	95,400		
10.470	Public Shooting Range	734,150		
10.471	Skeet & Trap	55,000		
55.480	LeGrand Center	825,805		
<u>Debt Service (small lease purchase agreements)</u>			700,000	700,000
10.800	Debt Service	700,000		
<u>B. SPECIAL REVENUE FUND APPROPRIATIONS</u>			Less Transfers Out:	-
<u>Public Safety</u>			4,762,124	4,762,124
			Less Transfers Out:	-
26.454	Emergency Telephone	307,024		
28.452	Volunteer Fire Departments	4,455,100		
<u>C. DEBT SERVICE FUND APPROPRIATIONS</u>			9,053,743	9,053,743
<u>Debt Service</u>			9,053,743	9,053,743
30.800	Debt Service	9,053,743		

SECTION II. FUND APPROPRIATIONS. 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.

A. GENERAL FUND APPROPRIATIONS

		152,829,579	
	Less Transfers Out:	(21,924,927)	130,904,652
<hr/>			
<u>General Government</u>		46,921,247	26,235,899
	Less Transfers Out:	(20,685,348)	
10.411	Commissioners (Governing Body)	464,306	
10.412	County Manager's Office	998,695	
10.413	Finance/Purchasing	1,159,961	
10.415	Property Tax Administration	1,685,218	
10.416	Legal/County Attorney	379,184	
10.418	Elections	534,217	
10.419	Register of Deeds	691,588	
10.421	Information Technology	1,326,718	
10.422	Travel & Tourism	214,684	
10.423	Human Resources	1,036,756	
10.426	Building Maintenance	1,867,176	
10.427	Facilities Janitorial	207,352	
10.428	Municipal Elections	125,390	
10.430	Municipal Grants	212,048	
10.432	Grants--Third Party (Pass Thru)	113,261	
10.433	Grant--J.C.P.C. Administration	2,000	
10.438	Grant--Victim Specialist Grant Program	92,000	
10.439	Grant--COPS Grant Program	297,789	
10.613	Communities in Schools - JCPC Grant	106,183	
10.619	ROD Automation E & P	75,000	
10.981	Transfers Out To:		
	Social Services	7,547,801	
	Public Health	2,506,720	
	Courts	289,958	
	Workers' Comp. / Property & Liability	1,077,384	
	Debt Service	4,622,399	
	Capital Reserve	2,686,296	
	Capital Project	17,000	
	Conference Center	624,555	
10.998	Emergency & Contingency	1,050,000	
13.660	Employee Wellness	1,454,935	
14.417	Court Facilities	433,958	
60.650	Workers' Compensation	752,175	
60.651	Property/Liability	865,510	
65.981	Employee Medical Insurance	9,821,925	
65.981	Employee Medical Insurance (Tfr Out)	1,313,235	
66.661	Employee Dental Insurance	210,000	
			30,750,470
<u>Public Safety</u>			
10.440	School Resource Officers	927,718	
10.441	Sheriff	10,115,040	
10.443	Forfeited Property--State	50,000	
10.444	Detention Center/Jail	7,452,045	
10.445	Emergency Management	419,440	
10.446	Emergency Medical Services	7,366,894	
10.447	Volunteer Rescue	21,000	
10.448	Communications	1,444,039	
10.449	Electronic Maintenance	963,434	
10.450	Building Inspections	539,258	
10.451	Coroner	50,000	
10.453	Hazardous Materials	12,545	
10.542	Animal Services	1,389,057	

SECTION II. FUND APPROPRIATIONS.

D. CAPITAL PROJECT FUND APPROPRIATIONS

		(continued)	
	Less Transfers Out:	17,200,684	10,405,479
		(6,795,205)	
<hr/>			
<u>Capital Projects</u>		17,200,684	10,405,479
	Less Transfers Out:	(6,795,205)	
40.210/225	County Capital Projects	2,922,000	
41.209	County: Capital Reserves (Transfer)	2,805,000	
41.209	Capital Reserves - Capital Plan	1,050,000	1,755,000
42.105	Schools: Local Option Sales Taxes (Transfer)	2,890,205	
42.105	Public School Capital Reserves	6,433,479	
42.107	Public School Capital Fund (Transfer)	1,100,000	

E. ENTERPRISE FUND APPROPRIATIONS

		11,998,619	10,255,138
	Less Transfers Out:	(1,743,481)	
<hr/>			
<u>Environmental</u>		11,998,619	10,255,138
	Less Transfers Out:	(1,743,481)	
54.473	Solid Waste Disposal	7,099,477	
54.473	Transfers Out To Other Funds	1,743,481	
54.474	Solid Waste Collections	3,155,661	

SECTION II TOTAL (TOTAL FUND APPROPRIATIONS)

		195,844,749	
	Less Transfers Out:	(30,463,613)	165,381,136

SECTION III. PROPERTY TAX RATES. The County-wide property tax rate shall be 54.75 cents per \$100 valuation for purposes of the General Fund and 14 cents per \$100 valuation for purposes of the School Property Taxes Fund; thus, the combined County-wide property tax rate shall be 68.75 cents per \$100 valuation. Further, the property tax rate for the County Fire Service District shall be 8.75 cents per \$100 valuation and derived revenues shall be used to benefit volunteer fire departments in the district. In addition, to benefit the volunteer fire department in a special fire district which is seeking approval of this rate change from the Board of County Commissioners, the property tax rate for the Number Seven and Number Three Fire Districts shall be 8.75 cents per \$100 valuation.

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 amendments, 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 remaining for outstanding purchase order encumbrances, unspent grants, unspent donations, and other ongoing projects as determined by the Finance Department.

SECTION VI. POSITIONS/STAFFING. Included in the 2021-2022 budget are two (2) new positions which include (1) Deputy Register of Deeds and (1) Code Enforcement Officer.

PLANNING DEPARTMENT CASE 21-03: UPDATES TO THE CLEVELAND COUNTY UNIFIED

DEVELOPMENT ORDINANCE

Vice-Chairman Hardin called Planning Director Chris Martin to the podium to present Case 21-03; Updates to the Cleveland County Unified Development Ordinance (UDO). The North Carolina General Assembly has mandated changes to local development ordinances to comply with North Carolina General Statute 160D. They have combined portions of statutes 160A and 153A into the new 160D, which now governs land development laws for both counties and municipalities in North Carolina. The state legislature has stated that local governments must have changes to local ordinances in place by July 1, 2021. The changes in 160D have been divided into two categories; required amendments and optional amendments. To streamline the process so adoption deadlines can be met, Planning staff will review the required amendments first, to meet the July 1 adoption date, then work with the Planning Board to evaluate any applicable optional amendments. The required changes include terminology changes, adding conflict of interest statements for boards and staff, and ensuring that procedures for minimum housing and the board of adjustment are in line with statutory requirements.

North Carolina General Statute 160D is the new land use statutory law for cities and counties. It was developed and passed by the North Carolina Bar Association in 2019. In North Carolina, cities and counties pertaining to planning and development ordinances, have worked off two separate general statutes, 153A for counties and 160A for cities. Chapter 160D consolidates both of those into one chapter to provide for simplicity, organization, and language clarification throughout that chapter. It will modernize and clarify terminologies and procedures without making major policy changes. Organizations have until July 1, 2021 to comply with the new 160D chapter. The proposed changes will not have any affect on Cleveland County residents.

Mr. Martin called Henry Earl, Zoning Administrator, to the front to present the specific changes and impacts implemented with North Carolina General Statute 160D. Modifications include language, terminology and procedural changes that must be applied by July 1, 2021. Chapter 160D has references to Chapter 153A and 160A. Cleveland County's UDO contains references to 153A and 160A, which, after July 1, 2021, those references will no longer exist. A specific term that is addressed is "conditional." The county has two functions for conditional; the first is Conditional Use Permit (CUP) and the second is Conditional Use District Zoning. Although very similar, these two definitions serve very different functions.

The Board of Adjustment (BOA) has a process called CUP. Chapter 160D will change those into Special Use Permits. The BOA will not change its process, it is simply a permit name change. Conditional Use District rezoning will be changing to Conditional Zoning and Conditional Rezoning. The third term to change is Historic Preservation Standards. Currently, when the Historic Preservation Commission is processing certificates of appropriateness, they have guidelines to follow. The State wants to strengthen that term, they have eliminated the term guidelines and replaced it with time stamp.

There are several procedural changes included with Chapter 160D. The first is a BOA procedure. This change requires if there is an objection to inclusion of administrative material, that goes before the BOA, if there's an objection to that, that the Board Chair rules on that objection. If there is an appeal to that, then it goes to the entire BOA for their decision. Currently, it goes to the BOA. Another modified item is missing timeframe for multi-phase development. There are large development projects that require long periods of time for completion such as a large-scale subdivision. The first project step is zoning approval. Until now, the UDO states Cleveland County can give the developer up to two years vested right for their development. Chapter 160D states that if it is a multi-phase development over 25-acres in size, the developer can request up to seven years of vested rights.

The final procedure change is conflict of interest statements. Chapter 160D states any board the Planning Department oversees must have conflict of interest statement; this also includes Planning staff. If a board member stands to gain monetarily from the outcome of a decision, then that board member must recuse themselves from the case. Secondly, if the applicant has a close familial relationship with one of the board members, such as a child or sibling, that board member needs to recuse themselves from the decision. Planning staff's conflict of interest is very similar to that of the board members. If a staff member will make financial gain or if it's a close family member, it will need to be given to a supervisor or another staff member. Staff is requesting the Commissioners to approve the required changes to allow Cleveland County's UDO will coalesce with Chapter 160D on July 1, 2021. The following information and PowerPoint were presented to the Board.

North Carolina General Statute 160D
JUNE 1, 2021

Cleveland County
NORTH CAROLINA

What?

- It's the new statutory land use law for cities and counties
- Developed by the N.C. Bar Association and the Bill was passed 2019
- Consolidates city and county statutes for development regulations, replacing sections of 153A for counties and 160A for cities
- Local Governments have until July 1,2021 to amend ordinances to conform with 160D.

Why?

- Places statutes into more logical organization
- Modernizes and clarifies terminology and procedures, without making major policy changes
- Helps Cities and Counties “speak the same language”

What Changes are in 160D?

- Language Changes
- Procedural Changes
- Changes that **MUST** be made
- Changes that **MAY** be made

Changes

- Updated references from 153A and 160A to 160D
- **Terminology:**
 - Special Use Permits
 - Conditional Zoning
 - Historic Preservation Standards

Changes (continued)

- **Board of Adjustment Procedures**
- **Minimum Housing Procedures**
- **Vesting Timeframe for Multiphase development**
- **Conflict of Interest Statements:**
 - Planning Board
 - Board of Adjustment
 - Historical Preservation Commission
 - Staff

Questions

Vice-Chairman Hardin opened the floor to the Board for questions and discussion. Commissioner Bridges thanked staff for the information as this becomes law on July 1, 2021. Mr. Earl stated Chapter 160D will be more streamlined across the state and Cleveland County’s UDO is already similarly written to the new guidelines and procedures.

Vice-Chairman Hardin opened public comment at 7:05pm for anyone wanting to speak for or against Case 21-03; Updates to the Cleveland County Unified Development Ordinance (*Original Legal Notice was published in the Shelby Star on Friday, May 21 and Friday, May 28, 2021*).

Hearing no comments, Vice-Chairman Hardin closed the public hearing at 7:06pm.

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board to, ***approve the updates to the Cleveland County Unified Development Ordinance to align with North Carolina General Statute 160D.*** (*a full copy of the Cleveland County Unified Development Ordinance is on file in the Planning Department and the Clerk’s Office*).

160D Updates

Update	160D Reference	UDO Reference
Reference changes from 153A and 160A to 160D	N/A	Various sections in Chapters 3.5, 8, and 12
Terminology: Change Conditional Use Permits to Special Use Permits	160D-102	Chapter 12, Article III
Terminology: Change Conditional Use District Zoning to Conditional Zoning	160D-102	Chapter 12, Article VIII
Terminology: Change Historical Preservation Guidelines to Standards	160D-947(c)	Chapter 12-408
Procedure: Require that Board of Adjustment Chair rule on objections to inclusion or exclusion of administrative material. Appeal of that decision will go to the full board	160D-406(d)	Chapter 8-53 (i)
Procedure: Must follow standard procedure for housing code enforcement to determine owner’s abandonment of intent to repair and need for demolition.	160D-1203(6)	Chapter 3.5-45 (c)
Procedure: Must recognize multi-phase developments of over 25 acres, with vesting rights up to seven years.	160D-108(c)-(f)	Chapter 12-37(b)(4)
Procedure: Must conform subdivision performance guarantee requirements with statutory standards	160D-804.1	Chapter 12-57(a)(2)(c)
Conflict of Interest Statement for Boards and Staff	160D-109	BOA: Chapter 8-53(e) PB: Chapter 8-30 (a)(10) HPC: Chapter 12-403(f)(12) Staff: Chapter 12-21

PLANNING DEPARTMENT CASE 21-06: REQUEST TO REZONE PROPERTY AT 120 OVEDA

DRIVE FROM HEAVY INDUSTRIAL (HI) TO GENERAL BUSINESS (GB)

Planning Director Chris Martin remained at the podium to present Planning Department Case 21-06; Request to rezone property at 120 Oveda Drive from Heavy Industrial (HI) to General Business (GB). The Planning Department has received a request from Allison and Chad Domonoske who have applied for a zoning map amendment to rezone a vacant 63-acre portion of the 200-acre tract on parcel 10613 from Heavy Industrial (HI) to General Business (GB). This parcel is located at 120 Oveda Drive, between Grover and Kings Mountain along South Battleground Avenue. The surrounding zoning districts are a mix of Heavy Industrial (HI), Residential (R) and Manufactured Home Parks (MH). The property was originally zoned Residential (R) and 10 years ago, the property owner at the time asked to rezone the full 200 acres to Heavy Industrial (HI). Since that time, parcel 10613 has acquired new owners who have potential buyers of the 63-acres who are asking for the General Business (GB) rezoning request. The Planning Board voted unanimously to recommend approval of the rezoning request. The General Business (GB) zoning district is different than the Heavy Industrial (HI) zoning district since it allows less intense uses in the industrial district.

Vice-Chairman Hardin opened the floor to the Board for questions and discussion. Commissioner Bridges inquired if there was a public road to the property. Mr. Martin responded there is a public road that is maintained by the North Carolina Department of Transportation to the property line. There is a gate that accesses that property and continues along the private road.

Vice-Chairman Hardin opened public comment at 7:09pm for anyone wanting to speak for or against Planning Department Case 21-06; Request to rezone property at 120 Oveda Drive from Heavy Industrial (HI) to General Business (GB) (*Original Legal Notice was published in the Shelby Star on Friday, May 21 and Friday, May 28, 2021*).

Wayne Yarborough, 1824 Shelby Road, Kings Mountain – spoke neither for nor against the rezoning request, he advised the tract of land is not vacant.

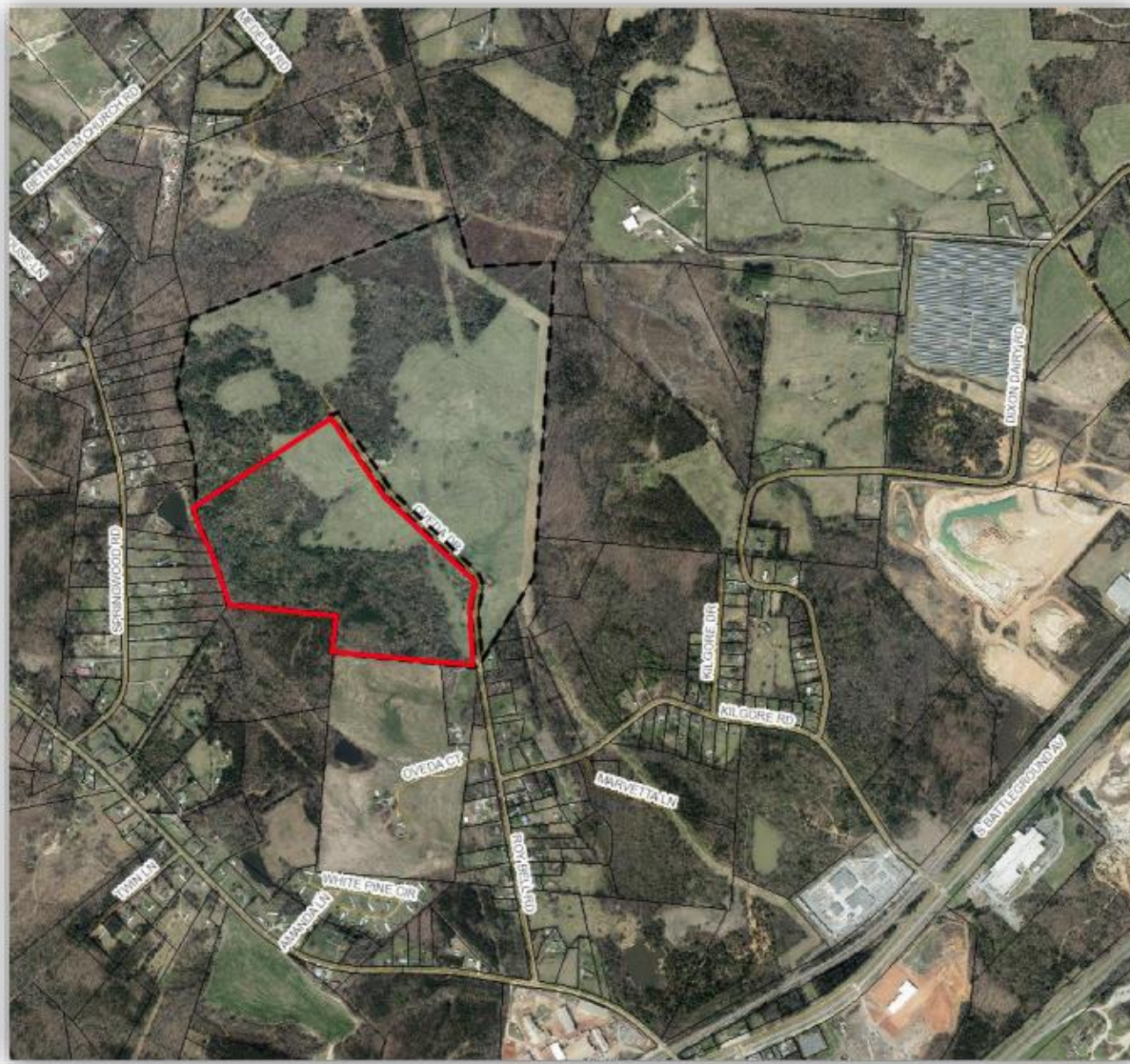
Matt Bale, 207 Dixon School Road, Kings Mountain – spoke neither for nor against the rezoning request and stated he owns property next to parcel 10613. He asked for whatever is developed on that piece of property to be mindful of the surrounding area and neighbors as they will be impacted by the new growth.

Hearing no further comments, Vice-Chairman Hardin closed the public hearing at 7:12pm.

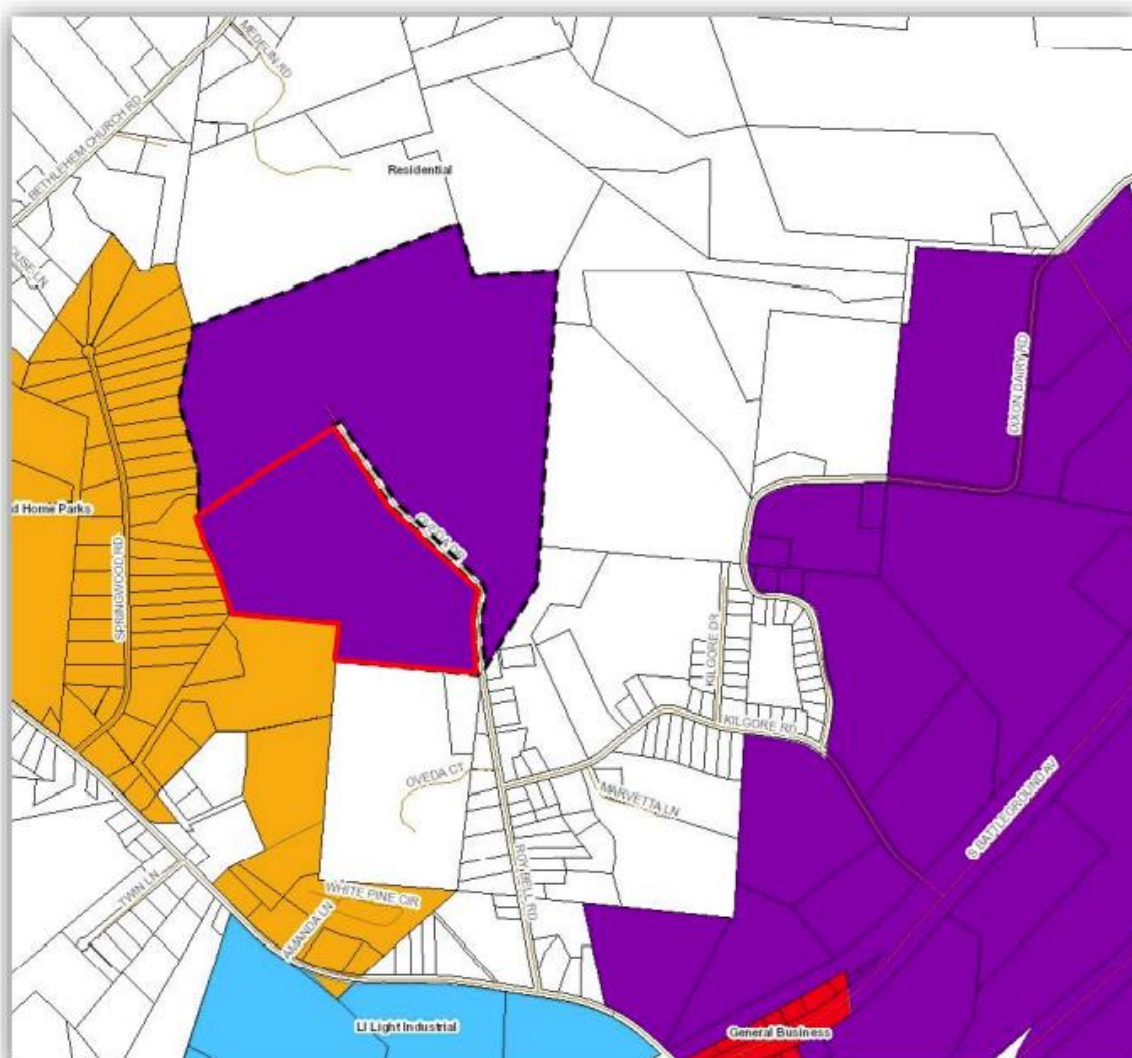
Vice-Chairman Hardin opened the floor to the Board for questions and discussion. She asked Mr. Martin to explain the difference between Heavy Industrial (HI) and General Business (GB) as it pertains to noise and area impacts. Mr. Martin stated Heavy Industrial (HI) zoning is more intense and has uses like manufacturing and fabrication type uses. General Business (GB) zoning allows for uses that are more commercial in nature, less automated manufacturing category and more into the commercial businesses such as office or retail uses.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, *approve the request to rezone property at 120 Oveda Drive from Heavy Industrial (HI) to General Business (GB) although inconsistent with the Land Use Plan, would be in the public's interest.*

Case # 21-06 Zoning Map
120 Oveda Drive
Portion of Parcel 10613 63.425 acres



Case # 21-06 Zoning Map
120 Oveda Drive
Portion of Parcel 10613 63.425 acres



PLANNING DEPARTMENT CASE 21-09: REQUEST TO REZONE PROPERTY ALONG FALLSTON ROAD AND HENDRICK LAKE ROAD FROM RURAL AGRICULTURE (RA) TO RESIDENTIAL (R)

Planning Director Chris Martin remained at the podium to present Planning Department Case 21-09: Request to rezone property along Fallston Road and Hendrick Lake Road from Rural Agriculture (RA) to Residential (R). The Planning Department received a request from Ray Ledford who is requesting to rezone an area including 31 adjoining parcels from Rural Agriculture (RA) to Residential (R). This area is located along Highway 18 (Fallston Road) and Hendrick Lake Road. There are a total of 31 parcels covering an area of approximately 29.5 acres. Of the 31 parcels, 29 have owner signature or e-mail in support on the petition which comes to 90% support rate by parcel number. The surrounding uses are primarily single-family dwellings with a repair garage and a convenience store located along Highway 18 on the southern portion of the proposed boundary. The surrounding zoning districts are primarily Rural Agriculture (RA) with an existing Residential (R) district on the south side of the proposed area. The Land Use Plan shows this area as future commercial, so Rural Agriculture (RA) or Residential (R) zoning would be consistent with the plan. The differences between the two zoning districts are Rural Agriculture (RA) the minimum lot size is 3-acres, and it also allows for some rural commercial leases. Residential (R) minimum lot size is 1-acre without the rural commercial uses. The Planning Board voted unanimously to recommend approval of the rezoning request noting the current use of these properties was consistent with residential zoning district. They also noted the proposed map connects to the existing residence district as an extension of that zoning district.

Vice-Chairman Hardin opened the floor to the Board for questions and discussion. She asked what the lot sizes of the proposed rezoning request? Mr. Martin advised the lot sizes range from half acre to three acres with the majority in the Residential (R) district. Commissioner Hutchins inquired about the rezoning that occurred in the 1990's and any surrounding properties not in compliance with the Land Use Plan. Mr. Martin explained, "*The Rural Agriculture (RA) zoning district was the result of a citizen driven zoning district created by the citizens back in the late 1990s that covered about 14,000 acres in this Fallston Waco area. Within that zoning district when it was created, there were some areas that some of these neighborhoods were smaller, were swallowed up in that bigger area. this neighborhood was one of those areas.*" Commissioner Hutchins asked if the rezoning occurred before the Land Use Plan was created. Mr. Martin sated, "*That is correct. It took place prior to the year 2000 which was when the county wide zoning was adopted.*"

Vice-Chairman Hardin opened public comment at 7:18pm for anyone wanting to speak for or against Planning Case 21-09; Request to rezone property along Fallston Road and Hendrick Lake Road from Rural Agriculture (RA) to Residential (R). (*Original Legal Notice was published in the Shelby Star on Friday, May 21 and Friday, May 28, 2021*).

Danny Blanton, 1827 Creek Ridge Road, Shelby – spoke in support of the rezoning request on behalf of Ray and Margaret Lanford. The Ledfords are needing to divide their property for several reasons such as their health and finances. Mr. Blanton thanked the Board and Planning staff for their hard work and consideration.

Hearing no further comments, Vice-Chairman Hardin closed the public hearing at 7:20pm.

Vice-Chairman Hardin opened the floor to the Board for questions and discussion. Commissioner Hutchins asked, for clarification, if the rezoning was approved, would it help the Ledfords? Mr. Martin responded, “Possibly. If approved, the lot size would be 1-acre. To separate a tract of land into two parcels, both would need to be calculated out to 1-acre depending on the size of the Ledford’s property.” Commissioners had an open discussion regarding possible challenges the Ledfords may face even if the request is approved such as property setbacks and meeting the 3-acre minimum standard. Mr. Martin advised the property in total is not 3-acres.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges and unanimously adopted by the Board to, ***approve the request to rezone property along Fallston Road and Hendrick Lake Road from Rural Agriculture (RA) to Residential (R).***

2
 RECORDING FEE \$ 26⁰⁰
 + 58⁰⁰ add'l names
 = 84⁰⁰ TOTAL

Doc No: 200057725
 Recorded: 07/07/2021 11:19:40 AM
 Fee Amt: \$84.00 Page 1 of 2
 Cleveland County North Carolina
 Betsy S. Harnage, Register of Deeds
 BK 1845 PG 1696 - 1697 (2)

* Planning Dept

**ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF CLEVELAND COUNTY
 Rural Agriculture (RA) to Residential (R)**

- Parcel: 35360 – Owner: Rayford and Margaret Ledford – Deed Book 1673, Page 2021
- Parcel: 35371 – Owner: Jennifer Mcrorie – Deed Book 1697, Page 562
- Parcel: 35370 – Owner: Paul Kennedy – Deed Book 1330, Page 3
- Parcel: 35379 – Owner: Upper Cleveland County Sanitary District – Deed Book 18B, Page 879
- Parcel 35380 – Owner: Thomas and Jacquelyn Peterson – Deed Book 1141, Page 145
- Parcel 35381 – Owner: Traci R Turner – Deed Book 1788, Page 1500
- Parcel 35382 – Owner: Jose and Alicia Neris – Deed Book 1222, Page 615
- Parcel 73851 – Owner: Dice Brittain – Deed Book 1339, Page 1097
- Parcel 35384 – Owner: Bradley and Claudia Greene – Deed Book 1580, Page 2123
- Parcel 35385 – Owner: Kristi Shuping – Deed Book 1759, Page 1527
- Parcel 35386 – Owner: Lloyd Shope – Deed Book 1182, Page 1683
- Parcel 35395 – Owner: Gregory and Victoria Gantt – Deed Book 1735, Page 238
- Parcel 35375 – Owner: Teresa Reynolds – Deed Book 1797, Page 1651
- Parcel 35376 – Owner: Robert and Kendra Virtue – Deed Book 1817, Page 2166
- Parcel 35377 – Owner: Wayne and Illona Kennedy – Deed Book 1653, Page 1036
- Parcel 35378 – Owner: Debbie Canady – Deed Book 1170, Page 2346
- Parcel 35369 – Owner: Danny and Brenda Roberts – Deed Book 1119, Page 145
- Parcel 35368 – Owner: Jeffrey and Brandi Greene – Deed Book 1810, Page 2699
- Parcel 35367 – Owner: Dorothy Whisnant – Deed Book 1409, Page 263
- Parcel 35366 – Owner: Crowder and Gloria Davis – Deed Book 1076, Page 73
- Parcel 35365 – Owner: Doyle King – Deed Book 1587, Page 436
- Parcel 35364 – Owner: Robert Ramseur – Deed Book 1298, Page 2062
- Parcel 35363 – Owner: Derema Luckadoo Life Estate – Deed Book 1824, Page 1313
- Parcel 35362 – Owner: Jeffrey and Gennie Thackerson – Deed Book 1625, Page 1170
- Parcel 57475 – Owner: Judy Walker Living Trust – Deed Book 1696, Page 475
- Parcel 35389 – Owner: Tony Abernathy – Deed Book 1762, Page 2479
- Parcel 29081 – Owner: Archie and Saralyn Maples – Deed Book 1095, Page 172
- Parcel 29082 – Owner: Susan and Christopher Parker – Deed Book 1750, Page 2173
- Parcel 29078 – Owner: David and Kathy Johnson – Deed Book 1529, Page 336
- Parcel 29080 – Owner: Robert Howard – Deed Book 1188, Page 987
- Parcel 29079 – Owner: Sarah and Max Boggs – Deed Book C24, Page 26

This Ordinance shall become effective upon adoption and approval.

Adopted this first day of June 2021.

ATTEST:

Doug Bridges
 Doug Bridges, Chairman
 Cleveland County Board of Commissioners

Phyllis Nowlen
 Phyllis Nowlen, Clerk
 Cleveland County Board of Commissioners



WHEREAS, Article Two of Chapter 160D 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 zoning map amendment on May 25, 2021; and

WHEREAS, said rezoning 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; and

WHEREAS, notice of the Public Hearing was published in the Shelby Star on May 21 and 28, 2021. Notices were mailed to adjoining property owners on May 18, 2021 and a sign posted at the property on May 21, 2021; 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 June 1, 2021; 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 Cleveland County Unified Development Ordinance, be amended to change the classification of the above-mentioned parcel from Rural Agriculture to Residential for Case 21-09.

REGULAR AGENDA

SOLID WASTE FRANCHISE HAULER

Vice-Chairman Hardin called County Manager Brian Epley to the podium to present the Solid Waste Franchise Hauler. There have been many conversations over the past two years regarding the county's exclusive single franchise hauler ordinance. A franchise hauler was recently bid out in 2017 and had only one response which was from Republic Services. The agreement between the County and Republic Services expires June 30, 2022. The contract allows for a non-compete for the unincorporated areas in Cleveland County for commercial industrial hauling and that right was given to Republic Services with no set parameters on rate of services. In exchange for that, the consideration that the county received is guaranteed curbside pickup in all parts of the county, but specifically to reach areas with low population density. The Commissioners set the rate Republic Services can charge the citizens of Cleveland County.

The presented question revolves around market equity, and competitiveness, or lack thereof in commercial waste handling in Cleveland County. As time progresses and there's changes in leadership, legislation and requirements that, after time, could create confusion and costs money. The Solid Waste Franchise in the county dates to 1972 according to the Minutes found from the Solid Waste Advisory Board. In the 1990's there was a franchise however it was not exclusive, there were multiple haulers and franchises that were issued. In 2007, the county transitioned into an exclusive single franchise hauler ordinance in non-incorporated parts of the county. The general consistency dating back to 1972 through now still holds the purpose of that franchise has been so that the Board of Commissioners can ensure comprehensive coverage for residents' curbside municipal solid waste pickup, control the rate and consideration for those control mechanisms that exclusivity was given on the commercial side.

There are roughly 43,000 households in Cleveland County with 18,000 of those households primarily in the incorporated areas of Boiling Springs, Shelby and Kings Mountain. The county has about 25,000 households in the unincorporated area and 14%, or 3,500 households, have a contract with Republic Services. Looking at solid waste handling options, county consumers have three options to choose from. If a customer lives in the incorporated area, they pay the recycling fee, which all 43,000 households pay, and allows for consumers to take trash to the landfill. If the trash is coming from waste and is non-commercial, there is no fee. Shelby municipal taxes are slightly over \$12 equaling \$545 a year. If a consumer lives in that municipal tax area, they are paying roughly \$167 per year. When comparing this to the other 86% of nonincorporated consumers that pay \$22.08, the cost of using the convenience sites is roughly \$51.53 per year with a total cost of \$73. Those 14% of citizens who are paying about \$21.21 a month to Republic, equates to roughly \$254 in their costs for handling waste annually. Cleveland County has a wide spectrum of waste handling costs.

The Board was reminded at their February 19, 2021 work session; staff proposed four options for consideration. Several of those options included keeping the current ordinance in place, having a completely open market and open markets with county wide curbside pick-up. The Board gave feed back and direction to staff to go

back and better understand the priorities and provide other options. Staff went back and worked through a possible fifth option that would align with a competitive open market for all commercial and industrial haulers. Vendors would register with the county to ensure professional standards such as waste handling procedures, safety, etc. The following information and PowerPoint were presented to the Board.

Single Franchise Hauler Ordinance

COMMERCIAL SOLID WASTE HANDLING

Meeting Objectives

Cleveland County Single Franchise Commercial Hauler Ordinance

- Purpose & History of Solid Waste Franchise
- Identify Critical Operational & Fiscal Goals
- Review Previously Discussed Policy Options
- Discuss Alternative Open Market Considerations
- Questions & Board Direction

2

Single Franchise Hauler Ordinance

Market Equity

Competitiveness in commercial waste handling

3

Purpose Evaluation

4

History.....

According to SWAB minutes, the solid waste franchise hauling contract was first established around 1972, from Eric Zolner (Cleveland Container Service). Franchise language has been present in all of the versions of the Solid Waste Ordinance as far back as the late 1980's. There may be older versions but staff has been unable to locate them.

At one point in the mid 1990's there was at least 2 "franchised haulers" for residential services. To the best of our knowledge, residential collection was and has always been available to citizens through the franchise agreement.

2007 – Current:

- Cleveland County has exclusive single franchise hauler agreement in non-incorporated areas of the County

The primary purpose of the franchise agreement has always been to control cost and to ensure that all citizens are provided with residential curbside service

5

Current Household Options

- 43,000 Total House Holds (18,000 incorporated/ 25,000 non-incorporated)
- 3,500 non-incorporated HH use Republic for Curbside (14%)

	Incorporated House Hold (18,000)	Un-Incorporated HH & Non-Republic Pick Up (21,500)	Un-incorporated HH with & Republic Contract (3,500)
Recycling Fees	\$22.08	\$22.08	\$22.08
House Hold Fees	\$0	\$51.53	\$0
Republic Fee	\$0	\$0	\$254.52
Municipal Taxes	145.56 (Shelby)	\$0	\$0
Total Annual	\$167.64	\$73.61	\$ 276.60

6

Republic Clients

Republic Clients By Age

- Residential Clients: ~3,500
 - 10 miles from landfill: 2875 clients
 - 15 miles from landfill: 575 clients
 - 20 miles from landfill: 50 clients
- Average property value: \$165,980

7

Consumer Mix

- Approximately 14% (3,500 households) of non-incorporated households utilize republic for curbside pickup
 - Current Rate is \$21.21 per month
- Approximately 600 commercial customers
 - Premium fee structure to off-set curbside subsidy

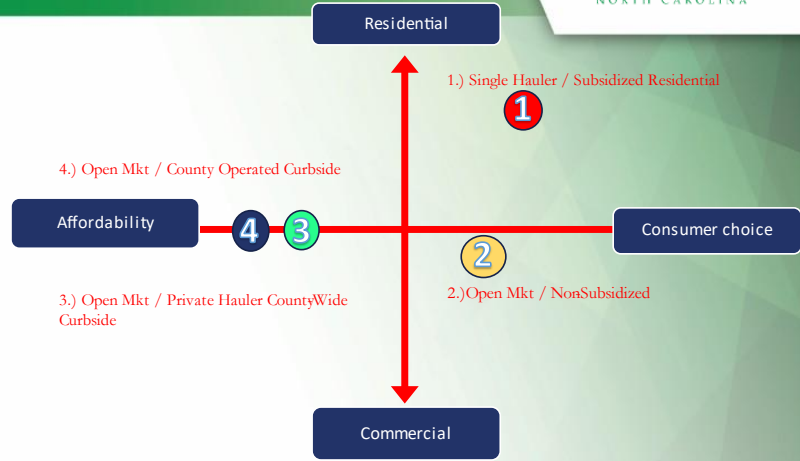
Commercial Monthly Rates- Byd Container

Service	Rate
Berry's Container Service	\$190.00
Said Cam	\$179.00
Waste Management	\$208.00
City of King Mountain	\$230.50
Shelby-Republic Commercial Rates	\$181.78
Republic- 25% decrease	\$135.46
Republic- 15% decrease	\$174.39
Republic Current	\$207.29

Market Average \$184

8

Previous Policy Considerations



Policy Impact Considerations



- Solid Waste Operations -

- Material Integrity and Cell Life Management – Landfill
- Closure and Post Closure Costs
- Roadside Litter and Proper Material Handling
- Long Term Financial Sustainability

- Corporate Citizenship-

- Equitable & competitive pricing for corporate citizens

- Residential Citizen Service Delivery:-

- Citizen Curbside Pickup Service Availability
- Multiple Vendor Equipment in Dense Neighborhoods

- Entrepreneurial Process:-

- Business Enterprise Investment & Job Creation

Cell Summary



MSW

- 2 Closed & Monitored Cells
 - Un-Funded Liability \$23.9MM
- Currently on Phase III of VII
 - Volume & Type of Material
 - Air Space
 - Daily Cover Depth
 - Compaction Rate
- Cost per Ton = \$49.15
- Annual "Recycling Fee" - \$25 (FY 22)
- Title V
 - Methane Gas Management System
 - Vent vs. Capture (Load Rating)
 - Ground Water Monitoring
 - Leachate System Management

C & D

- Built on dosed MSW I
- Fee for use
- Non-lined cells
- Cost per ton = \$27.85
- Planning Horizontal Expansion
 - Expected Life = 15 (+)

Annual Waste Handling



2019-2020 Tonnage

	AIRPORT ROAD			SELF MCNEILLY		
	TOTAL TONS	# OF DAYS	TONNAGE PER DAY	TOTAL TONS	# OF DAYS	TONNAGE PER DAY
JULY	4,942.67	26	190.10	8,525.00	27	315.74
AUGUST	4,603.29	27	170.49	8,120.45	27	300.76
SEPTEMBER	3,888.56	24	162.02	7,872.97	25	314.92
OCTOBER	3,586.10	27	132.82	8,293.88	27	307.18
NOVEMBER	3,582.17	24	149.26	7,159.83	25	286.39
DECEMBER	4,058.97	25	162.36	7,921.58	25	316.86
JANUARY	4,039.07	25	161.56	8,125.74	26	312.53
FEBRUARY	5,056.39	25	202.26	7,329.38	25	293.18
MARCH	4,740.17	26	182.31	8,648.77	26	332.65
APRIL	5,032.95	25	201.32	8,300.66	26	319.26
MAY	3,644.99	25	145.80	7,634.26	26	293.63
JUNE	3,288.07	26	126.46	8,015.31	26	308.28
TOTAL FOR YEAR	50,463.40	305	165.45	95,947.83	311	308.51

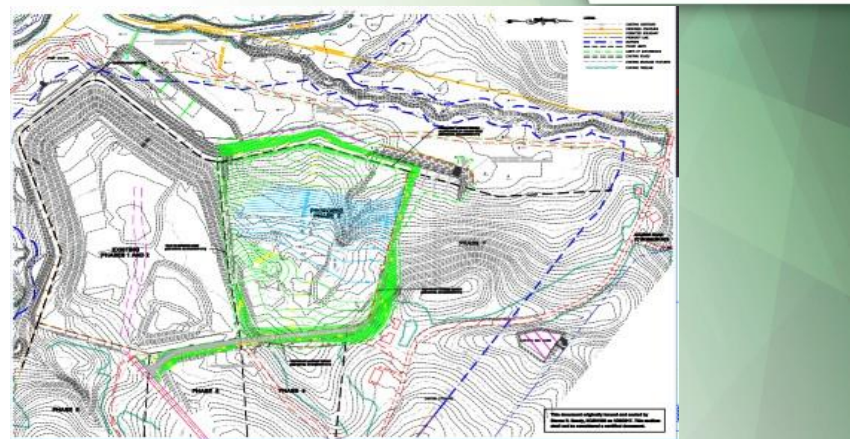
(run WW report A.L for each location)

MSW Cell Life Management



Year Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual MSW Tonnage (Current Estimate)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Annual MSW Tonnage (Forecast)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Annual MSW Tonnage (Total)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000

MSW Cell Life Management



DENR Financial Assurance Test



ROY COOPER
MICHAEL S. REGAN
MICHAEL SCOTT
August 25, 2020

Ms. Tonya Sigmon
Budget and Internal Audit Analysis
Cleveland County
211 E. Marion St.
Shelby, NC 28150

RE: APPROVED Local Government Financial Assurance Test for FYEND 2019
Cleveland County Landfill East (Permit 2301-MSWLF-1998 (closed)),
Cleveland County CCLP cover MSWLF (Permit 2301-CCLP-1997 (open 2301-MSWLF-1998 (open)), and
Cleveland County Landfill Self-McNeilly (Permit 2301-MSWLF-2009 (open))

Dear Ms. Sigmon,

The Solid Waste Section has approved Cleveland County's FYEND 2019 financial assurance mechanism dated August 24, 2020, for closure, post-closure and potential assessment and corrective action costs.

Financial Assurance Costs	Cleveland County Landfill East 2301-MSWLF-1998	Cleveland County CCLP cover MSWLF 2301-MSWLF-1997	Cleveland County Landfill Self-McNeilly 2301-MSWLF-2009	Other PACA	Totals
Closure	NA	\$3,982,327	\$8,422,600	NA	\$12,404,927
Post Closure Corrective Action	\$2,022,300	\$2,854,700	\$4,334,750	NA	\$9,211,750
Potential Assessment and Corrective Action	NA	NA	NA	\$2,309,721	\$2,309,721
Total	\$2,022,300	\$6,837,027	\$12,757,350	\$2,309,721	\$23,926,398

FYEND 2019 Financial Assurance Approval from November 30, 2019 through November 30, 2020

Updated Policy Option



Option 5: - Amendment to Ordinance

Effective 7/1/2021

- Competitive Open Market – Commercial & Industrial
 - Implementation of Commercial Vender Registration Permit
- Exclusivity for curb side pick up
 - Increase monthly fee to \$25
 - Operational support w/Solid Waste Department
- Measure data 7/1/21 – 12/31/21 on:
 - Litter Volume
 - Material Intake at MSW
 - Number of permitted vendors

Updated Policy Options



Option 5 : - Amendment to Ordinance

Effective 7/1/2021

- Staff Report back on outcomes and processes at Commissioners 2022 work session in preparation for long term solution ahead of 6/30/2022 RFP process.

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Commissioner Action



1. Direct staff to move forward with implementation of Option 5 – amendment to the single franchise hauler ordinance.
 - a. Direct staff to gather impact data and report back to Commissioners of effectiveness by mid year (January/February) work session.
2. Direct staff to alternatively proceed with franchise hauling management
3. Take no action

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Questions

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Vice-Chairman Hardin opened the floor to the Board for questions and discussion. Commissioner Hutchins commented on the solutions that are available to keep the life of the landfill. Vice-Chairman Hardin stated she was glad to see the option for free markets and spoke about giving small businesses a chance to grow and develop instead of having a single franchise. Commissioner Bridges strongly agreed with the free-market system citing it would be citizen's financial benefit to keep outside county trash from being dumped into Cleveland County's convenience sites. He asked Mr. Epley to review the citizen recognition system program that is in place at the convenience sites.

Mr. Epley explained the citizen recognition system has nothing to do with the franchise ordinance, it's a program modeled after Lincoln and Catawba County involving a window cling recognition system. A window cling system identifies county taxpaying citizens using the county's convenience sites. The program was created to protect the integrity of the landfill. Several of the county's convenience sites are located near surrounding county boundaries and with no fee to use them causing the landfill to artificially fill up with trash from people who are not paying to use the site. The tax bills are scheduled to be mailed out to the 43,000 households in the county in mid-July which will include the cling decals with instructions. An educational campaign will begin between July and October, and then begin enforcing the program October 1, 2021.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Whetstine and unanimously adopted by the Board to, *direct staff to move forward with implementation of Option 5 – amendment to the single franchise hauler ordinance.*

COMMISSIONER REPORTS

Commissioner Gordon – thanked staff for the hard work and time they take to complete the many projects that are happening in Cleveland County including the budget.

Vice-Chairman Hardin – attended the drive-thru Employee Recognition event at the LeGrand. She commented on the great work that is done by all County employees.

Commissioner Hutchins – attended several other board meetings in which he serves on and spoke about places and events starting to open more for events.

Commissioner Whetstine – spoke about numerous volunteers in Cleveland County and how to nominate someone for the upcoming Commission for Women’s Distinguished Woman Banquet. He also attended several Memorial Day events in the community.

Commissioner Bridges – echoed previous Commissioners comments thanked staff across the organization for the hard work they do including the budget and its process.

County Manager Brian Epley – updated the Board on Cleveland County being named the winner of the Business Journal’s 2021 healthiest employers in the Greater Charlotte area.

ADJOURN

There being no further business to come before the Board at this time, Commissioner Gordon made a motion, seconded by Commissioner Hutchins and unanimously adopted by the Board, *to adjourn the meeting*. The next meeting of the Commission is scheduled for *Tuesday, June 15, 2021 at 6:00 p.m. in the Commissioners Chambers*.

*Doug Bridges, Chairman
Cleveland County Board of Commissioners*

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