

Cleveland County Board of Commissioners

May 16, 2023

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
Ronnie Whetstine, Vice-Chair
Johnny Hutchins, Commissioner
Doug Bridges, Commissioner
Deb Hardin Commissioner
Tim Moore, County Attorney *via teleconference*
Martha Thompson, Deputy County Attorney
Todd Carpenter, Interim County Manager
Phyllis Nowlen, Clerk to the Board
Sheriff Alan Norman
Kerri Melton, Assistant County Manager
Chris Martin, Planning Director
Allison Mauney, Human Resources Director
Lucas Jackson, Finance Director
Jason Falls, Business Development Director
Tiffany Hansen, Health Department Director
Scott Bowman, Maintenance Director
Karyn Owens, Marketing & Communications Director

CALL TO ORDER

Chairman Gordon called the meeting to order, and Commissioner Ronnie Whetstine led the audience in the Pledge of Allegiance and provided the invocation.

AGENDA ADOPTION

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

SPECIAL RECOGNITION

2023 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. Cornerstone Dental Associates, Chinmay Shende, Paul and Marian Foundation, and Alpha Cappa Alpha Sorority, Inc. from Cleveland County have been awarded certificates for their outstanding volunteer service. The Commissioners took turns commenting and giving congratulations to the award recipients.



Governor's Award
for
Volunteer Service

This is to certify that

Cornerstone Dental Associates

is hereby awarded the highest designation of appreciation for distinguished volunteer service to the People and the State of North Carolina, and is to be granted and extended all honors and courtesies provided by this Office, entitled thereunto by this certificate of recognition and appreciation.



Roy Cooper
Governor
March 27, 2023
Date



Governor's Award
for
Volunteer Service

This is to certify that

Chinmay Shende

is hereby awarded the highest designation of appreciation for distinguished volunteer service to the People and the State of North Carolina, and is to be granted and extended all honors and courtesies provided by this Office, entitled thereunto by this certificate of recognition and appreciation.



Roy Cooper
Governor
March 27, 2023
Date



Governor's Award
for
Volunteer Service

This is to certify that

Paul and Marian Foundation

is hereby awarded the highest designation of appreciation for distinguished volunteer service to the People and the State of North Carolina, and is to be granted and extended all honors and courtesies provided by this Office, entitled thereunto by this certificate of recognition and appreciation.



Roy Cooper
Governor
March 27, 2023
Date



Governor's Award
for
Volunteer Service

This is to certify that

Alpha Kappa Alpha Sorority, Inc.

is hereby awarded the highest designation of appreciation for distinguished volunteer service to the People and the State of North Carolina, and is to be granted and extended all honors and courtesies provided by this Office, entitled thereunto by this certificate of recognition and appreciation.



Roy Cooper
Governor
March 27, 2023
Date

CONSENT AGENDA

APPROVAL OF MINUTES

The Clerk to the Board included the Minutes from the **May 1, 2023 Special Called Meeting** and the **May 2, 2023** regular Commissioners' meeting in Board members' packets.

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

APPROVAL OF AMENDED MINUTES

The Clerk to the Board included amended Minutes from the *April 18, 2023* regular Commissioners’ meeting in Board members’ packets.

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

FINANCE DEPARTMENT: BUDGET TRANSFER SUMMARY

As required by North Carolina General Statute §159-15, all internal transfers shall be submitted to the Board of Commissioners. The budget transfer summary from April 24, 2023 through May 5, 2023 is included in Commissioner packets.

ACTION: Commissioner Whetstine made a motion, seconded by Commissioner Hutchins, and passed unanimously by the Board to, *approve the budget transfer summary as presented.*

County of Cleveland, North Carolina
Manager’s Budget Summary
Presented at the May 16, 2023 Board Meeting
Time Period Covered : 4/24/23 thru 5/5/23
For Fiscal Year Ending June 30, 2023

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT #	DEPT TO NAME	DEPT #	DEPT FROM NAME	EXPLANATION	BUDGET AMOUNT
1557	D	4/24/2023	010.542	Animal Services			Move funds to cover automotives supplies and contracted services	\$ 3,608
1558	D	4/24/2023	010.542	Animal Services			Corr BTD1557 posted wrong account shld be rental/lease equip	\$ 161
1559	L	4/26/2023	010.441	Sheriff’s Office	010.444	Detention Ctr	Transfer funds to cover uniforms	\$ 9,000
1560	D	4/27/2023	010.444	Sheriff’s Office			Move funds to cover controlled property exp	\$ 4,745
1561	D	4/28/2023	010.441	Sheriff’s Office			Move funds to cover professional services	\$ 3,000
1562	L	5/1/2023	010.491	Planning/Zoning	010.998	Contingency	Transfer funds to cover proccessional services	\$ 9,295
1563	D	5/1/2023	010.426	Maintenance			Move funds to cover contracted services	\$ 2,300
1564	D	5/2/2023	010.415	Tax Administration			Move funds to cover adverstising and dues	\$ 4,000
1565	D	5/2/2023	010.426	Maintenance			Move funds to cover motor fuels	\$ 6,500
1566	L	5/2/2023	011.506	DSS Admin	011.504	Social Work	Transfer funds to cover postage, departmental supply	\$ 33,000
1567	D	5/2/2023	012.540	WIC			Move funds to cover dept supply, training, awards/appreciation	\$ 13,800
1568	D	5/2/2023	010.423	Human Resources			Move funds to cover automotive supplies, motor fuels and dues	\$ 2,000
1569	D	5/3/2023	027.434	ARP Fund			Move funds to cover capital equipment	\$ 329,393
1570	D	5/4/2023	010.411	Commissioners			Move funds t cover departmental supplies, board meetings and awards/appreciation	\$ 7,182
1571	D	5/4/2023	011.506	DSS Admin			Move funds to cover controlled property exp and motor fuels	\$ 4,200
1572	D	5/4/2023	055.480	LeGrand Center			Move funds to cover accounts thru EOY	\$ 14,050
1573	D	5/4/2023	010.498	Soil Conservation			Move funds to cover motor fuels	\$ 250
1574	D	5/4/2023	010.542	Animal Services			Move funds to cover motor fuels, uniforms, garbage exp	\$ 9,878
1575	D	5/4/2023	010.447	EMS Transition			Move funds to cover automotive supplies, telecommunications, capital equipment	\$ 12,888
1576	D	5/5/2023	010.415	Tax Administration			Move funds to cover dues/subscriptions & collection fees	\$ 1,520
1577	D	5/5/2023	012.550	CCHD - Primary Care			Move funds to cover ribbon cutting event	\$ 4,000

TAX COLLECTOR’S MONTHLY REPORT

Pursuant to North Carolina General Statute §105-350.7, The Tax Collector shall submit to the governing body at each of its regular meetings a report to include the amount collected on each year's taxes with which she is charged, the amount remaining uncollected, and the steps being taking to encourage payment of uncollected taxes. The Tax Collector provided Commissioners with a detailed written report regarding taxes collected during *April 2023.*

ACTION: Commissioner Whetstine made a motion, seconded by Commissioner Hutchins, and passed unanimously by the Board to, *approve the April 2023 monthly tax report submitted by the Tax Collector.*

TOTAL TAXES COLLECTED APRIL 2023			
YEAR	AMOUNT-REAL	AMOUNT-GAP	COMBINED AMT
DEF REV	\$0.00	\$0.00	\$0.00
2022	\$297,808.65	\$6,060.18	\$303,868.83
2021	\$44,992.32	\$3,663.15	\$48,655.47
2020	\$17,424.04	\$1,950.28	\$19,374.32
2019	\$11,000.90	\$0.00	\$11,000.90
2018	\$5,945.79	\$0.00	\$5,945.79
2017	\$3,506.45	\$0.00	\$3,506.45
2016	\$3,253.52	\$0.00	\$3,253.52
2015	\$3,783.56	\$0.00	\$3,783.56
2014	\$3,068.46	\$0.00	\$3,068.46
2013	\$1,525.53	\$0.00	\$1,525.53
2012	\$0.00	\$0.00	\$0.00
			\$403,982.83
TOTALS	\$392,309.22	\$11,673.61	\$403,982.83
DISCOUNT	\$0.00		\$0.00
INTEREST	\$36,893.35	\$1,379.76	\$38,273.11
TOLERANCE	(\$12.46)	(\$5.42)	(\$17.88)
ADVERTISING	\$1,465.53		
GARNISHMENT	\$5,735.71	GAP BILL FEES	DEFERRED GAF
NSF	\$292.08	\$2,508.16	\$2,215.95
LEGAL FEES	\$0.00		
TOTALS	\$436,683.43	\$15,556.11	
MISC FEE	\$0.00		
TAXES COLL	\$436,683.43		GRAND TOTAL
DEF	\$2,091.02		\$452,239.54
DISC	(\$0.64)		\$4,548.97
TOL	(\$1.89)		\$456,788.51
INT	\$244.53		
TOTAL TAXES UNCOLLECTED APRIL 2023			
YEAR	AMOUNT-REAL	AMOUNT-GAP	COMBINED AMT
2022	\$2,415,847.47	\$117,210.38	\$2,533,057.85
2021	\$713,250.07	\$79,328.63	\$792,578.70
2020	\$550,036.44	\$42,358.03	\$592,394.47
2019	\$561,840.57	\$0.00	\$561,840.57
2018	\$297,006.49	\$0.00	\$297,006.49
2017	\$189,758.61	\$0.00	\$189,758.61
2016	\$134,017.05	\$0.00	\$134,017.05
2015	\$111,973.09	\$0.00	\$111,973.09
2014	\$117,028.02	\$0.00	\$117,028.02
2013	\$87,681.87	\$0.00	\$87,681.87
2012	\$0.00	\$0.00	\$0.00
			\$0.00
	\$5,178,419.68	\$238,897.04	\$5,417,316.72
DEF REV	\$44,224.28	\$103,679.14	\$147,903.42
TOTAL UNCOLLECTED	\$5,222,643.96	\$342,576.18	\$5,565,220.14

TAX ABATEMENTS AND SUPPLEMENTS

The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during **April 2023**. The monthly grand total for tax abatements was listed as (\$7,798.98) and the monthly grand total for tax supplements was listed as \$22,854.18.

ACTION: Commissioner Whetstine made a motion, seconded by Commissioner Hutchins, and passed unanimously by the Board to, ***approve the March 2023 tax abatements and supplements submitted by the Tax Assessor.***

HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #060)

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

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
012.548.4.540.49		CODAP/Contracted Revenue-PATH-OPIOID	\$91,514.00	
012.548.5.230.49		CODAP/Prescription Drugs-PATH-OPIOID	\$86,514.00	
012.548.5.370.49		CODAP/Advertising-Promotions-PATH-OPIOID	\$5,000.00	

Explanation of Revisions: Budget allocation \$91,514 in additional funds awarded in Opioid Abatement Funding through Partners Behavioral Health. Funds will be utilized to purchase Naloxone and Fentanyl test strips to support marketing and outreach efforts to promote community distribution and encourage utilization through various social media outlets and other paid advertisements.

SHERIFF'S OFFICE: BUDGET AMENDMENT (BNA #061)

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

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.443.4.810.00		State Forfeited Property/Fund Balance Approp	\$68,235.00	
010.443.5.250.00		State Forfeited Property/Clothing-Uniform	\$41,235.00	
010.443.5.240.00		State Forfeited Property/Automotive Supplies	\$27,000.00	

Explanation of Revisions: Budget allocation for \$68,235 in funds to cover the cost and shipping of new style badges and patches for officer uniforms. Funds will also be used for the cost of new design artwork on patrol vehicle doors.

FINANCE DEPARTMENT: BUDGET AMENDMENT (BNA #062)

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

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
497.253.4.980.41		Capital Proj-E911 Call Ctr/Contributions fm Cap Reserve	\$1,177,207.00	
497.253.5.991.00		Capital Proj-E911 Call Ctr/Construction in Progress	\$1,177,207.00	

Explanation of Revisions: Budget allocation for \$1,177,207 in capital project funds for the new E-911 Call Center.

COOPERATIVE EXTENSION: BUDGET AMENDMENT (BNA #063)

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

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.495.4.510.84		Cooperative Extension/COOP Nutrition Class Fees	\$640.00	
010.495.5.530.84		Cooperative Extension/COOP Nutrition Class Exps	\$640.00	

Explanation of Revisions: Budget allocation for \$640 in funds to offset expenses for Nutrition Class.

REGULAR AGENDA

JUSTICE CENTER PHASE I SITE WORK

Chairman Gordon recognized Assistant County Manager Kerri Melton to present the Justice Center Phase I site work. The Board was reminded about the procurement for the upcoming Justice Center construction project. A Construction Manager at Risk (CMAR) procurement model was chosen and approved by the Commissioners due to the current market conditions, and the ability to do some of the work and order materials ahead of time. Mrs. Melton reviewed the responsibilities of the CMAR including projection evaluation, consulting, scheduling, inspection, and quality review. Cleveland County is responsible for establishing and maintaining the budget, architect retainment, and financial obligations.

The Justice Center Campus will be completed in multiple phases and stages. The first phase of the construction project was demolition which has been completed in some parts of the project. The second step phase is called the early sight package and utility relocations. A portion of this section of the project includes some grading, masquerading, temporary roads, water lines, sewer lines, and electrical service being rerouted.

The bid was prepared by the project architects and construction manager through a pre-qualification process. This process allows the county to pre-qualify at the front end of the project to ensure the company can do the work. Staff advertised pre-qualification bids in the Shelby Star, Kings Mountain Herald and two community meetings were held to try to gain interest in this early site package.

Pre-qualification forms were due to the county on January 9, 2023. Some of the information included in those forms includes licensing, work history, safety ratings, current workload, and any claims that might have been

filed against the company. For this pre-qualification process, ten companies submitted pre-qualification materials, and only six of those were discouraged based on safety ratings, and the inability to get required performance bonds. Much due diligence was done for the prequalification process. The bidding process, once staff prequalify the bidders, were invited to bid on the project. Yates Metcom reached out to qualified bidders to encourage them to answer questions and give them all the needed information. The project was set to begin on April 12, 2023.

All the bid requirements fall under North Carolina General Statutes and when staff completed the bid opening on April 12th, there were three confirmed bidders there until that day one of the companies withdrew their bid, leaving only two bids. Per North Carolina General Statute, counties cannot open bids with just two bids on a first bid date. The project was extended for one week and on April 18, 2023, the two original bids were still the only two bids received which were then opened at that time, one from Morgan Contracting, and one from Sitework, LLC.

The construction estimates for this part of the project, not the overall project, only the construction portion was \$3,956,746. When the bids were opened, they did not line up with the county's construction estimate. Staff worked with CMAR and the architect team to value engineer the budget to get to a place staff felt comfortable with the bid lining up with the budget. The base cost of the work was budget at \$3.78MM with unit price work included in that. Much testing has been done on the project site and staff doesn't expect a lot of that unit price work to be needed. Money has been budgeted for possible unknowns such as unsuitable soils or rocks. With the testing that has been completed, staff are not expecting much of price work to be needed, which will lower the cost of the project. The bid for the construction portion came to be \$3,956,595.75 which is \$150.25 under budget of \$3,956,746.

The change order presented includes more than construction information. As with large projects like the Justice Center Campus, there are many other things that are included in the project, due to being based on the CMAR contract that was approved. Staff is requesting for approval of the change order with Yates Metcom in the amount of \$5,192,495 for the early release site work and utility relocation package. All additional items were included in the cost estimate received from the contractor. The following information and PowerPoint were presented to the Commissioners.

Cleveland County
NORTH CAROLINA

MAY 16, 2023

Early Site Work and Utilities Relocation Package
KERRIN MELTON, ASSISTANT COUNTY MANAGER

Responsibilities to each other

CMAR's Responsibilities

- Preliminary evaluation of project
- Advise and consult on materials, systems, equipment, constructability
- Prepare and update project schedule and cost estimates
- Bid out work to subcontractors
- Propose a GMP
- Inspection and quality review

County's Responsibilities

- Provide needed information promptly.
- Fulfill financial obligations.
- Establish and update project budget.
- Retain architect.
- Make payments within 30 days after receiving an application for payment.

CMAR CONTRACT UPDATE

2

Prequalification Process



- Advertise for Prequalification (Shelby Star, KM HeraldJSqFt, Building Connected, held two community meetings)
- Prequalification forms due January 9, 2023
- Form includes- License info, work history, company info, safety rating, current workload and any claims filed against company
- 10 submitted- 6 approved
- Those disproved based on safety rating and inability to get required performance bond.

CMAR CONTRACT UPDATE

3

Bidding Process



- Prequalified bidders invited to bid on project.
- Yates/Metcon reached out to qualified bidders to encourage project bid
- Project Bid Date- April 12th- received only two bids (three confirmed until day of)
- Project Re-bid- April 18th- two bids received and opened

CMAR CONTRACT UPDATE

4

Bid Tabulation



Construction Project Estimate:	\$ 3,956,746
Morgan Contracting Inc.	\$ 6,011,575
Sitework LLC	\$ 4,460,800

CMAR CONTRACT UPDATE

5

Value Engineering to Construction Budget



Unit Price Work	Unit Price	Bid Qty	UM	Cost
UP1-Unsuitable	\$ 33.79	2775 CY		\$ 93,767.25
UP2-Mass Rock (Blasted)	\$ 86.69	50 CY		\$ 4,334.50
UP3-Mass Rock (Ripped)	\$ 60.76	0 CY		\$ 3,038.00
UP4-Trench Rock	\$ 105.24	50 CY		\$ 5,262.00
UP7-Flowable Fill	\$ 237.79	100 CY		\$ 23,779.00
Total Cost of Work				\$ 3,915,795.75
P&P Bond				\$ 40,800.00
Total Bid				\$ 3,956,595.75
Budget				\$ 3,956,746.00
				\$ (150.25)

CMAR CONTRACT UPDATE

6

Change Order Summary



Base Labor	\$3,956,595
Fire Protection	\$20,000
Plumbing	\$28,000
General Conditions	\$626,401
Builders Risk	\$2,000
CMAR Fee 4.5%	\$233,662
Contingency 5%	\$231,550
Performance Bond	\$43,399
Liability Insurance	\$50,886
	\$5,192,495

Under Estimated Budget \$105.25

CMAR CONTRACT UPDATE

7

Questions?



Action:

Approve change order #2 with Yates/Metcon in the amount of \$5,192,495 for Early Release Site work and Utility Relocation Package

CMAR CONTRACT UPDATE

8

Commissioner Gordon opened the floor to the Board for questions and discussion. Commissioner Whetstine asked Rusty Setzer, Yates Project Executive, who was also in attendance, if the budgeted amount for this part of the project was as conducive as it could be. Mr. Setzer replied that it was and recapped the process and steps that were completed to arrive at the budget amount.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and adopted *unanimously by the Board to, approve change order #2 with Yates/Metcon in the amount of \$5,192,495 for Early Release Site work and Utility Relocation Package. (a full copy of the Change Order is on file in the Clerk's Office).*

AIA Document G701

Change Order

PROJECT: Cleveland County Justice Center	CHANGE ORDER NUMBER: 002	DATE: 5/10/2023	OWNER: <input type="checkbox"/>
			ARCHITECT: <input type="checkbox"/>
TO CONTRACTOR: Yates-Metcon, a Joint Venture 1775 The Exchange SE Suite 130 Atlanta, GA 30339	ARCHITECT'S PROJECT NO: CONTRACT DATE: 1/25/2023 FOR: Construction	CONTRACTOR: <input type="checkbox"/>	FIELD: <input type="checkbox"/>
			OTHER: <input type="checkbox"/>

THE CONTRACT IS CHANGED AS FOLLOWS:

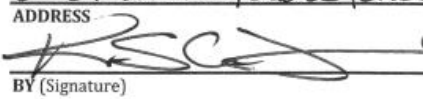
The original Contract Sum was	\$2,040,113.06
The net change by previously authorized Change Orders	\$50,000.00
The Contract Sum prior to this Change Order was	\$2,090,113.06
The Contract Sum will be increased by this Change Order in the amount of	\$5,192,495.00
The new Contract Sum including the Change Orders will be	\$7,282,608.06

Change Order Summary:		
1	Early Release Site work and Utility Relocation - Package BP02B	\$5,192,495
TOTAL AMOUNT OF THIS CHANGE ORDER		\$5,192,495

The Contract Time will be increased by one hundred fifty seven (157) calendar days
The date of the Substantial Completion for construction services as of the date of this Change Order therefore is October 9, 2023.

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE CONTRACTOR AND OWNER.

Yates-Metcon, a Joint Venture CONTRACTOR (Firm name)	Cleveland County OWNER (Firm name)
1775 The Exchange SE Suite 130 Atlanta, GA 30339 ADDRESS	311 E. Marion St, Ste 233, Shelby NC 28150 ADDRESS
BY (Signature) Scott Jerald - VP/Division Manager WG Yates & Sons Construction Co. (Typed name)	BY (Signature)  Kevin Gordon, Chairman (Typed name)
05/16/23 DATE	05-16-23 DATE

FY 2023 – 2024 COUNTY MANAGER’S RECOMMENDED BUDGET

Chairman Gordon called Interim County Manager Todd to the podium to present the FY 2023 – 2024 County Manager’s recommended budget. The proposed budget is balanced and prepared on the guidelines of North Carolina General Statute Chapter 153. The recommended 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. The FY 2023 - 2024 budget was built around the Commissioner’s strategic plan focus areas of citizen engagement. Economic development, public safety, fiscal sustainability, and community wellness. The top priorities for the budget continue to plan for capital improvement, which include:

- Commitment to the implementation of the County’s Capital Improvement Plan – using the Facility Master Plan to prioritize, including creating a Justice Center Campus, 911 Communications Center, Emergency Operations Center, and Board of Elections
- Continued recruitment of National Shooting Competitions at Foothills Public Shooting Complex
- Continued partnership with Cleveland County Schools for implementation of the long-term school capital facility plan
- Maintain support for County Public Safety Departments through the implementation of the five-year Public Safety Strategic Plan
- Focus on community wellness by identifying health disparities and partnering with community agencies to improve the County’s health rankings
- Focus on being an Employer of Choice – competitive pay, modern policy, & career progression

The budget process begins early in the year and includes:

- Zero based foundation
- Fostering a Cross-Departmental Cost Saving Culture
- County Departments submit budget requests
- Departmental meetings held
- Line item level discussion
- Department Heads provide justification for requests

- Data Driven approach
- Prioritize and evaluate with respect to Boards Strategic Plan
- Recession ready

As staff worked through the budget, economic indicators at local and national levels were considered such as inflation rates, construction costs, gas prices, and labor force participation. Local key economic indicators like population growth, sales, and land use revenues are trending positively for Cleveland County. The FY 2023 – 2024 general fund budget highlights include:

- General Fund Tax Rate.....54.75 Cents
- Cleveland County Schools Recommended Rate.....14.00 Cents
- Debt Service Funding Allocation (additional surplus \$1.5M) for Future Debt Service Allocation- Justice Center Campus. This brings the total to \$6.9M for the next 20 years
- Continued systematic approach to employee pay: COLA; Performance Bonus Program; 401K
- Animal Services – Kennels, truck boxes, fencing, facility upgrades
- LeGrand Center – Audio/Visual refresh
- LGERS and Health fund increases
- Operating Capital Increase
- Dental Coverage Enhancement
- 7 Additional Full Time Employees (FTEs)
 - 4 Sheriff Deputies (Patrol)
 - Victim Specialist
 - Shooting Range Office Personnel
 - Mechanic
- 3% Increase in Solid Waste tipping fees

Reviewing the general fund budget trend, Cleveland County is trending higher this year. This is due to the incorporation of the rescue squads, 30 additional positions, and equipment acquisition.

Next, Mr. Carpenter highlighted several strategic focus areas, such as citizen engagement, economic development, and public safety.

Citizen Engagement (Inspire people to be engaged)

- Explore Partnerships that Support Broadband Expansion
- Focus on Support of Municipal Development & Community Place Making
- Community Beautification & Litter Cleanup Programs
- Marketing & Communication Enhancements

Economic Development (Promote new industry and support business)

- Recruitment and Execution of National Shooting Competition Hosted by Foothills Public Shooting Complex
- Intentional Support Of Agriculturally Based Economic Development
- Industry and Business Recruitment, Shell Building Program and Land Acquisition
- Sustainable Partnership with Cleveland County Fair Association

Public Safety (Ensure the safety of citizens)

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

Each focus department is receiving increases in its budget and is associated with either people or capital.

Cleveland County is doing well in public safety peer comparison. The Volunteer Fire Service is funded on an 8.7 cent supplemental tax rate. The total budget for the ten volunteer fire departments in the county is \$5.5MM. This maintains an hourly wage of \$15 per hour, provides 7,300 hours of land coverage per year, and it increases their operational budget allotment by 11.1%.

The fourth focus area is fiscal stability, by having efficient use of resources to provide services to the citizens. The county can maintain fiscal sustainability by being an employer of choice, leveraging state and federal grant opportunities, a capital plan execution, and maintaining a fund balance of or greater than 20%.

The county's most valued resource is its employees. With the addition of seven full-time employees, the employee count will go to 792. A cost-of-living adjustment of 5% is included in the proposed budget along with the continuation of the performance management bonus. Performance management bonuses are based on six metrics that are measured twice a year: once in September and once in March. If the metrics are met, employees can receive up to a total of a 3% bonus check paid once in September at 1.5% and again in March at 1.5%. In the proposed FY 2023 – 2024 budget, is a change to the tier dental plan schedule. The update will now cover in full the two preventive visits employees make to the dentist each year.

Cleveland County has a strong and well-performing employee health plan with 826 covered lives and a \$10.8MM self-funded plan. The funds include health claims, health savings account (HAS) contributions, wellness center/pharmacy, access to a primary clinic, and biometrics. Between 2020 and 2024 there has been a 7% positive increase in health claims performance.

The county's operating capital is increasing, allowing staff to allocate more funds than in previous budget years for capital projects such as:

- Board of Elections: New Board of Elections Building
- LeGrand Light/AV Upgrade: Replacement of lighting and AV Equipment
- Information Technology Strategic Plan: Creation of first-ever IT Strategic Plan focused on advancing synchronization and developing a clear IT vision
- 911/Emergency Operations Center: 911 and Emergency Operations Center to be housed on Red Cross Campus
- Randolph Road Shell Building: Shell Building IV new construction
- Justice Center Campus: Jail, Courthouse, Sheriff's Office New Construction

Community Wellness is the focus area five in the Commissioners' strategic plan. Community wellness incorporates the promotion of physical activity, a healthy lifestyle, and positive relationships. The county will continue to improve community health rankings, receive opioid funds and effectively use those monies to help combat the opioid epidemic, and continue to change the expansion of the existing trail systems with the exploration of new opportunities. The Health Department and Social Services' total budget is \$33MM. Staff has appropriated \$10.5MM towards that funding. The difference is being made up by funding from state and federal agencies.

Public education funding allotment is recommending \$900,000 in additional funding be sent to Cleveland County Schools, bringing their total allocation to \$32.4 MM. With that recommended amount, staff are meeting Commissioners' goals of dedicated funding for educational capital, teacher supplements and financial equity. Cleveland Community College's funding from the county has increased by 46% (\$1,049,000) since 2019. In the FY 2023 – 2024 budget, the amount will increase by \$250,000, bringing that total amount to \$3.3MM.

The county supports many agencies and will continue to do so. Cleveland County partners with agencies across the county and \$1.2 MM is allotted in support of these agencies.

The Solid Waste Department operates on an enterprise fund. Staff is recommending the continuation of \$1 fee to collect municipal waste. Those funds will be utilized for the continuation of the litter cleanup program. It is also recommended for a 3% increase in tipping fees that will support the continuation of the life of site permitting and long-term solid waste handling. The department is serving as a garage for some of the county's maintenance work on vehicles for other departments. Staff is recommending an additional mechanic position for this year's budget. Other items included in the budget include:

- Roll off truck
- Air Curtain Burner
- Shop enhancements
- Airport Road paving project
- Life of site permitting
- Emergency access road and new borrow areas

Mr. Carpenter concluded his presentation with the following statement, *“In accordance with the general statutes of North Carolina, I submit to you for your consideration the fiscal year 2023 – 2024 recommended budget for Cleveland County. This budget maintains a property tax rate of 54.75 cents per \$100 evaluation along with a 14-cent school tax rate and an 8.75-cent fire tax rate. The proposed budget is balanced and was prepared under North Carolina General Statute §159(a)(3), the local government budget and fiscal control act. The budget incorporates the county strategic plan and ensures focus on five main areas of citizen engagement, economic development, public safety, fiscal sustainability, and community wellness. The budget exists to accomplish the goals and policies established by the Board and facilitates long-term use. The theme of this budget is outstanding service delivery. The focus of the budget was to forecast budget revenues and expenditures while maintaining outstanding service delivery accurately and conservatively to the citizens of Cleveland County. Strategic investments toward the funding of capital projects, education, public safety, health, and quality of life are all included in the budget. The budget includes seven new positions and a 5% cost of living adjustment. Each of these strategic investments contributes to the quality of life enjoyed by county residents. The county is experiencing growth in population, property tax, sales, jobs, and the housing industry. Staff are diligent in their efforts to bring new businesses into the community, encourage new investment and support well-established businesses.*

It is the Board of County Commissioner's vision to deliver outstanding service to the citizens. Staff is using a data-driven approach and vicious policies to deliver on the vision and implementation of the Commissioner's strategic planning. Department leaders and employees identify with this vision through a focus on providing a high level of customer service and the organization's core purpose of Making Our Community Better. The leadership of the Commissioners, along with the commitment and knowledge of the employee base with the desire to continuously improve as an organization, makes Cleveland County a resilient government, one that is fiscally responsible and dedicated to improving the community and creating a better life for the residents.” The following information and PowerPoint were presented to the Commissioners.

Cleveland County, North Carolina
 County Manager's Recommended Budget
FISCAL YEAR 2023-2024



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 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.



FOCUS AREA 3: PUBLIC SAFETY
 To ensure the safety of our residents through efficient and effective public safety agencies.

FY 24 Commissioners Top Priorities

Commitment to the implementation of the County's Capital Improvement Plan - using the Facility Master Plan to prioritize including creating a Justice Center Campus, 911 Communications Center, Emergency Operations Center and Board of Elections

Continual recruitment of National Shooting Competitions at Foothills Public Shooting Complex

Continual partnership with Cleveland County Schools for implementation of the long-term school capital facility plan

Maintain support for County Public Safety Departments through implementation of the five-year Public Safety Strategic Plan

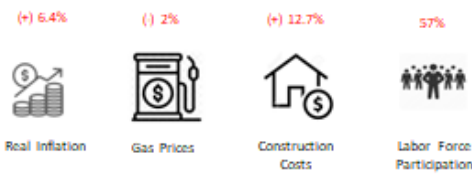
Focus on community wellness by identifying health disparities and partnering with community agencies to improve our County's health rankings

Focus on being an Employee of Choice - competitive pay, modern policy, & career progression

Building the Budget

- ZERO based foundation
- Fostering a Cross Departmental Cost Saving Culture
- County Departments submit budget requests
- Departmental meetings held
 - Line item level discussion
 - Department Heads provide justification for requests
- Data Driven approach
- Prioritize and evaluate with respect to Board's Strategic Plan

Key Economic Indicators



Local Key Economic Indicators



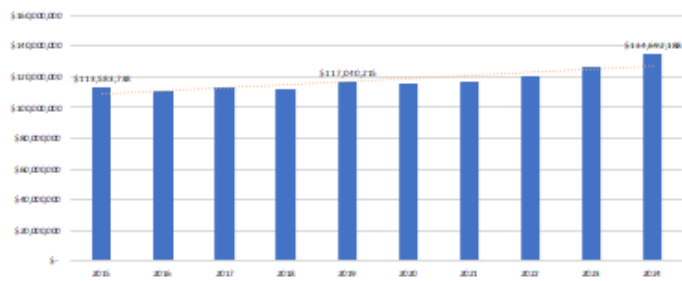
Property Tax Valuation

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total County Tax Base	\$9,208 Billion	\$9,508 Billion	\$10,333 Billion	\$10,615 Billion	\$11,279 Billion
Tax Rate	57 cents	57 cents	54.75 cents	54.75 cents	54.75 cents
Value of Penny	\$920 k	\$950 k	\$1M	\$1.025M	\$1.089M

FY 24 General Fund Budget Highlights

- General Fund Tax Rate.....54.75 Cents
 - Cleveland County School Recommended Rate.....14.00 Cents
- Debt Service Funding Allocation (additional surplus \$1.5M) for Future Debt Service Allocation- Justice Center Campus. This brings the total to \$69M for the next 20 years.
- Continued systematic approach to employee pay - CDLA, Performance Bonus Program -40%
- Animal Services - Kennels, truck boxes, fencing, facility upgrades
- LeGrand Center - AV Refresh
- LCERS and Health fund increases
- Operating Capital Increase
- Dental Coverage Enhancement
- 7 Additional FTEs
 - 4 Sheriff Deputies (Patrol)
 - Victim Specialist
 - Shooting Range Office Personnel
 - Mechanic
- 3% Increase in Solid Waste tipping fees

Total General Fund Budget



Strategic Plan Focus Areas

Citizen Engagement (Inspire people to be engaged)



- Explore Partnerships that Support Broadband Expansion
- Focus on Support of Municipal Development & Community Place Making
- Community Beautification & Litter Cleanup Programs
- Marketing & Communication Enhancements

Economic Development (Promote tourism, new industry and support business)



- Recruitment and Execution of National Shooting Competition Hosted by Foothills Public Shooting Complex
- Intentional Support Of Agriculturally Based Economic Development
- Industry and Business Recruitment, Shell Building Program and Land Acquisition
- Sustainable Partnership with Cleveland County Fair Association

Public Safety (Ensure safety of our citizens)

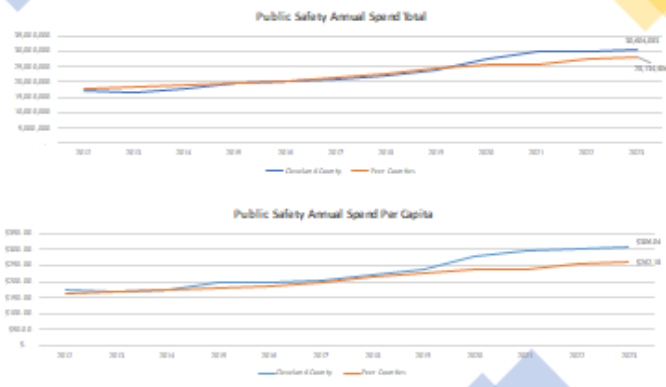


- Implementation of Public Safety Strategic Plan
- Central Administered EMS System
- Design and Construct a Public Safety Campus
- Maintain support for County Volunteer Fire Departments

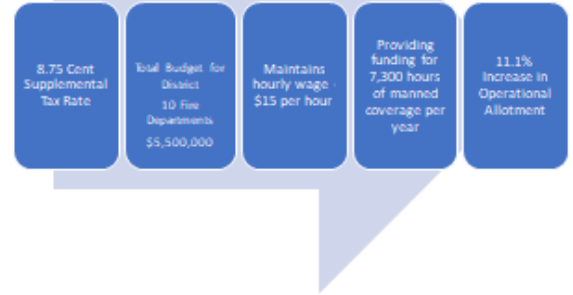
Public Safety Funding

Department	FY 23	FY 24	% Change
Detention Center	\$7,973,570	\$8,347,344	4%
Sheriff's Department	\$11,495,072	\$12,613,458	9%
Emergency Medical Services	\$8,157,591	\$11,606,415	30%
Emergency Management	\$496,517	\$542,458	8%
Communications	\$1,716,514	\$1,859,974	8%
Total Public Safety Budget	\$29,839,264	\$34,969,649	

Public Safety Peer Comparison



Volunteer Fire Service

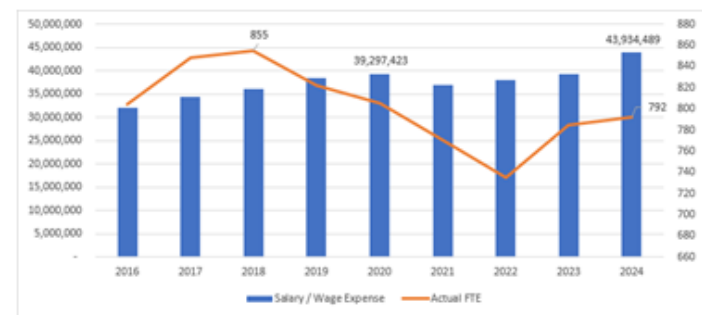


Fiscal Sustainability (Efficient use of resources to provide services)



- Employer of Choice
- Leveraging State & Federal Grant Opportunities
- Capital Plan Execution
- Fund Balance Policy $\geq 20\%$

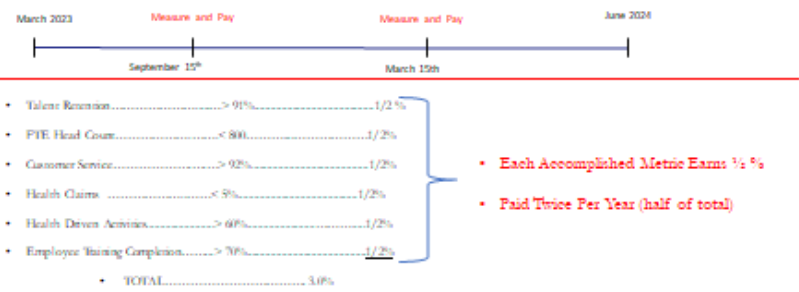
Salary/Wage Expense and FTE



Investment into People

Employee Compensation Changes	Pay Increase- COLA	Performance Management Bonus
FY2020	1.5%	0.0%
FY2021	2.0%	0.0%
FY2022	5.1%	2.5%
FY2023	4.0%	2.5% + one weeks pay
FY2024	5.0%	Up to 3.0%

Performance Management System



Dental Plan Improvement

Simplify current benefit, cover preventative care at 100%.

Estimated budget increase: \$30,000.



Current Tier Schedule	% Paid	Amount Reimbursed
First \$ 200	100%	\$200.00
Next \$ 400	70%	\$280.00
Next \$ 700	50%	\$350.00
Total		\$830.00

New Tier Schedule	% Paid	Amount Reimbursed
First \$ 500	100%	\$500.00
Next \$ 1000	50%	\$500.00
Total		\$1,000

Employee Health Plan

826 Covered Lives

\$10.8 Million Dollar Self Funded Plan

- BCBS - Third Party Administrator
- Health Claims
- HSA Contributions
- Wellness Center / Pharmacy
- Access to Primary Clinic
- Biometrics

Employee Health Claims Performance



Grants Management

Grant Title	Amt Received
NC Register of Deeds Grant	\$ 2,000.00
PSAP Grant	\$ 5,036,595.00
Solicitation	\$ 2,000.00
Building Reuse	\$ 160,000.00
GREAT Grant	\$ 4,000,000.00
Christmas support for local	\$ 3,500.00
Public Range Fund	\$ 7,500.00
Building Reuse	\$ 175,000.00
Medication Assisted Treatment in Jails	\$ 290,651.00
LASII	\$ 100,000.00
State Grant Program	\$ 5,100.00
Local Tourism	\$ 3,500.00
National Crime Victims Week	\$ 5,000.00
Recreational Trails Program	\$ 100,000.00
NC Register of Deeds Grant	\$ 2,166.00
Building Reuse Project Rotary	\$ 500,000.00
Grant ID#20155	\$ 1,456,023.00
NC Register of Deeds Grant#2 Match	\$ 2,166.00
Total	\$ 11,851,201.00

Additional Grants

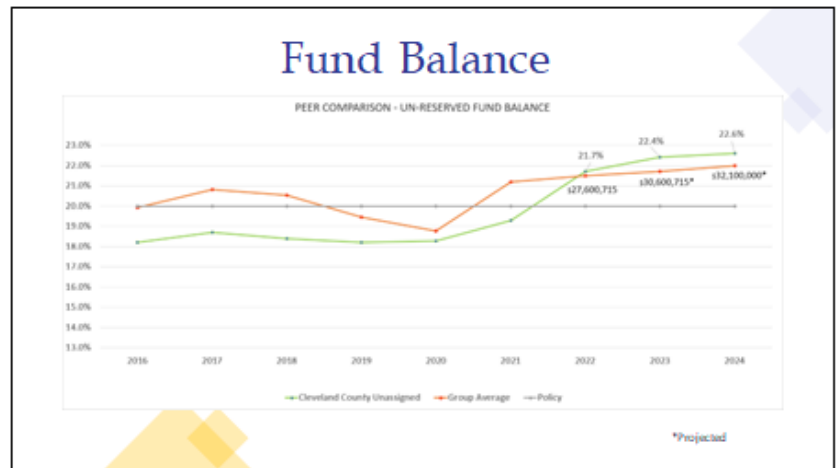
Grant Description	Grant Amount
Capital Improvements - Justice Center	\$ 400,000.00
Cleveland County Justice Center	\$ 58,750,000.00
Sheriff Mobile Command Unit	\$ 450,000.00
County Fair OSBM Grant	\$ 1,000,000.00
County OSBM Grant	\$ 1,456,024.00
Sheriff's Office Detention Center - Body Scanner	\$ 175,000.00
Cleveland County Justice Center OSBM Register of Deeds Grant 2	\$ 2,166.00
NCDHHS - COVID Nursing Hours	\$ 94,511.00
FQHC look-alike - Atrium	\$ 5,000,000.00
ARPA - SLFRF Funds	\$ 19,025,057.00
Total	\$ 92,352,758.00

Capital Budget Summary

	2020-2021	2021-2022	2022-2023	2023-2024
Operating Capital	\$2,095,541	\$1,393,559	\$1,634,982	\$2,241,372
Capital Reserve	\$2,717,615	\$3,736,296	\$4,300,000	\$4,300,000
Total	\$4,813,156	\$5,129,855	\$5,934,982	\$6,541,372

Major Capital Projects

Board of Elections	New Board of Elections Building	\$750,000	Capital Reserve Fund
LeGrand Light/AV Upgrade	Replacement of lighting and AV equipment	\$625,000	Capital Reserve Fund
Information Technology Strategic Plan	Creation of first-ever IT Strategic Plan focused on advancing synchronization and developing a clear IT vision	\$550,000	Capital Reserve Fund
911/Emergency Operations Center	911 and Emergency Operations Center to be housed on Red Cross Campus	\$8,000,000	Capital Reserve Fund
Randolph Road Sheriff Building	Sheriff Building IV new construction	\$8,500,000	Debt Funding
Health/DSS Co-location	Renovations at Health Department to co-locate Health and DSS	\$3,500,000	Debt Funding
Justice Center Campus	Jail, Courthouse, Sheriff's Office New Construction	\$150,000,000	Debt Funding
Total Capital Expenses		\$171,925,000	



Community Wellness

(Promote physical activity, healthy lifestyle and positive relationships)

- Improvement in Community Health Rankings
- Effective Use of Opioid Settlement Funds
- Expansion of Existing Trail Systems & Exploration of New Opportunities

Health and Social Services Funding

Total Budget

\$10,588,647

Public Education Funding

FY 24 Public Education Funding

	Cash Flow Sent To CCS FY 23-22	Cash Flow Sent To CCS FY 22-21	Cash Flow Sent To CCS FY 23-24
Property Tax Revenue	\$ 12,797,497	\$ 12,797,497	\$ 12,797,497
NCVTS Tax Revenue	1,187,648	1,187,648	1,187,648
Sales Tax Revenue	4,162,217	4,162,217	4,162,217
Local Operational Appropriation	10,250,000	10,250,000	10,250,000
Local Capital Appropriation	1,400,000	700,000	700,000
State Restricted Capital Appropriation	700,000	700,000	700,000
Commissioner Escrow (Teacher Supplements)	-	1,740,378	2,640,378
Total	\$ 30,497,362	\$ 31,517,740	\$ 32,417,740

Places Cleveland County Schools 39th in Per Pupil Funding

Cleveland County Schools - County Budget

Commissioner Goals:

- Additional Dedicated Funding For Education Capital ✓
- Teacher Supplements ✓
- Financial Equity ✓

Cleveland Community College FY 24

01

Since 2019, County funding has increased by \$1,049,000 (46%)

02

FY 24 County funding increase \$250,000
FY 24 Total Funding \$3,308,872

03

Proposed increase of \$250,000 through 2028

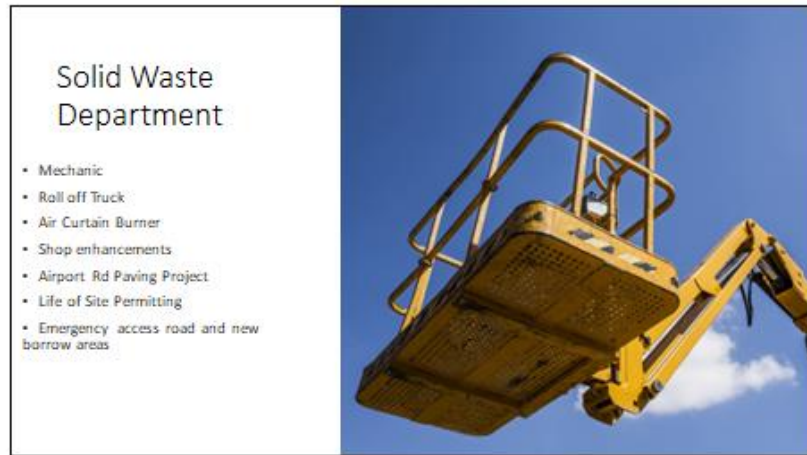
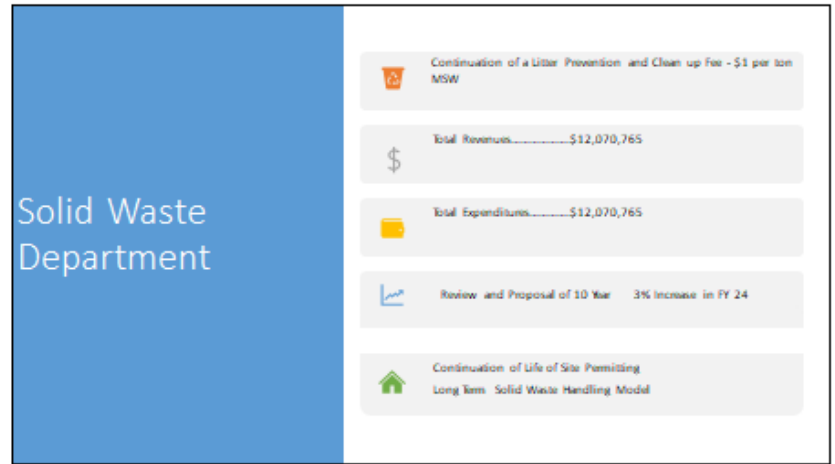
Outside Agency Support

Partnering Agency Allotments

RECOMMENDED

FY23/24

\$ 1,233,917



On May 17, 2023, a full copy of the proposed FY 2023 – 2024 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 [2024 Recommended Budget-compressed.pdf \(clevelandcounty.com\)](#)

The Board of County Commissioners will conduct a public hearing on the proposed budget for Cleveland County's Fiscal Year 2023-2024 on Tuesday, June 6, 2023 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.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Bridges, and passed unanimously by the Board to *approve setting the public hearing as requested.*

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 re-appoint Craig DeBrew and Larry Hamrick, Jr. to serve as members of this board*, for a four-year term, scheduled to conclude on June 30, 2027.

CLEVELAND COUNTY JURY COMMISSION

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, *to re-appoint Melissa Curtis to serve as a member of this board* for a two-year term, scheduled to conclude on June 30, 2025.

CLOSED SESSION

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Hardin and unanimously adopted by the Board, *to go into closed session per North Carolina General Statute § 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee and per North Carolina General Statute §143-318.11(a)(4) to discuss economic development matters relating to the location or expansion of industries or other businesses in the area served by the Cleveland County, including agreement on a tentative list of economic development incentives that may be offered by the County in negotiations.* (Copy of closed session Minutes are sealed and found in the Closed Session Minute Book).

RECONVENE IN REGULAR SESSION

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, *reconvene in open session.*

Chairman Gordon stated, “Regarding North Carolina General Statute § 143-318.11(a)(6) to discuss employee qualifications, no action was taken. Regarding North Carolina General Statute §143-318.11(a)(4) to discuss economic development matters, no action was taken.”

ADJOURN

There being no further business to come before the Board at this time, Commissioner Bridges made a motion, seconded by Commissioner Hutchins and unanimously adopted by the Board, *to adjourn.* The next meeting of the Commission is scheduled for **Tuesday, June 6, 2023** at **6:00 pm** in the Commissioners’ Chambers.

Kevin Gordon, Chairman
Cleveland County Board of Commissioners

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