

Cleveland County Board of Commissioners

May 17, 2022

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

PRESENT: Kevin Gordon, Chairman
Deb Hardin, Vice-Chair
Johnny Hutchins, Commissioner
Ronnie Whetstine, Commissioner
Doug Bridges, Commissioner
Tim Moore, County Attorney *via teleconference*
Brian Epley, County Manager
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Katie Swanson, Social Services Director
Tiffany Hansen, Health Department Director
Martha Thompson, Chief Deputy Attorney
Perry Davis, Emergency Management Director/Fire Marshal
Sandra Orvig, Shooting Range Director
Scott Bowman, Maintenance Director
Tony Adair, Animal Services Director
Marty Gold, Information Technology Director
Allison Mauney, Human Resources Director
Lucas Jackson, Finance Director
Daryl Sando, Electronic Maintenance Director
Stori McIntyre, E-911 Communications Director
Jason Falls, Business Development Director
Josh Davis, Solid Waste Director
Betsy Harnage, Register of Deeds

CALL TO ORDER

Chairman Gordon called the meeting to order.

American Legion Shelby Post 82 provided the invocation and led the audience in the Pledge of Allegiance.

AGENDA ADOPTION

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

CITIZEN RECOGNITION

No one registered to speak.

CONSENT AGENDA

APPROVAL OF MINUTES

The Clerk to the Board included the Minutes from ***May 3, 2022 regular meetings*** in Board members' packets.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and passed unanimously by the Board to, ***approve the minutes as written.***

TAX COLLECTOR'S MONTHLY REPORT

The Tax Collector provided Commissioners with the following detailed written report regarding taxes collected during ***April 2022.***

TOTAL TAXES COLLECTED APRIL 2022				
YEAR	AMOUNT-REAL	AMOUNT-VEHI.	AMOUNT-GAP	COMBINED AMT
DEF REV	\$0.00	\$0.00	\$0.00	\$0.00
2021	\$467,871.56	\$0.00	\$6,375.37	\$474,246.93
2020	\$25,500.52	\$0.00	\$1,307.16	\$26,807.68
2019	\$11,992.32	\$0.00	\$0.00	\$11,992.32
2018	\$6,768.44	\$0.00	\$0.00	\$6,768.44
2017	\$2,910.27	\$0.00	\$0.00	\$2,910.27
2016	\$2,869.35	\$0.00	\$0.00	\$2,869.35
2015	\$930.62	\$0.00	\$0.00	\$930.62
2014	\$1,571.17	\$0.00	\$0.00	\$1,571.17
2013	\$1,116.55	\$0.00	\$0.00	\$1,116.55
2012	\$962.26	\$0.00	\$0.00	\$962.26
2011	\$0.00	\$0.00	\$0.00	\$0.00
				\$530,175.59
TOTALS	\$522,493.06	\$0.00	\$7,682.53	\$530,175.59
DISCOUNT	\$0.00			
INTEREST	\$32,409.10	\$0.00	\$510.03	
TOLERANCE	(\$9.15)	\$0.00	(\$1.93)	
ADVERTISING	\$1,656.07	VEHICLE FEES	GAP BILL FEES	DEFERRED GAP
GARNISHMEN	\$14,433.96	\$0.00	\$2,205.15	\$1,149.85
NSF/ATTY	\$25.99			
LEGAL FEES	\$0.00			
TOTALS	\$571,009.03	\$0.00	\$10,395.78	
MISC FEE	\$0.00			GRAND TOTAL
TAXES COLL	\$571,009.03			\$581,404.81
DEF	\$23,893.31	\$0.00	DEF	\$1,149.85
DISC	(\$51.75)	\$571,009.03	TOL	\$0.00
TOL	\$1.00		INT	\$0.00
INT	\$1,862.88			\$608,260.10
TOTAL TAXES UNCOLLECTED APRIL 2022				
	AMOUNT-REAL	AMOUNT-VEHI.	AMOUNT-GAP	COMBINED AMT
2021	\$1,863,198.53	\$0.00	\$103,706.99	\$1,966,905.52
2020	\$784,335.54	\$0.00	\$51,238.54	\$835,574.08
2019	\$701,759.40	\$0.00	\$0.00	\$701,759.40
2018	\$378,731.55	\$0.00	\$0.00	\$378,731.55
2017	\$232,197.11	\$0.00	\$0.00	\$232,197.11
2016	\$167,485.97	\$0.00	\$0.00	\$167,485.97
2015	\$136,605.44	\$0.00	\$0.00	\$136,605.44
2014	\$139,031.03	\$0.00	\$0.00	\$139,031.03
2013	\$102,786.81	\$0.00	\$0.00	\$102,786.81
2012	\$82,049.48	\$0.00	\$0.00	\$82,049.48
2011	\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00
	\$4,588,180.86	\$0.00	\$154,945.53	\$4,743,126.39

TAX ABATEMENTS AND SUPPLEMENTS AND PENDING REFUNDS/RELEASES

The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during *April 2022*. The monthly grand total of tax abatements was listed as (\$745.72) and the monthly grand total for tax supplements was \$51,278.11.

The Tax Administration Office is requesting the release of \$1,103.29 in the total refund to various businesses in the uptown Shelby district to correct a clerical error with the effective tax rate in the USMS district. The County Tax Assessor has reviewed the requests and advised they are in order for Board approval.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, *to approve the Abatements and Supplements and Pending Refunds/Releases as submitted by the Tax Assessor.*

Explanation of Revisions: Budget allocation for \$400 in grant funds received from the North Carolina Arboretum Society for an eco-friendly program to engage kids with science and nature.

HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #060)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, ***approve the following budget amendment:***

<i>Account Number</i>	<i>Project Code</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
012.541.4.350.00		Environmental Health/State Govt Grant	\$22,368.00	
012.541.5.121.00		Environmental Health/Salaries FT Reg	\$22,368.00	

Explanation of Revisions: Budget allocation for \$22,368 in grant funds from the North Carolina Department of Health and Human Services, Environmental Health Section. These funds are given to local health department environmental health programs to assist in implementing state-mandated sanitation requirements. Funds will be used towards existing salaries in the Environmental Health Department.

PLANNING DEPARTMENT: REQUEST TO CANCEL PUBLIC HEARING FOR TUESDAY, JUNE 7, 2022 FOR CASE 22-13: REQUEST TO REZONE PROPERTY AT 1318 STONY POINT ROAD FROM RESTRICTED RESIDENTIAL (RR) TO RESIDENTIAL (R)

At the May 3, 2022 meeting the Board set a public hearing for June 7, 2022, to hear Case 22-13, request to rezone property at 1318 Stony Point Road from Restricted Residential (RR) to Residential (R). Parcel 47196 is 15.16 acres, located at 1318 Stony Point Road, and is currently zoned Restricted Residential (RR). The applicant, Dexter Williams, is requesting to withdraw his rezoning request to rezone this parcel.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, ***approve canceling the public hearing as requested.***

LEGAL DEPARTMENT: SALE OF COUNTY OWNED PROPERTY – PARCEL 43596

Parcel 43596 is a county-owned property located on Cabiness Drive in Shelby. Cleveland County acquired this property through foreclosure proceedings in 2007 and has incurred costs in the amount of \$3,924.80 for accrued unpaid taxes and interest and county costs. This parcel of land has no residual structures and has a tax value of \$10,786. The offer of \$26,500 exceeds County costs and is \$15,714 above tax value equaling to a gain of \$22,575.20.

Parcel Number	Amount Offered	Tax Value	Year Acquired
43596	\$26,500.00	\$10,786.00	2007

Breakdown of county cost for Cabiness Drive, Parcel No.: 43596

Costs	Amount:
Taxes and Interest	\$2,469.22
Court Cost	\$80.00
Attorney's Fees	\$600.00
Service Fee	\$30.00
Advertisement Fee	\$421.73
Guardian Ad Litem Fee	0.00
5% Commission	\$180.05
Clerk's Commission	\$10.80
Deed	\$125.00
Revenue Stamp	\$8.00
TOTAL:	\$3,924.80

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously approved by the Board to, ***adopt the resolution authorizing county staff to advertise and begin the upset bid process.***



Resolution

12-2022

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

WHEREAS, Cleveland County owns property identified as follows:

Parcel Number	Location	Offeror
43596	Cabiness Drive	Vernon Baumrind

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 an offer to purchase the property described above in the amount as follows:

Parcel Number	Amount Offered
43596	\$26,500.00

and

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

THEREFORE, THE CLEVELAND COUNTY BOARD OF COMMISSIONERS RESOLVES THAT:

1. The Board of Commissioners authorizes sale of the property 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 or the sum of \$2,100.00 whichever is greater.

4. Persons wishing to upset the offer that has been received shall submit a **sealed bid** with their offer to Christie Wooten, 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

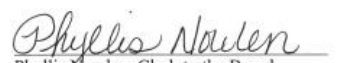
—The County will transfer its interest in the property via quitclaim deed.

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 17th day of May, 2022.


Kevin Gordon, Chairman
Cleveland County Board of Commissioners

ATTEST:


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



REGULAR AGENDA

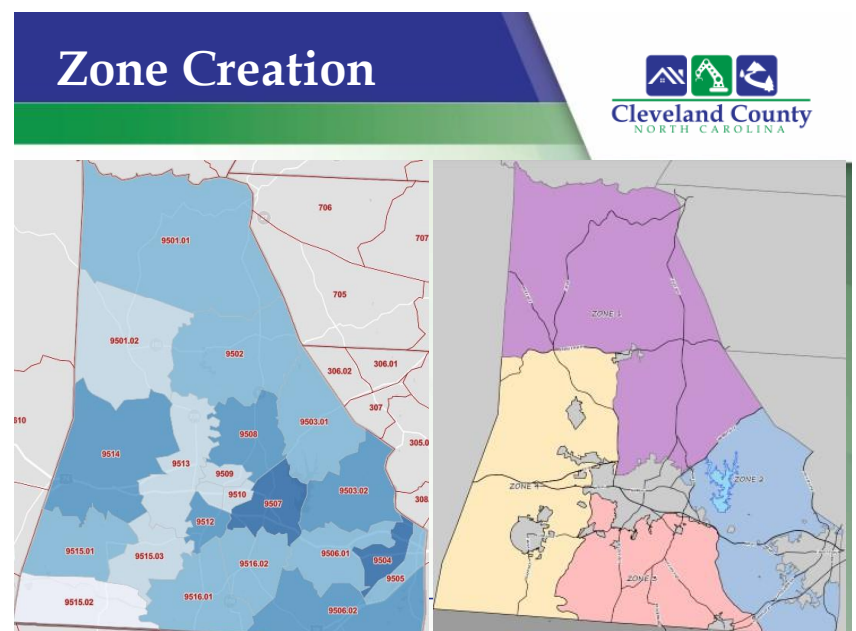
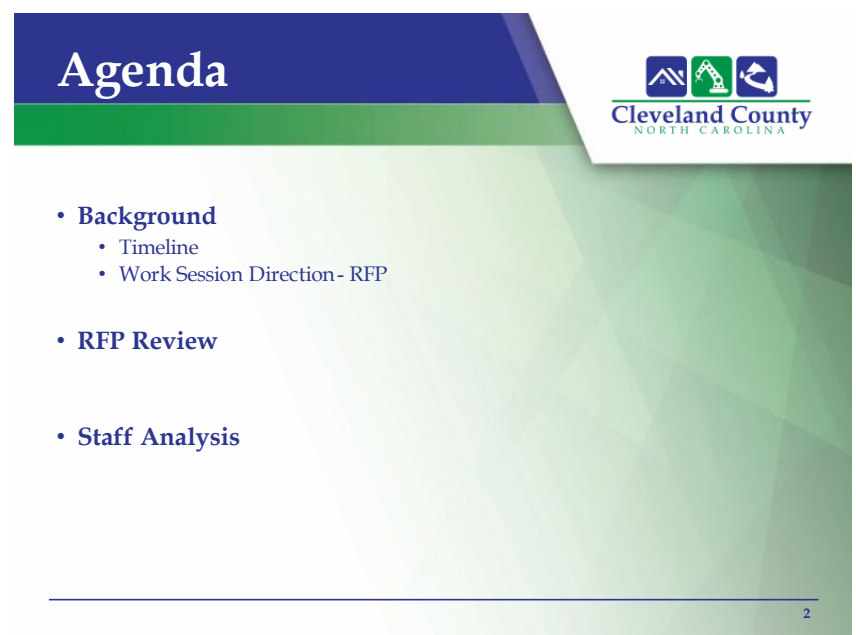
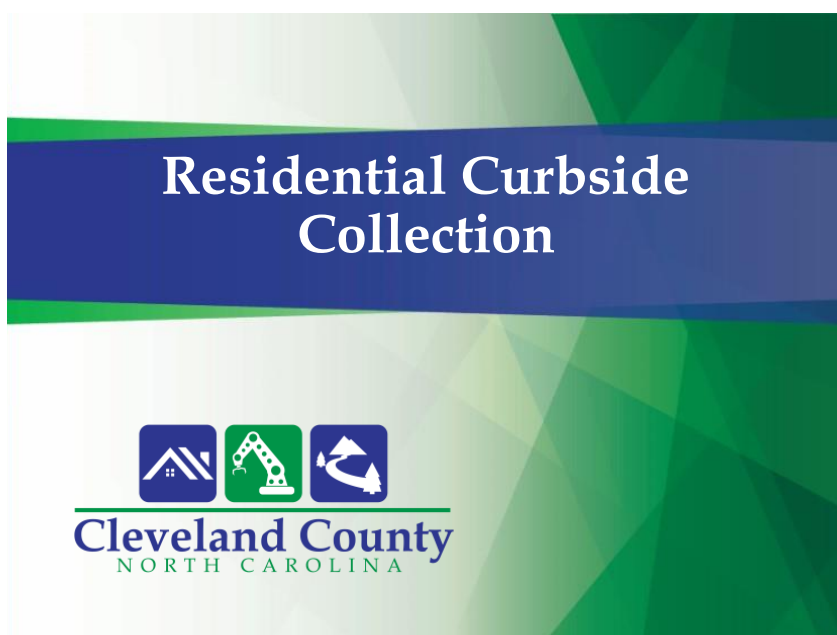
SOLID WASTE FRANCHISE AGREEMENT

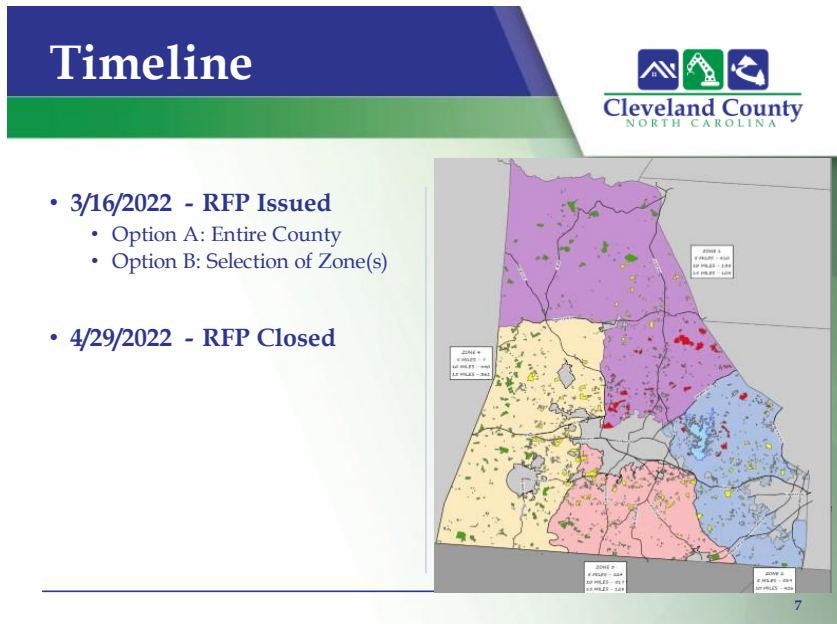
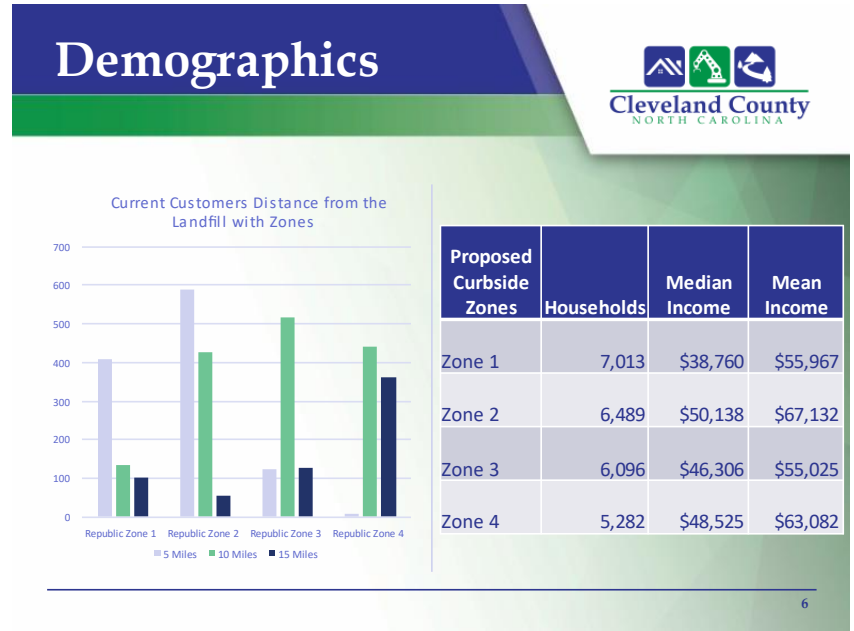
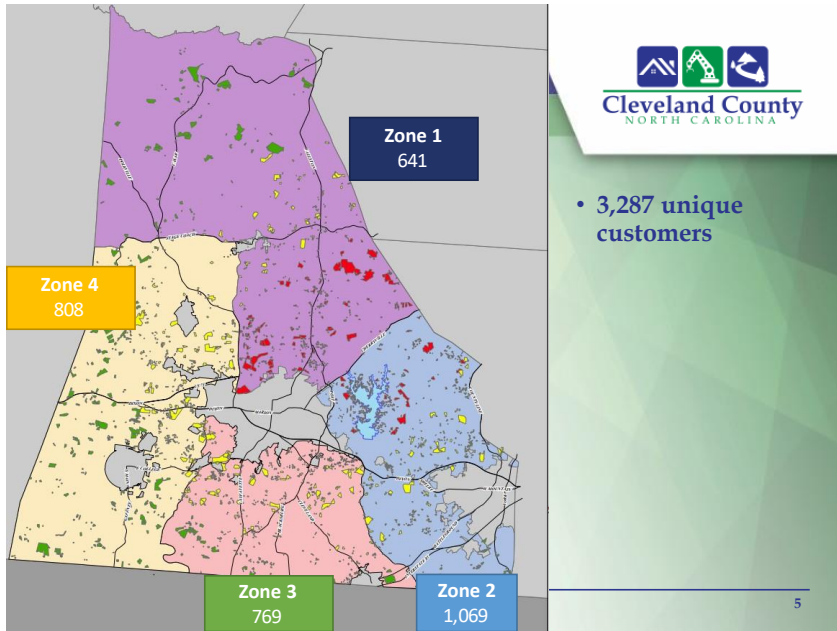
Chairman Gordon recognized Strategic Initiative Manager Jeff Sedlacek to present the Solid Waste Franchise Agreement. Commissioners were reminded, at their February 1, 2021 work session, staff was directed to analyze the existing franchise agreement that provides exclusive residential and commercial curbside collection throughout Cleveland County. On June 1 of that same year, the Board voted to pilot open market commercial collections in unincorporated areas of the county with a specific focus on market rate, waste integrity and litter reduction. On July 1, the open commercial process began and the Solid Waste Department created a vendor registration system. The county did not make changes to the exclusive residential curbside collection franchise agreement at that time.

At the February 25, 2022 Work Session, staff presented an update on the open market commercial pilot program. During this meeting, staff also presented information on the residential curbside collection. Board Members directed staff to divide the county into zones providing coverage across all unincorporated areas of the county to identify more demographic information within those zones. Through that process, 3,287 unique customers were identified within Cleveland County. After further direction by Commissioners, the county issued a request for proposal (RFP) on March 16, 2022 focusing on two separate options for residential curbside pick-up:

- Option A: Entire County
- Option B: Selection of Zone(s)

The RFP bid remained open for six weeks closing on April 29, 2022. During that process, staff met with vendors, collecting all the registration information and answering questions or concerns. The county received two bids. Republic Services has 36,000 employees nationally, including 50 full-time employees locally based who provide services throughout the unincorporated county. The other bid was received from PSW Services. PSW Services is based locally in Kingstown. They currently provide services to the towns of Lattimore, Earl and Kingstown. Republic Services bid for option A to provide coverage for the entire county at \$25 per member per month. PSW services bid for option B (Zones 3 and 4) which would only be partial coverage. The cost for collection by PSW would be \$20.99 per member per month. The following information and PowerPoint were presented to Commissioners.





RFP Review

Proposal Reviews

REPUBLIC SERVICES	PSW Services Inc.
• Option A – Entire County	• Option B – Zones 3 & 4
• \$25.00 per member / month	• \$20.99 per member / month
• 3 ASL Trucks (< 2 Years Old)	• 1 RL Truck (1989 Model)
• 50 Local FTEs	• 9 Local FTEs
• Current Residential Customers - 3,287	• Current Residential Customers - 400

Board Direction

REPUBLIC SERVICES	PSW Services Inc.
• Option A – Entire County	• Option B – Zones 3 & 4
• \$25.00 per member / month	• \$20.99 per member / month
<ul style="list-style-type: none"> • First reading- June 7, 2022 • Second reading- June 21, 2022 	

Chairman Gordon opened the floor to the Board for questions and discussion. Commissioner Whetstine asked, “Since PSW, doesn’t cover the entire county, is Republic Services willing to cover the two zones, or are they only interested in serving the entire county?” Mr. Sedlacek advised they are only interested in serving the entire county. Commissioner Whetstine continued, “we’ve got to provide service for all the citizens of this county, so we need to continue our relationship with Republic Services.” Commissioner Hutchins echoed Commissioner Whetstine’s comments. Commissioner Bridges commented on Republic Service’s fee and inquired if PSW is not awarded the bid, would they still be able to provide services to their customers. County Manager Brian Epley advised this would not impact municipality solid waste pick-up. The Board thanked Mr. Sedlacek for the information and the hard work that has been put into this project.

ACTION: Commissioner Whetstine made a motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board to, *award the residential curbside collection franchise to Republic Services and have staff draft the Solid Waste Franchise Agreement to bring back to the Board at their June 7, 2022 regular meeting for a first reading.*

FY 2022 – 2023 COUNTY MANAGER’S RECOMMENDED BUDGET

Chairman Gordon recognized County Manager Brian Epley to present the FY 2022 – 2023 County Manager’s Recommended Budget. Policy direction begins with the Board’s Strategic Plan. In a period of rising costs, it is important for Commissioners to be clear with their goals and priorities to direct staff with allocation of resources. The proposed general fund is balanced at \$126.5MM dollars with a tax rate of 54.75 cents and a school tax rate of 14 cents. There is no recommendation for a tax increase.

Following the Board’s February 2022 work session, a top priority for this year was to continue to execute the facility master plan with a specific focus on the Justice Center. Other priorities include the success in recruiting and now hosting a highly competitive national shooting match at the Foothills Shooting Complex, continuing the partnership with Cleveland County School System to get an adequate long-term capital facility plan and working through the county’s own public safety strategic plan. Improving Community Health Rankings also continues to be a top priority for the Board. Resources have been allocated to reengage in community offerings like a Citizen’s Academy. This specific goal has been on the Board’s strategic plan for several years with little movement forward. Lastly, maintaining Cleveland County as an “Employer of Choice” is a Commissioner’s priority. The county needs to have competitive pay, modern policies and continue to work towards career progression. This is accomplished by attracting and retaining top talent, focusing on internal operations, staying committed to values, and operating the right way every day.

Many of the county’s revenues are predicated on the performance of the economy. Cleveland County's economy has shown resilience. There are many other towns and counties that have seen a dramatic negative impact over the last 24 months, specific to economic performance. Since 2020, the county, like many other organizations across the country, experienced economic declines due to the COVID-19 pandemic. As the country has shifted from a pandemic to an endemic with regulations lifted, the rebound growth exploded and has now stabilized. The county’s home sales are strong, people are shopping and the unemployment rate of people who are actively seeking or already working is 3.2%. Industrial manufacturing is a major part of the county’s economy; it’s the primary labor force.

National data shows confidence in economic recovery from COVID-19. Sales Tax is performing at an unprecedented rate and people want to re-engage in pre-pandemic activity. These actions can grow optimistic economic energy, but the rising real inflation rates must be recognized; fuel prices have increased by 40%, and construction costs, depending on what type of materials are needed, have double-digit increases. Although Cleveland County currently has a 3.2% unemployment rate, the labor force participation rate is only 61%.

For FY 2022 – 2023, staff is expecting a tax base of \$10.6 billion dollars. This will be comprised of all real property, personal property, state boards and motor vehicle. Motor vehicles will contribute about \$900 million dollars. It is essential for the county to maintain a recession-ready budget, recognizing that conservatism, and being principle-driven, are critical. In revenue forecasting, staff tried to diversify revenue sources to reduce the dependency on property tax and sales tax. If an organization is overly reliant on sales tax, meaning the percentage of total revenue portfolio is balanced on sales tax, if the economy dips, that will apply pressure to the budget. It's the same with property tax, if there's a loss in revenue in other places, there's a strain on that property tax.

Commissioners, past and present, have focused on maintaining a lower tax rate for the citizens of Cleveland County. When building the budget, it starts with analyzing the base. There is no incremental budgeting in Cleveland County, every budget begins with a zero base and staff builds to it. The county's general fund, as mentioned, is balanced at 54.75 cents and the school tax rate is balanced at 14 cents. The proposed budget does not include money from the American Recovery Plan Act or opioid settlement dollars as those large one-time funds could jeopardize future analytical budget comparisons. Those funds will be placed in their own individual spending plans. The county does have an approved spending plan through the North Carolina Recovery Office and external auditors.

Staff has a three-phase systemic approach to employee pay with the first being a living wage adjustment. This adjustment focuses on lower-paid employees who are working full-time and not earning a living wage. There is an organizational-wide recommended 3% Cost-of-Living Adjustment (COLA) effective July 1, 2022 with an additional 1% increase bringing the 401K contribution to 6%. To keep Cleveland County competitive the proposal continues the county's performance pay system. There is a recommendation for 10 additional Full-Time Employees (FTEs) which, for this organization is not customary. Over the last four years, the organization has been able to reduce the personnel headcount by 100. This was accomplished by leveraging technology and focusing on process refinement. This has allowed for flexibility to bolster some of the programs and projects staff has been working on. As reviewed previously, there is economic and people growth in Cleveland County and across the country which has caused the need for the additional FTEs. These 10 new positions include:

- 4 Deputy Sheriffs
- 1 Information Technology Position
- 1 E-911 Telecommunicator
- 1 Emergency Management/Fire Marshal Position
- 1 Animal Services Officer
- 2 Environmental Health Officers

Through Commissioner's vision, there has been a very intentional reallocation of resources without growth in the entirety of the budget. Staff has been able to reallocate resources from other functional areas to make the budget align more closely with the Board's policy. Mr. Epley gave an executive review of the Commissioner's Focus Area of fiscal sustainability which included goals such as: Cleveland County being an employer of choice, executing the capital plan, and leveraging an unprecedented opportunity to affect federal grant money

opportunities. Moving into next fiscal year, staff has several strategies to support the reengineering of funds and resources such as stop/loss adjustments, technology savings, building/department consolidations and position justifications.

The employee wellness plan is \$10MM and is self-funded with 827 covered lives. This fund pays for items such as health claims, biometrics, the Wellness Center and HSA contributions. This fund continues to exceed expectations. When comparing, FY 2022 the county spent \$564,000 per month, compared to FY 2019 when the county was spending \$643,000 a month. That \$80,000 savings a month multiplied by 12 months has a tremendous positive impact on the county's budget. The savings from this fund pay bills, fund programs and advances the Board of Commissioners' strategic plan. The cost reduction has been achieved through disease management programs, pre-diabetes classes, reduced rates for YMCA membership and a culture of wellness. The continuation of these programs is included in the proposed budget. The Charlotte Business Journal named Cleveland County an Employer of Choice in their top group of small and mid-sized employers for employee wellness and culture. Spousal and dependent coverage remains unchanged for the 12th straight year.

Grant management strategies are in place as staff is actively seeking grants which if awarded, can lower the county's local costs. Grants already given are a \$59MM grant from the General Assembly to assist with the Justice Center Campus, a \$450,000 grant for a mobile command unit, a \$5MM grant for primary care access for at-risk/in-need citizens, a School Resource Officer (SRO) grant, and a Victim Specialist Grant. These are examples of the county being fiscally minded by looking for alternative funding sources, versus traditional property and sales taxes.

Public safety remains one of the primary focus areas on the Commissioner's strategic plan. Creation of a Public Safety Strategic Plan, a goal of the Board, is expected to be complete by the early fall of 2023. The seamless transition to a centralized EMS system, a recommendation from the Public Safety Strategic Plan, has improved response time and patient outcomes. Other areas under public safety include developing a nuisance ordinance, successful completion of the public safety campus and maintaining support for the Volunteer Fire Departments. As the community grows, resources in these departments will need to be re-evaluated and right-sized.

The recommended Fire Service tax rate remains unchanged at 8.75 cents with a total allocation of \$5.1MM. Included in the proposed budget is an increase to both the hourly wage and per call stipend. The hourly wage will increase to \$15.00. An increase in operations allocation will give departments the ability to provide Saturday and Sunday daytime coverage.

Cleveland County's community health ranking is currently 81st out of all 100 counties in North Carolina. Improving community wellness has been on the Board's strategic plan for the last four years. This is being talked about by the local hospital, schools and other community partners and is an endeavor being led by this Board. Resources are allocated in the budget to the community base initiative in an effort to impact community health in a positive way. The two county departments that fundamentally impact community wellness are public health and social services. Other peer counties that compare to Cleveland County in demographics such as population size,

budget, median income, poverty level, etc. are performing at a much higher level in community health. Data continues to show poverty, lack of accessible health care, and behavioral lifestyles such as poor diet, exercise, tobacco and alcohol use are resulting in premature deaths, obesity, strokes, etc., for the citizens of Cleveland County. Staff has been able to further refine those to these specific census tracts, giving a roadmap to implement community-based education and care, with a focus on impacting citizens' lives in a positive way.

Broadband access to the residents of Cleveland County is also a priority focus on the Commissioners' strategic plan. The county has resources and a budget to assist with broadband expansion throughout the community. Currently, there are three opportunities for broadband expansion. The first one is called RDOF. The governmental relations expert from Charter Communications presented at a Commissioners' meeting during the fall of 2021 a plan that will be executed over the next five years, with no local dollar impact, to provide internet access. It would provide high-speeded internet to 1,960 homes in the county. There are two other opportunities: the Great Grant and the CAB Grant. Both of these require a local funding match. The American Recovery Plan dollars will provide that match. The Great Grant would provide additional internet coverage to 1,200 homes. By 2025, 90% of Cleveland County residents will have access to broadband.

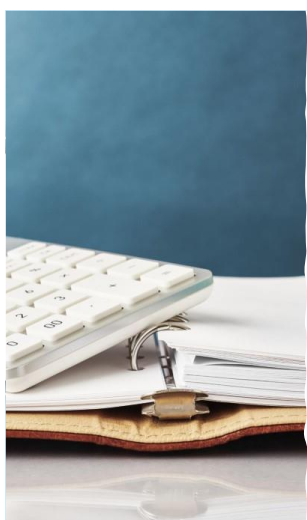
Mr. Epley reviewed the Economic Development Focus Area. Goals include growth in the county including agricultural economic development, the upcoming national shooting competition and shell building projects. Staff is currently in partnership with the City of Shelby for the anticipated completion of Shell Building 4 by the end of 2022. The Shell Building 5 project may be located on the former Dover Mill site. There are resources allocated to finish construction, design and grading to get that site pad ready. Commissioners were briefed about the FY 2022 – 2023 Capital Projects Improvement Plan that includes a public defender's office, Health/DSS Co-location, E-911 Communications Center, new Board of Elections location and the Justice Center Campus. The county has a 10-year payout for debt function maintenance. In the absence of new debt instruments, Cleveland County will have the debt paid off by 2033. Staff has been very intentional about positioning the county to have debt capacity, improving the county's bond rating.

The goal for Cleveland County Schools (CCS) is to have dedicated funding for future capital as well as teacher supplements and financial equity with no impact on charter schools. Commissioners directed staff to create an escrow funding source for CCS. The account, dedicated to supplements and capital was created. A total of \$700,000 was added to the Commissioner-controlled escrow. Mr. Epley next discussed Community College funding.

There are 58 community colleges in North Carolina. Most of those are funded by multiple counties not on a single county funding model. When compared to peer counties, Cleveland Community College (CCC) has a fair and favorable comparison, which gives staff a benchmark to better understand the funding level and keep the community college competitive. Since 2018, annual funding for the community college has increased to \$549,000 per year. In FY 2022, county funding was increased by 17%. Included in the budget is also an in-kind contribution

being offered over the next five years, for a parcel of land located on Highway 180, which will add another \$39,950 to their funding.

The Cleveland County Solid Waste Department operates on a budget of \$11.9MM. Of all the operational departments in the county, rising inflationary costs have impacted this department more so than any other. Necessary operation costs such as steel trays, heavy equipment and motor fuel have an incredible impact on the FY 2022 – 2023 budget. There is life left in the county landfill but as household waste decomposes, the county has the responsibility of monitoring and ensuring the environmental side of the budget is being accounted for. The landfill has a \$22.5MM unfunded liability and the funding of the landfill. Funding the Solid Waste Department is much less about people, fuel and equipment and more about future obligations and environmental reporting. Included in the proposed budget is a \$1 per ton fee for litter clean-up. Staff has asked an engineering firm to complete a review and proposal for a rate stabilization plan that includes a 10% increase in tipping fees this year, followed by a residual 3% increase through 2033. Cleveland County’s tipping fees are lower than many of the open and operated landfills around the area. There has been growth, investment and improvements in the county’s collection sites focusing on safety, efficiency, and customer experience. The following information and PowerPoint were presented to Commissioners.



Cleveland County, North Carolina
 County Manager’s Recommended Budget
 FISCAL YEAR 2022-2023

Agenda:

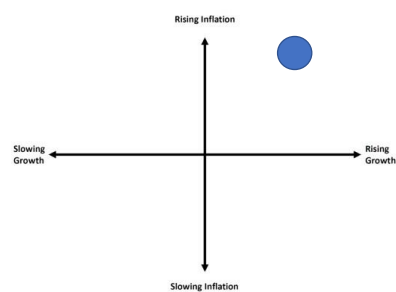
- Budget Development Process and Policy Direction
- Economic Outlook and Revenue Forecast
- General Fund Tax Rate & Operational Budgets
- Capital Improvement Plan Funding
- Education Funding
- Outside Agency Support
- Solid Waste Budget



Rising Cost of Doing Business

- Retirement Contribution..... \$ 900,000
- Pharmacy Investment..... \$ 250,000
- Motor Fuels..... \$ 225,000
- Total..... \$ 1,375,000

\$ 1.375MM = 1.3 Cents





Budget Development Process and Policy Direction

FY 23 Commissioners Strategic Plan

- FOCUS AREA 1: CITIZEN ENGAGEMENT**
To implement outreach strategies that reflect who we are and inspire people to be part of it.
- FOCUS AREA 2: 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 3: PUBLIC SAFETY**
To ensure the safety of our residents through efficient and effective public safety agencies.

- FOCUS AREA 4: FISCAL SUSTAINABILITY**
To be a high-performing organization that effectively uses resources to provide high quality service to our residents.
- FOCUS AREA 5: COMMUNITY WELLNESS**
To promote physical activity, healthy eating, and positive relationships within families.

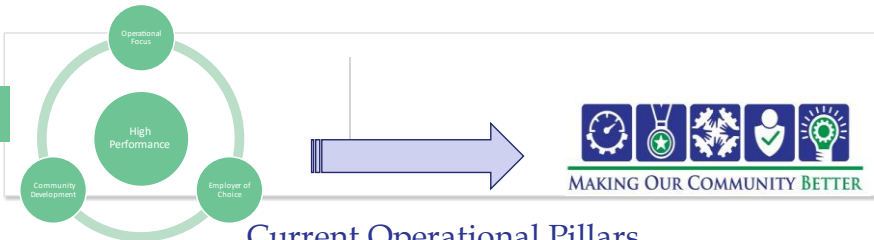
Budget Calendar

- December 2021 – Department Head Kickoff
- January 2022 – Mid Year Financial Report
- February 2022 – Budget Work-Session
 - Department Budget Meetings (28)
 - Community Partners
 - Legislative Priorities
 - Macro-Economic Forecasts
 - Strategic Plan & Revenue Memo
 - Commissioner Check -Ins
- May 2022 – Budget Presentation
- June 2022 – Budget Adoption

FY 23 Commissioners Top Priorities

- Commitment to implementation of the County's Capital Improvement Plan - using the Facility Master Plan to prioritize; including creating a Justice Center Campus
- Successful hosting of National Shooting Competition at Foothills Public Shooting Complex
- Navigating a partnership with Cleveland County Schools to develop a long-term school capital facility plan
- Maintain support for County Public Safety Departments through development of a five-year Public Safety Strategic Plan
- Focus on community wellness by identifying health disparities and partnering with community agencies to improve our County's health rankings.
- Focus on being an Employer of Choice - competitive pay, modern policy, & career progression.

7



Current Operational Pillars

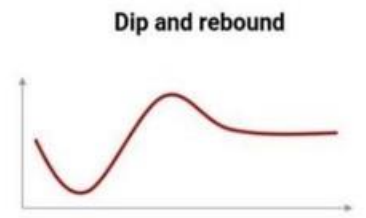
Commitment to Employer of Choice	Operational Focus	Community Development
Staffing Model & Strategy	Commissioners Strategic Plan	State Budget & Community Impact
Employee Compensation	Commitment to Purpose & Values	Economic Development
Alternative Employee Value Proposition	ReAct, ReBuild, now ReThink	Catawba Resort & Casino
Organization Performance Management	Strong Financial Position (recession ready)	Place Making - Economic Impact Analysis
Individual Pay for Performance	Organization Branding / Communication	2020/21 Census - Workforce & Housing
Fostering Employee Growth - T&D	Building & Capital Infrastructure	COVID-19 Management
Organization Culture / Morale	Systems Modernization Strategies	
Employee Wellness Plan Update	ERIP Phase III	

FY 23 Commissioners Strategic Plan



8

Economic Recovery Models



12

COVID-19 didn't reduce our revenues

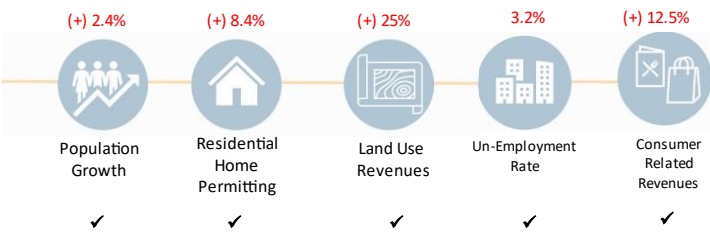
Home sales are strong

Demand for inspections and permits is up

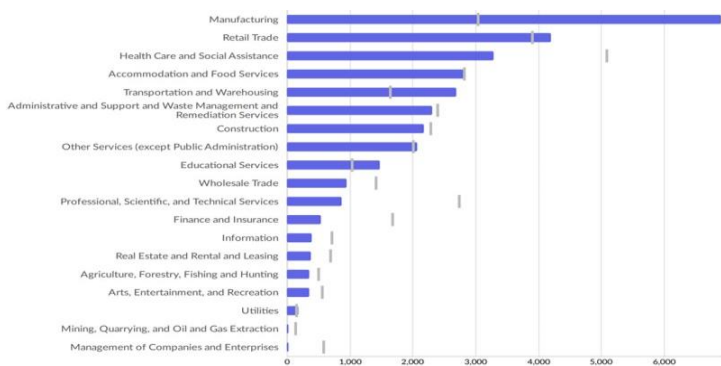
People are using online and curbside shopping

The Good News: Our Economy Has Shown Resiliency

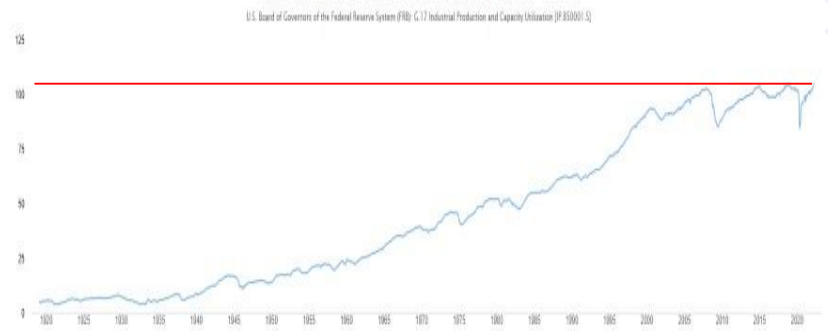
Local Key Economic Indicators



Labor Force by Sector

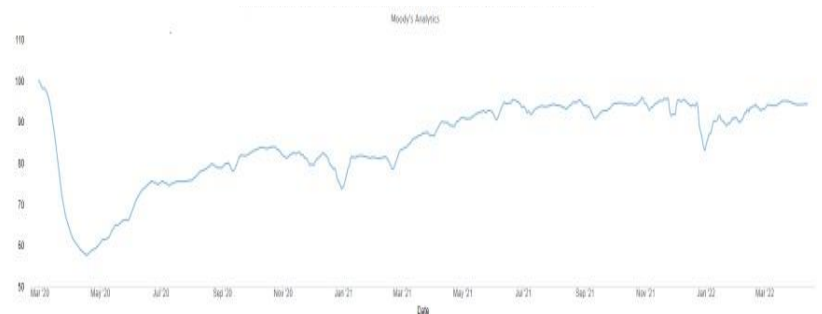


United States Industrial Production Index

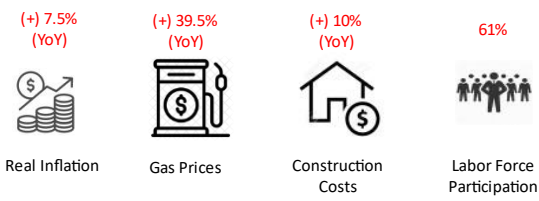


14

United States Moody's Analytics

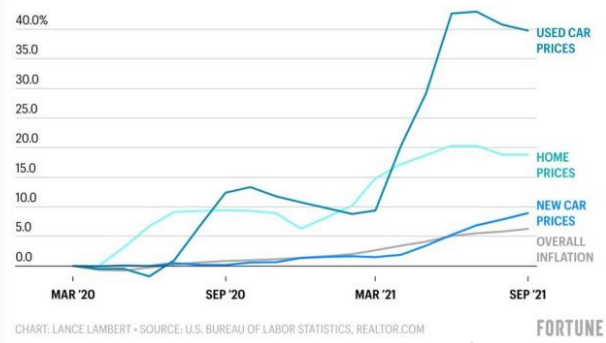


Key Economic Indicators

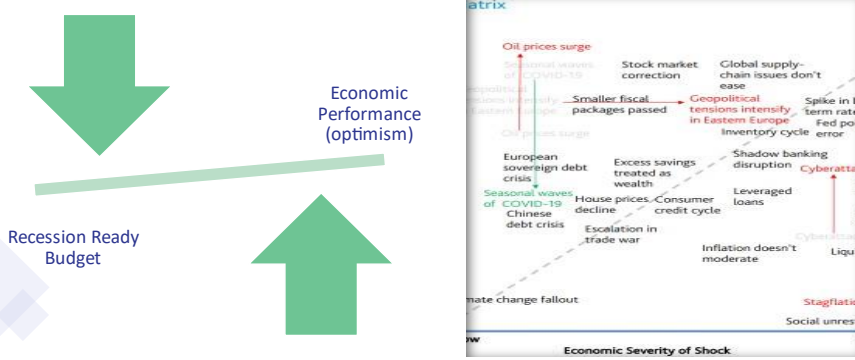


Used Car Prices

Used car prices are up nearly 40% during the pandemic
Change in prices since March 1, 2020



Economic Conditions



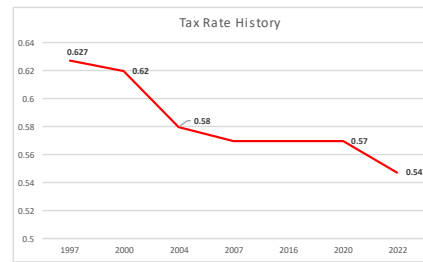
Revenue Forecasting Principals

- Conservative approach / Recession Ready
- Amidst continued uncertainty, we rely on data
- Diversification of revenue sources is critical

Revenue Portfolio Diversification

	Operating Ratios	Revenues Per Capita	Surplus (Deficit) per Capita	Property Tax Dependency	Sales Tax Dependency
Cleveland	106.30%	\$ 1,278	\$ 10	54.34%	13.32%
Lincoln	105.16%	1,305.29	64.07	55.15%	21.85%
Gaston	99.54%	942.00	51.19	75.28%	14.67%
Rutherford	106.27%	981.72	21.09	65.80%	10.77%
Burke	96.87%	894.20	(17.62)	58.41%	9.46%
Moore	106.60%	1,071.25	81.86	57.98%	19.24%
Nash	102.20%	997.63	29.53	53.97%	16.98%
Henderson	100.47%	1,136.19	(106.76)	60.21%	18.11%

Tax Rate History and Allocation



CLEVELAND COUNTY, NORTH CAROLINA
TAX RATE ALLOCATION
FOR THE YEAR ENDED JUNE 30, 2023

Tax Revenue	Tax Rate
Allocation Description	Cents Allocated
Inflationary Costs	\$ 1.30
Public School Operating Allotment	\$ 10.00
Community College Allotment	\$ 2.98
Community / Municipalities Grants	\$ 0.80
Internal Capital Improvement Plan	\$ 4.20
Risk Management	\$ 1.50
Organizational Annual Payroll	\$ 33.97
	\$ 54.75

Allocation Description	Cents Allocated
Public School Operating Allotment	18%
Community College Allotment	5%
Community / Municipalities Grants	1%
Internal Capital Improvement Plan	8%
Risk Management	2%
Organizational Annual Payroll	62%

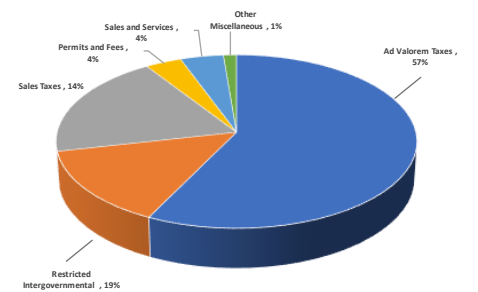
Property Tax Valuation

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total County Tax Base	\$8.105 Billion	\$7.948 Billion	\$8.284 Billion	\$8.759 Billion	\$9.208 Billion	\$9.508 Billion	\$10.333 Billion	\$10.615 Billion
Tax Rate	57 cents	57 cents	57 cents	57 cents	57 cents	57 cents	54.75 cents	54.75 cents**
Value of Penny	\$810 k	\$795 k	\$828 k	\$860 k	\$920 k	\$950 k	\$1MM	\$1.025 MM

County General Changes in Revenue

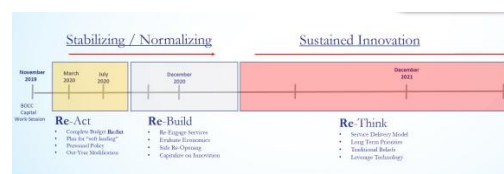
Revenue Source	FY 22 Budget	FY 23 Budget	\$ Change	% Change
Property Tax (\$4.75)	\$55,164,144	\$56,956,293	\$1,792,149	3.25%
Total Sales Tax	\$12,000,000	\$13,500,000	\$1,500,000	12.5%
Sales & Services	\$4,210,982	\$4,648,982	\$438,000	10.4%
Occupancy Tax	\$375,000	\$425,000	\$50,000	13.3%
Total	\$71,750,126	\$75,530,275	\$3,780,149	

Total General Fund Revenue
\$126,587,508



Building the Budget

- It starts with scrutinizing the base
- ZERO based foundation
- Fostering a Cross Departmental Cost Saving Culture
- LEAN – Pull vs. Push
- Removing One-Time Purchases
- Leveraging Re-Think Phase



Government Funds

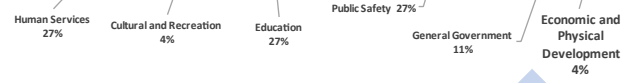


FY 23 General Fund Tax Rate & Operational Budgets

FY 23 General Fund Budget Highlights

- General Fund Tax Rate.....54.75 Cents
 - Cleveland County Schools Recommended Rate.....14.00 Cents
- Does Not Include Any ARPA Funding
- Developed from Zero Based
- Includes Phase II funding (additional surplus \$750k) for Future Debt Service Allocation Justice Center Campus
- Anticipates Recapturing the Majority of Prior Year Revenue Loss
- Does Not Include Any Opioid Settlement Funding
- Three phase systematic approach to employee pay: Living Wage Adjustment, COLA, Performance Pay
- 10 Additional FTEs
 - 4 Sheriff Deputies
 - 1 I.T.
 - 1 E-911
 - 1 Emergency Management
 - 1 Animal Services Officer
 - 2 Environmental Health Officers

Fiscal Year 23 - Budgeted Expenditures



Priority Based Budget Expenditure by Function

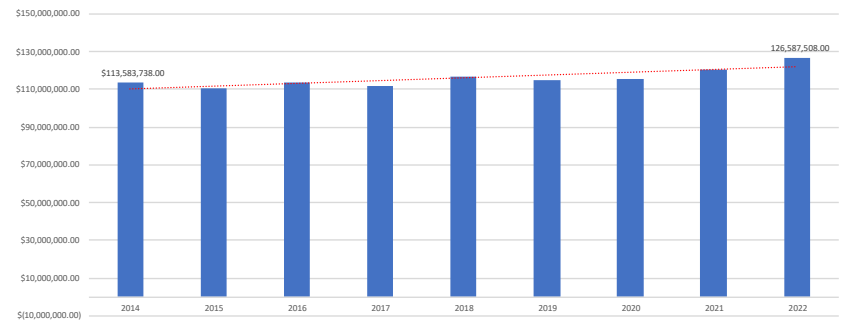
Fiscal Year 2015

1. Human Services.....35%
2. Education.....29%
3. Public Safety.....19%
4. Economic Development.....08%
5. General Government.....08%
6. Cultural & Rec.....01%

Proposed Fiscal Year 2023

1. Human Services.....27%
2. Education.....27%
3. Public Safety.....27%
4. Economic Development.....04%
5. General Government.....11%
6. Cultural & Rec.....04%

Total General Fund Budget



FY 23 Strategic Plan Focus Areas

Fiscal Sustainability



- Employer of Choice
- Capital Plan Execution
- Leveraging State & Federal Grant Opportunities
- Fund Balance Growth > 20%
- Re-engineering Innovation & Implementation

Fiscal Sustainability Metrics

- Re-Engineering Initiatives
- Personnel Requests
- Employee Compensation
- Performance Management System
- Employee Wellness
- Grant Management Strategies

FY23 Re-engineering Summary (Year 8)

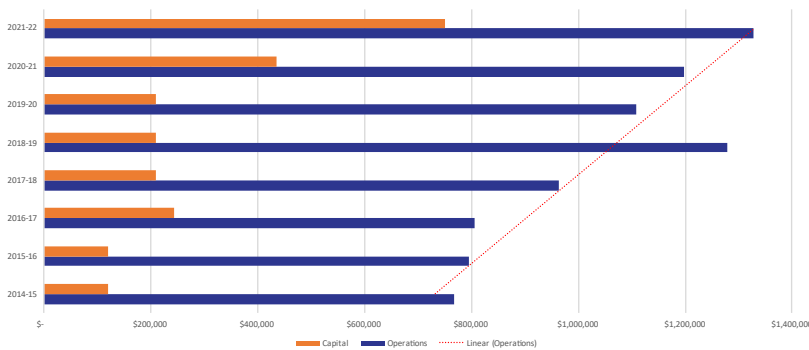
Historical Cost Re-Engineering	
2021 Debt Refunding	1,700,000
Reduction in DHHS Local Cost Share	3,000,000
Central Collection Revenue Maximization	1,562,136
Self Fund Property & Liability	800,000
DSS Indirect Cost Study	714,630
Central Collections Contract Avoidance	600,000
Organizational Cleaning Contract	331,665
Health Department Indirect Cost Study	242,236
Planning Department Re-org	120,000
EMS / Pharmacy Re-engineering	185,000
Copier Fleet Lease Year	115,000
Cumulative Actual Re-engineering	\$ 7,670,667

Current Year Cost Re-Engineering

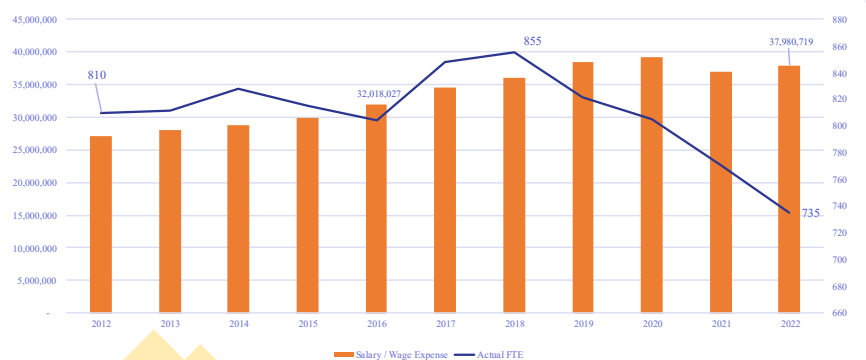
1. Stop Loss Adjustment.....\$ 300,000
2. Technology Savings.....\$ TBD
3. Building Consolidation.....\$ TBD
4. Public Defenders Office.....\$ TBD
5. Position Justification.....\$ TBD

Investment into Technology

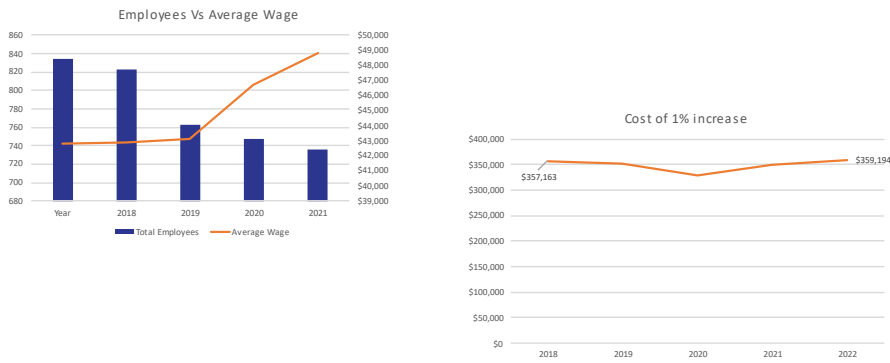
automation, security, and citizen interface



Organizational Approach To Human Capital



Investment into Our People



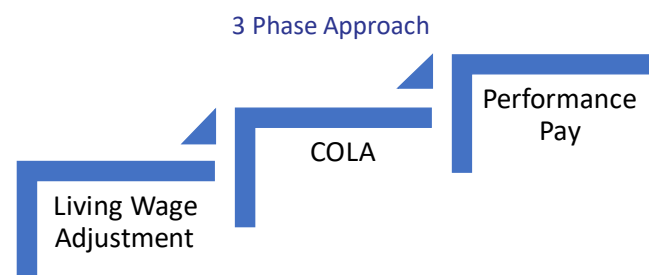
Personnel Requests

Department	Request	Recommended	Annual Cost
Social Services	12	0	\$0
Public Health	2	2 (temp)	\$160,000
Sheriff's Department	6	4	\$280,000
Emergency Management	1	1	\$60,000
Communications	1	1	\$62,000
Animal Services	1	1	\$55,000
I.T.	1	1	\$85,000
Total	23	10	\$702,000

Investment into Our People

Employee Compensation Changes	Pay Increase - COLA	Pay Increase - One Time	Wellness Cost Investment
2014	2.0%	0.0%	\$ 895,000.00
2015	2.4%	3.0%	\$ 595,000.00
2016	4.0%	0.0%	\$ 500,000.00
2017	3.0%	0.0%	\$ 725,000.00
2018	6.0%	0.0%	\$ 1,054,351.00
2019	1.5%	0.0%	\$ 225,000.00
2020	2.0%	0.0%	\$ 315,000.00
2021	5.1%	2.5%	\$ 154,000.00
2022	4.0%	3.0%	\$ 167,000.00
	30.0%	8.5%	\$ 4,630,351.00

FY 23 Human Capital Investment



FY 23 Human Capital Investment

1.) Living Wage Adjustment

- Applies to all employees that currently earn less than \$31,200 - (46 FTE)
- Applies to hourly rate increase for 70 P/T employees
- Progressive increase up to 13% Average increase of 4.8%
- Based on gap between current earnings and living wage

Total Cost - \$80,000

2.) COLA Adjustment

- 3.0% Adjustment 7/1/2022
- TBD % Adjustment 1/1/2023
- 1% Increase in 401k (6%)

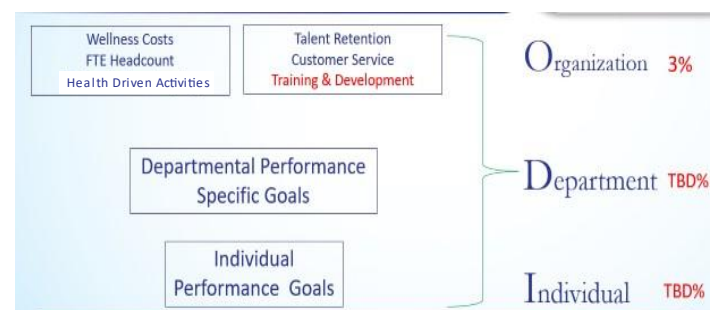
Total Cost \$1.2M

3.) Performance Pay

- +/- 1.5% 9/15/2022
- +/- 1.5% 3/15/2023

Total Cost \$TBD

Performance Management System



Performance Management System



- Talent Retention..... > 91%..... 1/2%
 - FTE Head Count..... < 775..... 1/2%
 - Customer Service..... > 92%..... 1/2%
 - Health Plan Costs..... > 5%..... 1/2%
 - Health Driven Activities..... > 60%..... 1/2%
 - Employee Training Completion..... > 70%..... 1/2%
 - TOTAL..... 3.0%
- Each Accomplished Metric Earns 1/2 %
 - Paid Twice Per Year (half of total)

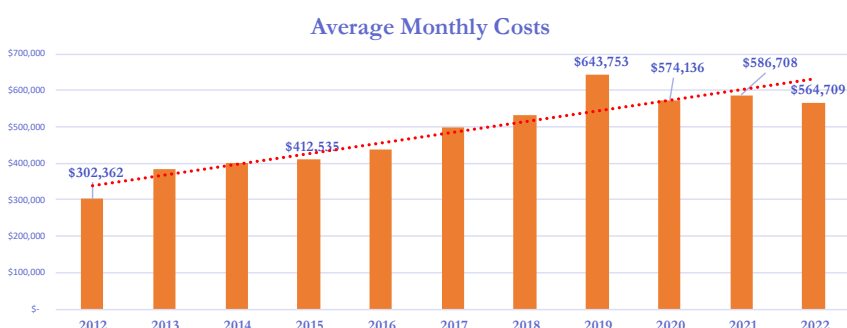
Employee Wellness Performance

827 Covered Lives

\$10 Million Dollar Self Funded Plan

- BCBS – Third Party Administrator
- Health Claims
- HSA Contributions
- Wellness Center / Pharmacy
- Biometrics

Employee Wellness Performance



State Budget Allocation

These projects include:

- \$59 million for a new Cleveland County Courthouse
- \$450,000 for a Mobile Unit for the Cleveland County Sheriff's Office
- \$50,000 for the Crisis Pregnancy Center of Cleveland County
- \$1.5 million for the Cleveland County Community College Prison site
- \$585,000 for the Cleveland County Prison Education Center
- \$450,000 for the Cleveland County Law Enforcement training center
- \$698,277 to fund a new Public Defender in Cleveland County
- Funding for a District Attorney Investigator Position
- \$20,000 to the Casar Volunteer Fire Department, Inc.
- \$113,663 for the Cleveland County Lifesaving and Rescue Squad, Inc.
- \$420,000 to the Upper Cleveland Rescue Squad, Inc.
- \$250,000 for the Cleveland County Rescue Mission
- \$5 million for a health center in Cleveland County
- \$10 million for the Cleveland County Community College Student Center
- \$350,000 Cleveland County Vocational Industries
- \$200,000 for the Cleveland County Fair
- \$150,000 to the City of Shelby Recreation Department
- \$750,000 for the Kings Mountain YMCA
- \$4.9 million to Cleveland County Athletic Facilities
- \$2.2 million to the American Legion World Series in Cleveland County
- \$19 million for Cleveland County water and sewer projects
- \$7.4 million to the City of Shelby for water and sewer projects
- \$39 million for Kings Mountain water and sewer projects
- \$250,000 for Kings Mountain Lake Moss remediation

Public Safety

Grant Management Strategies

- ARPA Grant Management and Administration
- Opioid Settlement Management and Administration
- SRO & Victim Specialist Grant Management



- Completion of Public Safety Strategic Plan
- Central Administered EMS System
- Develop a nuisance ordinance
- Design and Construct a Public Safety Campus
- Maintain support for County Volunteer Fire Departments

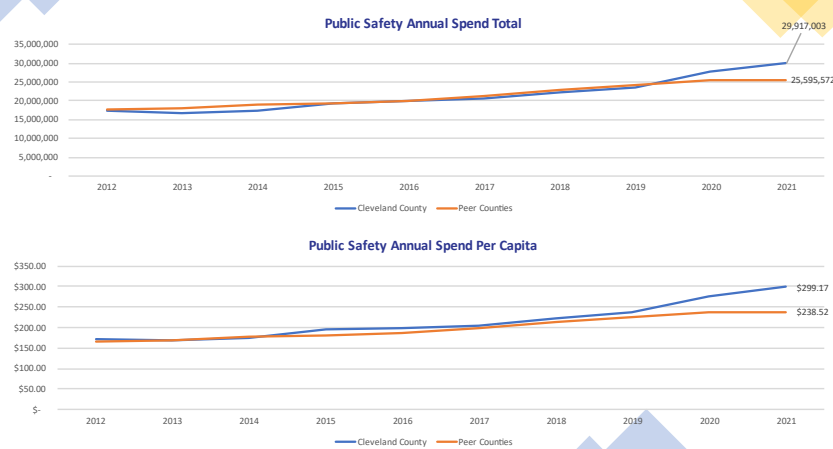
Public Safety Funding

Department	FY 15	FY 23	% Change
Detention Center	\$4,333,156	\$7,973,570	45.6%
Sheriff's Department	\$7,011,636	\$11,495,072	39%
Emergency Medical Services	\$6,462,508	\$8,157,591	20.8%
Emergency Management	\$400,341	\$496,517	19.4%
E-911/Communications	\$1,400,409	\$1,716,514	18.4%
Total Public Safety Budget	\$19,608,050	\$29,839,264	34.3%

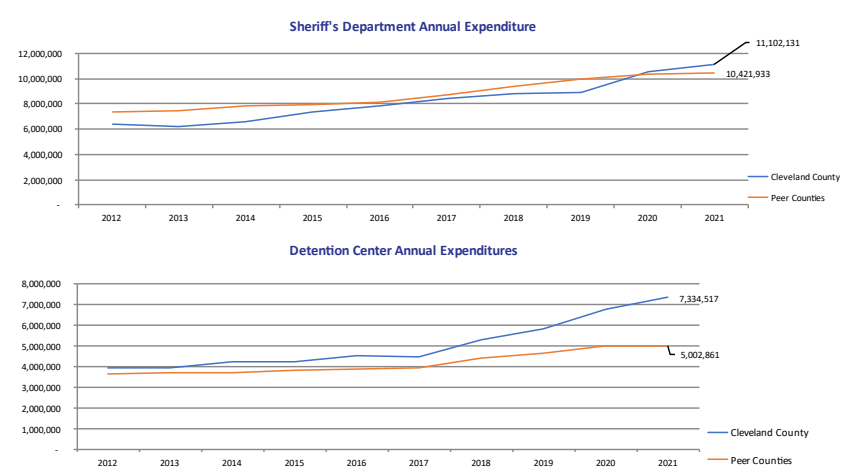
Public Safety Funding

Department	FY 22	FY 23	% Change
Detention Center	\$7,452,045	\$7,973,570	6.5%
Sheriff's Department	\$10,105,040	\$11,495,072	12.1%
Emergency Medical Services	\$7,866,894	\$8,157,591	3.6%
Emergency Management	\$419,440	\$496,517	15.5%
E-911/Communications	\$1,444,039	\$1,716,514	15.9%
Total Public Safety Budget	\$27,287,458	\$29,839,264	52.2%

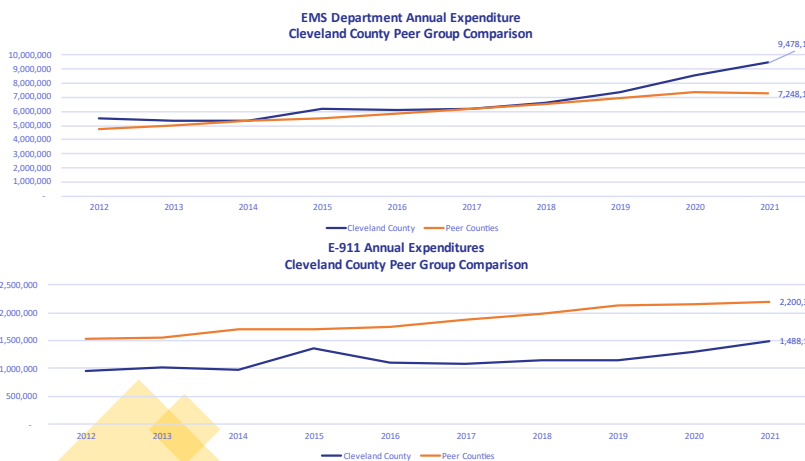
Public Safety Peer Comparison



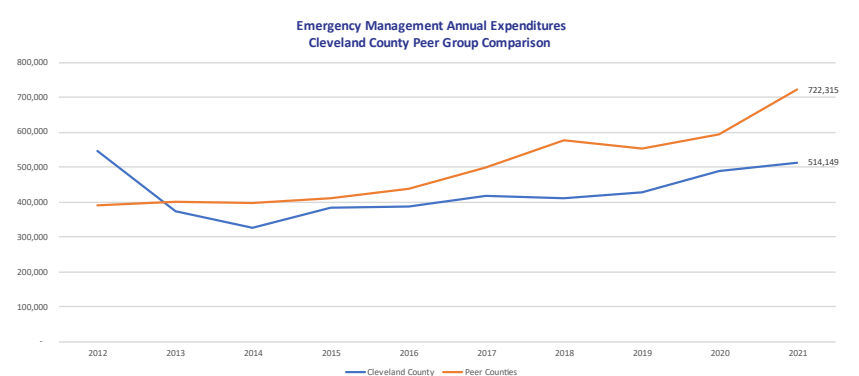
Sheriff/Detention Peer Comparison



EMS/911 Peer Comparison



Emergency Management Peer Comparison



Volunteer Fire Service

- Recommended 8.75 Cent Supplemental Tax Rate
- Total Budget for District 10 Fire Departments \$5,100,000
- Increases hourly wage - \$15 per hour
- Provides Funding for Weekend Coverage
- Supports 12.5% Increase in Operational Allotment


Fire Department Funding Analysis

CLEVELAND COUNTY, NORTH CAROLINA
FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2023

District	FY 21-22		FY 22-23		Annual Change from FY	Monthly Change from PY
	Total FY 21-22	Total FY 22-23	Annual Capital	Personnel Budget		
Bethlehem	\$ 457,052	\$ 537,052	\$ 300,000	\$ 180,000	\$ 80,000	\$ 6,667
Balling Springs	417,601	487,601	300,000	180,000	80,000	6,667
Cesar	418,351	498,351	300,000	180,000	80,000	6,667
Cleveland	493,352	573,352	300,000	180,000	80,000	6,667
Fallston	431,252	511,252	300,000	180,000	80,000	6,667
Grever	395,950	475,950	300,000	180,000	80,000	6,667
Oak Grove	445,752	525,752	300,000	180,000	80,000	6,667
Pokiville	422,487	502,487	300,000	180,000	80,000	6,667
Skingshill	412,201	492,201	300,000	180,000	80,000	6,667
Waco	436,002	516,002	300,000	180,000	80,000	6,667
Total	\$ 4,300,000	\$ 5,100,000	\$ 3,000,000	\$ 1,800,000	\$ 800,000	\$ 66,667

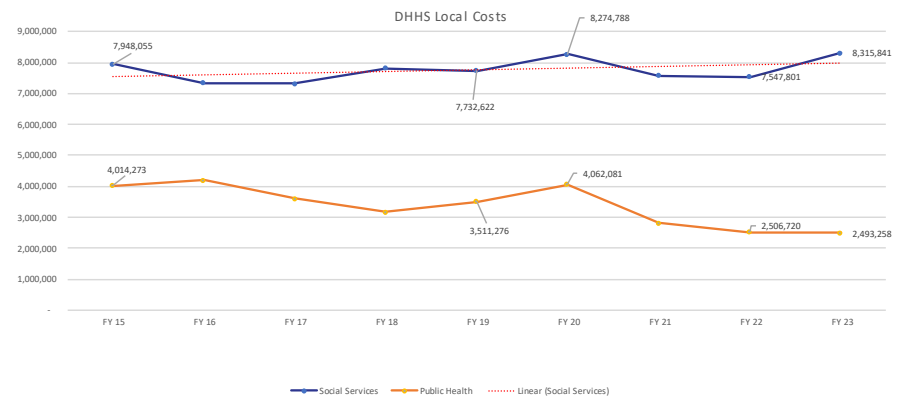
Fire Service Commission Request			
Object	Requested Amount	Increase from FY	Funded
Debt Service	\$ 15,000	\$ -	Y
Capital	\$ 100,000	\$ -	Y
Base Operations	\$ 180,000	\$ 20,000	Y
Allocation Operations	\$ 500,000	\$ -	Y
Personnel - Hourly \$15	\$ 145,000	\$ 25,000	Y
Personnel - Weekend	\$ 180,000	\$ 35,000	

Community Wellness



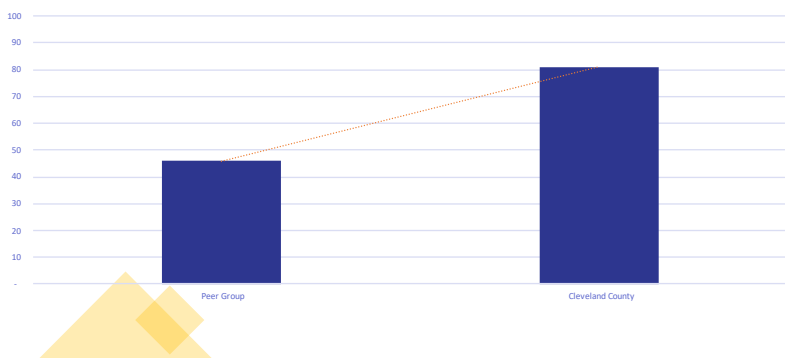
- Improvement in Community Health Rankings
- Effective Use of Opioid Settlement Funds
- Expansion of Existing Trail Systems & Exploration of New Opportunities
- Implementation of a Long -Term Solid Waste Handling System – Commercial & Residential

DHHS Funding

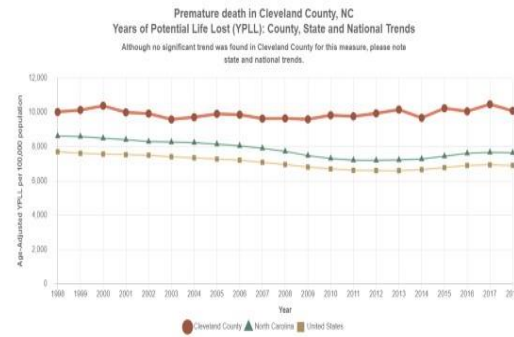


Community Wellness Rankings

Peer Group Overall Health Comparison



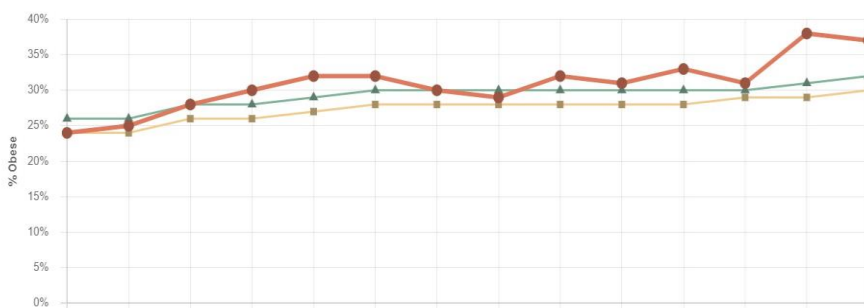
Premature Death



- Data Sources: National Center for Health Statistics:
- Number of deaths among citizens under age 75
 - Number of deaths amount citizens under age 18
 - Number of all infant deaths

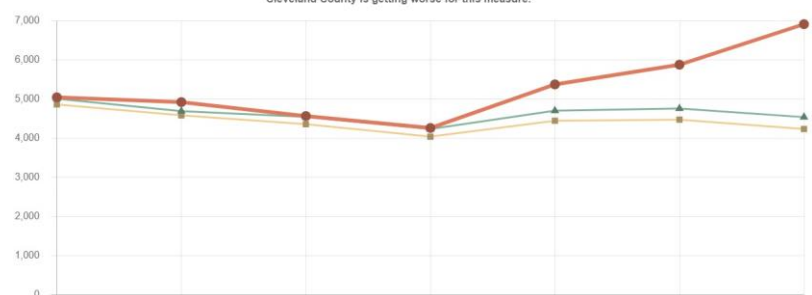
Obesity

Adult obesity in Cleveland County, NC
County, State and National Trends
Cleveland County is getting worse for this measure.



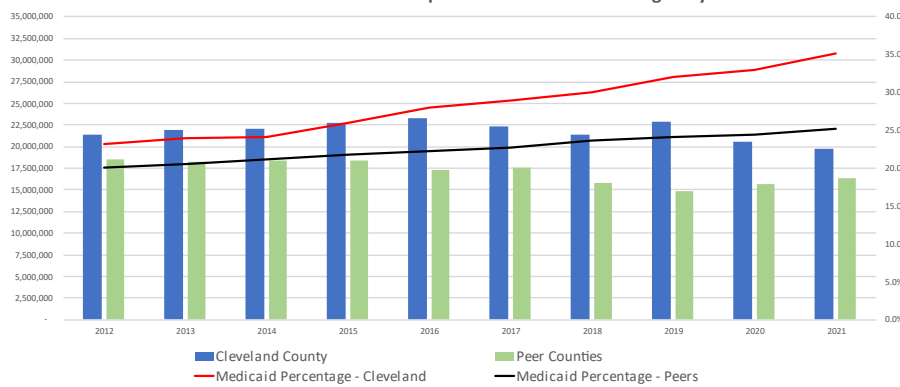
Preventable Hospital Stays

Preventable hospital stays in Cleveland County, NC
County, State and National Trends
Cleveland County is getting worse for this measure.



Social Services Budget Allocation

Social Services - Annual Expenditures vs. Medicaid Eligibility

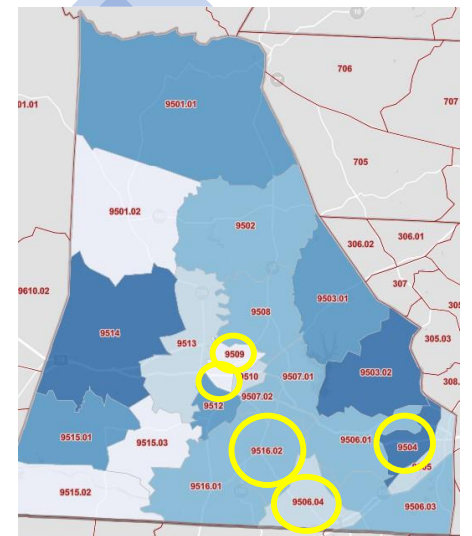


Highest Concentration Areas

Poverty – Social Determinants

Access to Care

Behavioral / Lifestyle Adjustments

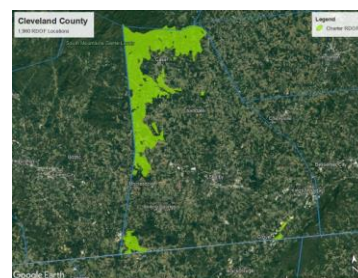


Citizen Engagement



- Explore Partnerships that Support Broadband Expansion
- Focus on Support of Municipal Development & Community Place Making
- Implementation of Pilot Citizens Academy
- Community Beautification & Litter Cleanup Programs
- Marketing Communication & Implementation of New Animal Services Ordinance

Broadband Infrastructure



Grant	Locations Served	Grant match	Timeline	Status
RDOF	1,960	\$0	5 years	Awarded
GREAT	1,200	\$700,000	2 years	Application Submitted
CAB	TBD	\$300,000	TBD	TBD

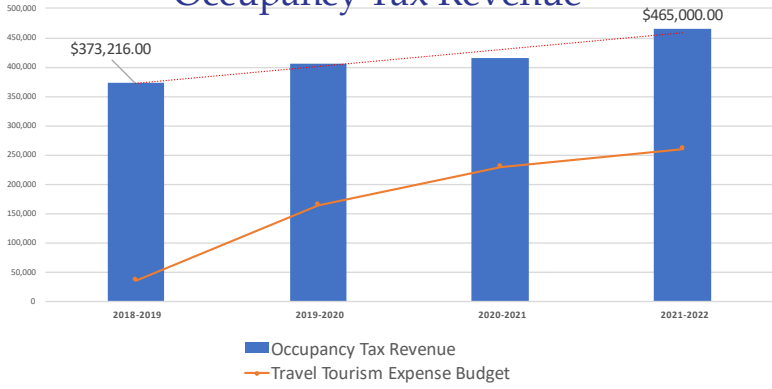
Citizens Academy

DRAFT SCHEDULE



- Session I: Introduction**– Location: Commissioners' Chamber Sept. 8, 2022
- Session II: Citizen Engagement**– Location: Shooting Range Sept. 15, 2022
- Session III: Economic Development**– Location: LeGrand Center Sept. 22, 2022
- Session IV: Public Safety**– Location: American Red Cross Building Sept. 29, 2022
- Session IV: Fiscal Sustainability**– Location: Lane Alexander Oct. 6, 2022
- Session IV: Community Wellness**– Location: Health Department Oct. 13, 2022
- Session VII: Graduation** – Location: Commissioners Chambers Oct. 18, 2022

Travel Tourism Investment vs Occupancy Tax Revenue



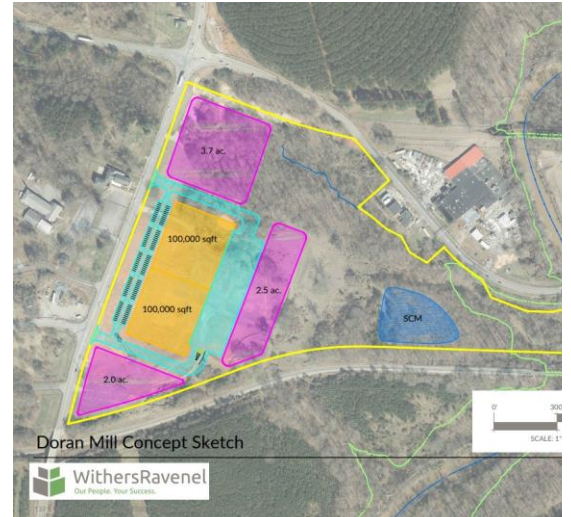
Economic Development



- Recruitment and Execution of National Shooting Competition Hosted by Foothills Public Shooting Complex
- Intentional Support Of Agriculturally Based Economic Development
- Further Product Development for Shell Building Program and Land Acquisition
- Sustainable Partnership with Cleveland County Fair Association
- Investment into Execution of Travel Tourism Strategic Plan

Economic Development Product Inventory

- Doran Mill Site Prep
- Shell IV – Complete by Q3 FY 23
- Land Procurement & Assembly– Artee Road
- Evaluating Kings Mountain Partnership Opportunities



Capital Improvement Plan Funding



Commitment to Capital Planning

Project	Description	Cost	Funding
Doran Mill	Site prep, environmental, geo-tech, schematic grading plan	\$150,000	Pay as you go City of Shelby to pay 1/2 of cost
Roof Replacement	Roof Repairs at current OSS Building	\$50,000	Pay as you go
Public Defenders Office	Minor renovations in preparation for occupancy	\$50,000	Pay as you go
Major Rolling Stock	Vehicles- EMS and Sheriff's Office	\$1,130,000	Pay as you go
Board of Elections	New Board of Elections Building	\$1,250,000	Capital Reserve Fund
Public Safety Radio/Deferred Maintenance Plan	Public Safety mobile radio replacement plan	\$250,000	Capital Reserve Fund
Dedicated Fiber Loop	Creation of an exclusive and dedicated fiber loop	\$400,000	Capital Reserve Fund
Information Technology Strategic Plan	IT Strategic Plan focused on advancing synchronization and developing a clear IT vision	\$350,000	Capital Reserve Fund
911 Communications Center	911 Communications Center to be housed on Red Cross Campus	\$6,000,000	Capital Reserve Fund (\$1,140,000) Future Capital Reserve- \$880,000 Applying for remaining in grant funding. PSAP Fund Balance \$1M

Project	Description	Cost	Funding
Randolph Road Shell Building	Shell Building IV new construction	\$8,500,000	Debt Funding City of Shelby to pay 1/2 of cost
Artee Road Property	40 Acres property for Economic Development	\$20,000	Pay as you go Split cost with City of Shelby
Health/OSS Co-location	Renovations at Health Department to co-locate Health and OSS	\$3,500,000	Debt Funding \$1.2 in reimbursement from State ROI- 3 years
Justice Center Campus	Jail, Courthouse, Sheriff's Office New Construction	\$140,000,000	State Grant \$50,000,000 Pay as you go \$18,000,000 Debt Proceeds \$60,000,000
Total Capital Expenses		\$161,850,000	

Public Education Funding FY 23



Cleveland County Schools – County Budget

Commissioner Goals:

- Additional Dedicated Funding For Education Capital & Teacher Supplements
- Financial Equity
- No Impact on Charter Schools

Public Education Revenue Sources

Funding	Share with Charter	Amount
Property Tax	Yes	\$14M
Local County	Yes	\$10.25M
Unrestricted Sales Tax	No	\$3.2M
Local Capital	No	\$1.4
Restricted Sales Tax	No	\$1.45M
Fines & Forfeitures	Yes	\$350K

Public Education Revenue Sources

	FY 21	FY22	FY23
Property	\$13.9	\$13.9	\$13.9
Local	\$10.25	\$10.25	\$10.25
Unrestricted Sales	\$3.3	\$3.3	\$3.3
Local Capital	\$1.40	\$1.40	\$700K
Restricted Capital	\$1.45	\$1.45	\$1.45

\$700k CCS \$750k Escrow \$700k CCS \$750k Escrow

Public Education Escrow Balance (June 30, 2022)

CLEVELAND COUNTY, NORTH CAROLINA
SCHOOL FUNDING BUDGET
FOR THE YEAR ENDED 6/30/2022

	Budget FY 20-21	Budget FY 21-22	Estimated Actual	Estimated Commissioner Escrow	
Property Tax Revenue	\$ 13,937,099	\$ 13,937,099	\$ 14,746,298	\$ 809,199.36	Tax Base Expansion
Sales Tax Revenue	3,293,750	3,293,750	4,808,636	1,514,886	Sales Tax Performance
Local Operational Appropriation	10,250,000	10,250,000	10,250,000	-	
Local Capital Appropriation	1,400,000	1,400,000	1,400,000	-	
State Restricted Capital Appropriation	1,450,000	700,000	1,450,000	750,000	3/4 of 1 cent - per commissioner direction
	\$30,330,849	\$ 29,580,849	\$ 32,654,934	\$ 3,074,085	

Public Education Escrow Disbursement

- \$1,500,000 – July Disbursement to Fund 2% Classroom Teacher Supplement Increase
- \$1,500,000 – Allocated to School Capital Reserve Fund for Future Capital

Commissioner Escrow (FY 22)

• \$3.0MM

Teacher Supplements

Capital Reserve

Teacher Supplements - Benchmarking

County	Total	Local supplement	Local supplement %	Adjoining SS	State Aver.
Nash	\$51,343	\$4,657	9.1%		
Catawba	\$52,241	\$3,755	7.2%	\$3,755	
Moore	\$51,651	\$3,647	7.1%		
Craven	\$49,173	\$3,243	6.6%		
Lincoln	\$50,677	\$2,894	5.7%	\$2,894	
Davidson	\$49,629	\$2,828	5.7%		
Gaston	\$48,518	\$2,826	5.8%	\$2,826	
Rockingham	\$50,033	\$2,279	4.6%		
Burke	\$50,471	\$2,229	4.4%	\$2,229	
Cleveland	\$49,880	\$2,614	5.75%		
Rutherford	\$48,116	\$1,157	2.4%	\$1,157	
		\$2,921		\$2,572	\$2,948

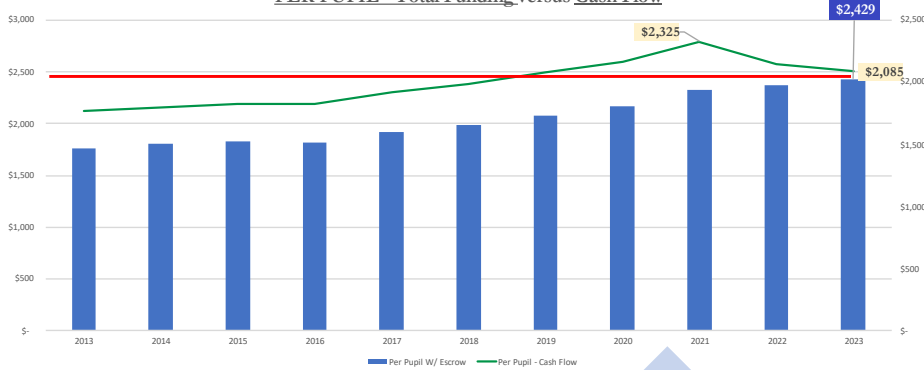
Public Education Funding (FY 23)

- Flat funding model from FY 21 & 22 – with excess performance in property and sales being allocated to Commissioner Escrow
- Reduction of Local Capital Allotment from \$1.4 million to \$700k
 - 1st 700k being added to Escrow
 - 2nd 700k reduction of County Allocation

	2020-2021	2021-2022	2022-2023
Property Tax Allotment (NET)	\$ 13,937,099	\$ 13,937,099	\$ 13,937,099
Sales & Use	\$ 3,293,750	\$ 3,293,750	\$ 3,293,750
County Allotment	\$ 10,250,000	\$ 10,250,000	\$ 10,250,000
Capital Allotment from County Funding	\$ 1,400,000	\$ 1,400,000	\$ 0
Capital Allotment from Article 42	\$ 1,450,000	\$ 700,000	\$ 700,000
Escrow	\$ -	\$ 750,000	\$ 1,450,000
Total **	\$ 30,330,849	\$ 30,330,849	\$ 29,630,849

Public Education Funding FY 23

PER PUPIL - Total Funding versus Cash Flow



Cleveland County Schools - County Budget

Commissioner Goals:

- Additional Dedicated Funding For Education Capital & Teacher Supplements ✓
- Financial Equity ✓
- No Impact on Charter Schools ✓

Cleveland Community College Funding FY 23

58 Community Colleges in North Carolina

Description	State Average	Cleveland CC	% Difference
FTE	4,156	3,268	27%
County Operational Funding	\$4.8 M	\$2.2 M	54%
State & Federal Funding	\$24.8 M	\$19.6M	21%

(5) "Full-Time Equivalent (FTE) Student" – An amount of instruction that equates to 512 student hours in membership as defined in 1G SBOCC 200.03 and 1G SBOCC 200.04

Cleveland Community College Benchmarking (2021 Data)

Peer Counties

Burke
Caldwell
Catawba
Craven
Moore
Nash
Robeson
Rockingham
Randolph
Wayne

Comparability	Cleveland	Peers
Population	99,519	109,338
GF Budget	\$ 116,095,586.00	\$ 114,406,069.00
\$ of Penny	\$ 975,727.97	\$ 1,028,577.85
Tax Value - 21	\$ 9,757,279,722.00	\$ 10,285,778,523.60
Economic Distress	1	1.5

CLEVELAND COMMUNITY COLLEGE

Cleveland Community College FY 23

01

Since 2018, County funding has increased by \$549,000 per year (24.3%)

02

FY 22 County funding increase was 17%

03

FY 23 - Total Funding \$3,058,872
Proposed annual increase of \$250,000 (8.9%)



Outside Agency Support FY 23

Municipal Operating Allotments

Dept/Line Item	Budget	Budget	Budget	Budget	Recommended
Kings Mtn	430.700	\$ 47,291	\$ 47,291	\$ 47,291	\$ 47,291
Boiling Springs	430.700	17,637	17,637	17,637	17,637
Polkville	430.700	11,941	11,941	11,941	11,941
Kingstown	430.700	9,537	9,537	9,537	9,537
Patterson Springs	430.700	8,069	8,069	8,069	8,069
Belwood*	430.700	7,695	7,695	7,695	7,695
Lawndale	430.700	7,328	7,328	7,328	7,328
Grover	430.700	6,966	6,966	6,966	6,966
Fallston	430.700	6,849	6,849	6,849	6,849
Casar	430.700	5,412	5,412	5,412	5,412
Waco	430.700	5,345	5,345	5,345	5,345
Moorsboro	430.700	5,125	5,125	5,125	5,125
Earl	430.700	4,373	4,373	4,373	4,373
Lattimore	430.700	3,480	3,480	3,480	3,480
		\$ 147,048	\$ 147,048	\$ 147,048	\$ 147,048

Partnering Agency Allotments



BUDGETED ACTUAL			REQUESTED	RECOMMENDED
FY19/20	FY20/21	FY21/22	FY22/23	FY22/23
\$2,086,373	\$1,521,877	\$ 1,802,621	\$ 2,839,874	\$ 2,138,941



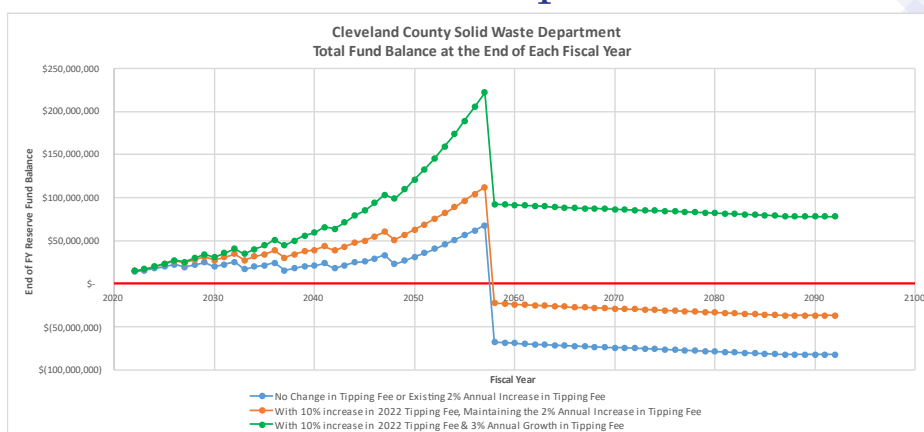
Solid Waste Department FY 23

Solid Waste Department

Implementation of a Litter Prevention and Cleanup Program
Total Revenues.....\$11,923,191
Total Expenditures.....\$11,923,191
Review and Proposal of 10 Year Rate Stabilization Metric 0% Increase in FY 23 3% Annual Increase - FY 33
Continuation of Life of Site Permitting Citizens Recognition System Environmental Code Enforcement Long Term Solid Waste Handling Model

Solid Waste Department

Solid Waste Department



Convenience Center Site Improvements

- Implementation of Citizen Recognition System
- Staffing & Scheduling
- Customer Service Improvements – Efficiency and Safety
- Lighting
- Safety Features
- Parking Lots

FY 23 Manager's Recommended Budget

Questions?

Commissioner Gordon opened the floor to the Board for questions and discussion. Commissioner Hutchins commented on the rising inflation rates and the increased cost of living including higher prices for places to live, groceries and gas. He asked Mr. Epley to re-evaluate the proposed 3% COLA and 1% additional 401K contribution for employees to see if there could be a possibility to give a higher COLA adjustment now to help alleviate some of the inflation impacts and still be able to provide the additional 401K contribution. Mr. Epley advised the Board the budget team will review all possible options and will bring back options at the June 7, 2022 Commissioners' meeting.

Board members commented positively on the proposed budget presentation, thanking Mr. Epley and the entire team for all the hard work, countless hours and months that have been gone into making the proposed FY 2022 – 2023 budget. On May 20, 2022, a full copy of the proposed FY 2022 – 2023 budget will be available at the following locations:

- Office of the Clerk to the Board, 311 E Marion Street, Shelby (during normal business hours)
- Cleveland County Public Libraries (Boiling Springs, Kings Mountain, Lawndale, Shelby)
- Cleveland County website <http://www.clevelandcounty.com/main/Budget%20Document%20FY%202022.pdf>

The Board of County Commissioners will conduct a public hearing on the proposed budget for Cleveland County's Fiscal Year 2022-2023 on Tuesday, June 7, 2022 at 6:00 p.m. The public hearing will be held in the Commission Chamber, County Administrative Office Building, 311 East Marion Street, Shelby, North Carolina, at which time the public will have the opportunity to make any comments or recommendations relative to the proposed budget. Commissioners will also be able to approve, deny or make modifications to the proposed budget at that time.

BOARD APPOINTMENTS

CLEVELAND COMMUNITY COLLEGE BOARD OF TRUSTEES

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to appoint Anthony Berry and Kenneth Ledford to serve as members of this board*, for a period of four years, scheduled to conclude June 30, 2026.

ADJOURN

There being no further business to come before the Board at this time, Commissioner Hardin made a motion, seconded by Commissioner Bridges and unanimously adopted by the Board, *to adjourn*. The next meeting of the Commission is scheduled for *Tuesday, June 7, 2022 at 6:00 p.m.* in the *Commissioners Chambers*.

*Kevin Gordon, Chairman
Cleveland County Board of Commissioners*

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