



Cleveland County

NORTH CAROLINA

Cleveland County Manager's Budget Message Fiscal Year 2019-2020

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INTRODUCTION

Long range financial planning in Cleveland County brings together the major components of the County budget: General Government, Health & Human Services, Solid Waste and the Capital Improvement Plan. It is a critical process for the County's AA+ bond ratings and creates the framework for the annual budget development process. For FY 19-20, this budget supports both the Board of Commissioner's and communities top service priorities, while responding to the many operating and capital needs of our organization.

Over the past three (3) fiscal years the County has taken large steps forward in comprehensive financial modeling by drafting a formal Five-Year Financial Capital Improvement Plan. This plan has been a valuable tool for taking a long-term look at the County's revenue and expenditure picture. The County believes it is beneficial to focus on balancing current year operations with out-year known capital and deferred maintenance. Planning beyond the Annual Budget to include a multi-year outlook has provided a more helpful framework for decision making on major financial issues.

Long range financial planning and the adopted FY19 Operating and Capital Budget recognized the cumulative impacts of community and Board aspirations along with managing inflated internal and external customer expectations. The national economic recession between 2008-2014, which saw increasing unemployment, negative revenue growths, and shrinking gross domestic product (GDP) trends, led to a season of operational stagnation by the County. That unintentional inactivity led to a pent-up demand of service improvements, operational needs and capital investment.

Although the FY19 budget acknowledged the resurgence of economic vitality at the state, national, and international levels, it was imperative to manage the inflated level of expectation that was created as a result of the economic recession. This intentional approach employed responsible strategies that helped buffer the County from potential economic turbulence. It set a financial course for Cleveland County to address operational needs, maximize transformation, sustain a quality organization, and make strategic investments that included a facilities master plan, community revitalization projects, and implementation of a modern and sustainable employee pay plan.

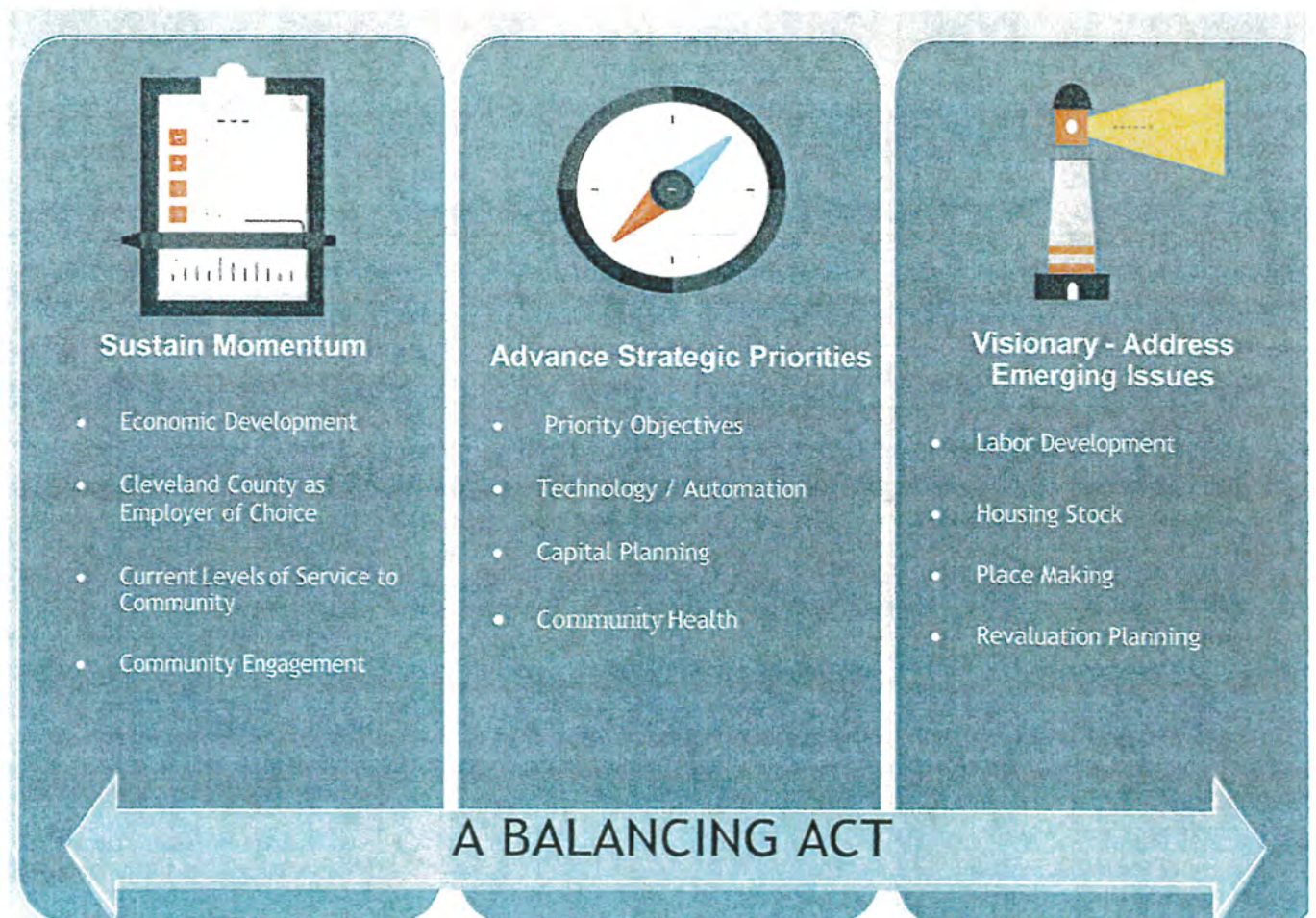
The recommended FY20 balanced budget focuses on delivering tangible results in an evolving landscape. With this recommended plan, we propose to remain focused on the path we set out on in FY19, maintaining the momentum achieved towards advancing the strategic plan, and positioning ourselves to successfully address emerging community needs not yet captured in the strategic plan.

The framework for decision making was directed by the Board's strategic goals and reflects our work in priority-based budgeting and the strategic use of one-time money to advance priorities and avoid creating future obligations.

The County's initial five year capital improvement plan is attached as part of the comprehensive financial planning package. This package will be updated annually and presented to the Board of Commissioners to set the tone of the upcoming budget season.

BALANCING THE BUDGET ACROSS THREE AREAS

The County's Balanced Budget Plan is a basic foundation that is to be built upon the Board of Commissioner direction. The foundation focuses on continuing to balance the budget across three main areas- sustaining momentum, advancing strategic priorities, anticipating emerging issues and identifying available resources that can deliver tangible results with no tax rate increase. Cleveland County's tax rate has not increased in over two decades. The budget is shaped by priority driven budgeting with a clear focus on strategic priorities that were developed through Board of Commissioners and community dialogue.



1. Sustaining Momentum

- Economic Development
 - Continue ongoing funding for Economic Opportunities Fund
 - Funding to support the Arts and Culture initiative
- Cleveland County Employer of Choice
 - Organization Culture
 - Compensation and benefits
- High Service levels for the Community
 - Support for education, public safety, & internal services
 - Support for capital program (including debt service)
- Community Engagement
 - Rebranding & social media momentum
 - Community services

2. Advancing strategic priorities

- Commissioner Strategic Plan
 - Job Creation / Work Force / Talent Development
 - County Health Rankings
 - County Clean-up Initiative
 - Public Safety Support
- Technology / Automation
 - Cleveland County Software Upgrade
 - Customer Service Enhancements
- Capital Planning
 - County Capital Infrastructure Investment
 - Master Facility Plan Implementation
- Community Health
 - Support for transportation-related initiatives
 - Support for community prosperity

3. Addressing emerging issues

- Labor Development
 - Work Force Development / Talent Attraction
 - Aging/Changing workforce
- Housing Study
 - County Wide Housing Market Study
- Place Making
 - Destination Community
 - 2021 Revaluation

Two of the emerging issues the county will be focusing on in FY20 is labor development and placemaking. Over the next three years nearly half of Department Heads in Cleveland County will be retiring. Finding and acquiring talented team members and hanging onto them is one of the major responsibilities of managers and department heads. Organizations need to better attract, retain and grow talent in today's environment by remembering these key points.

- Employees of all ages seek meaning and purpose in their work. Local governments have a major advantage over the private sector.
- Public agencies can no longer rely on stealing from other agencies; we need to grow our own talent.
- Successfully attracting and retaining talent is more about culture than money. Local governments must be more innovative and flexible.
- In order to be successful in recruiting, local governments must have more advanced hiring processes that can entice applicants.
- Employees have a desire for more flexible work schedules. We must meet those needs without compromising service delivery expectations.

Cleveland County must be intentional in our hiring processes. A company is only as good as its people. It costs an average of five times their yearly salary just to go through the first year of training and employment.

The unemployment rate in Cleveland County has been steady around 4%. Labor development has become increasingly important not only to Cleveland County Government but to companies across the county. One strategy that is becoming nationally recognized is "placemaking". Placemaking is a community and economic development strategy that attempts to capitalize on existing local assets in order to create appealing and unique places where people want to live, work and play. The most common types of development efforts include creation of open spaces, trails, and efforts to become more bicycle and pedestrian friendly. Using placemaking as an economic development strategy; creating a vibrant downtown, neighborhoods or public spaces and improving a community's quality of life draws talented workers to move to these communities which then will attract new businesses to the area. The FY20 budget has included several placemaking efforts to assist with addressing these emerging issues.

FY 19-20 OVERVIEW

Budgeted Revenues

Cleveland County continues to work to diversify its revenue sources in an effort to reduce the County's reliance on property tax. As we saw, the national economic recession between 2008-2014 led to negative revenue growths. It is critical for the county to continue to look at county revenues long term.



Ad Valorem Tax

Revenue in FY19 is expected to come in very close to the budgeted level. The forecasted FY20 amount is 5.12% greater. The total projected tax base for the FY20 budget is \$9,208,647,967. This is a projected increase of \$448,790,632 in value when compared to the previous year. Essentially all of the property value growth is derived from the development of Clearwater Paper and continued build out of NTE, a power generating company in Kings Mountain. This translates to a projected net new revenue amount of \$2,250,00 when calculated using a 57-cent tax rate and a 98% tax collection rate.

Sales Tax

Since 2015 Cleveland County has experienced substantial growth in sales tax. This is due to several reasons including legislation distribution changes as well as a more robust local economy. This time period has also experienced several economic development industry expansions which provide a “one time” sales tax revenue boost. For the FY20 budget, the revenue team has recommended a 2.17% budgeted increase which equates to approximately \$250,000.

Occupancy Tax

This revenue number reflects the strong growth that occurred in travel and tourism over the past 24 months. Since 2015, occupancy tax revenues have increased 40%. In FY19, Cleveland County created a Travel and Tourism department in an effort to further promote Cleveland County as a destination community and continue the positive momentum underway. During FY20, the County will develop a strategic plan to determine the target market. The FY20 budgeted revenue projection for occupancy tax is \$375,000.

Landfill Fees

A Solid Waste fee schedule was presented in January, 2013, as part of the 10-year Solid Waste Management Plan. In the FY 13-14 budget, Commissioners approved the implementation of the recommended multi-year fee schedule. Phase I was implemented in FY13-14 and phase II is included in FY17-18 recommended budget. The FY 9-20 Solid Waste fee schedule is found below:

Current Household Fees	6% Increase in FY 19-20	
		\$10.94
		\$22.05
		\$36.80
		\$73.61
Current Tipping Fees	15% Increase in FY 19-20	
Solid Waste	\$47.15/Ton + \$2.00 Tax	\$49.15
C & D	\$25.85/Ton + \$2.00 Tax	\$27.85
Wooden Pallets		\$28.90
Fiberglass	\$17.00/Ton + \$2.00 Tax	\$19.00
Sludge/Alum Sludge	\$47.15/Ton + \$2.00 Sludge Fee	\$49.15
SLUDGE FEE	\$2.00 per ton	\$2.00
Mobile Homes		\$304.18
Yard Waste/Leaves		\$22.82
Mulch		\$10.00
Stumps		\$28.90
Friable Asbestos	\$47.15/Ton + \$2.00 Tax	\$49.15
Surcharge/Asbestos		\$150.00
Non-Friable Asbestos (Solid)	\$25.85/Ton + \$2.00 Tax	\$27.85
Dead Animals		\$1.52
Fowl		\$47.15
Livestock		\$7.60
Tires (Normal Course of Business)		\$0.00
Non-Documented Tires		\$152.09
S/W CVII (E-Waste Discount)	\$31.43/ton + \$2.00 Tax	\$33.43

Inspection Fees

Inspection fee revenues have increased over the last few years following the resurgence of the economy. We anticipate fees will return to a more normalized rate in the coming years. As such, in FY20, inspection fee revenue is projected to increase slightly. The FY20 budget has a measured estimate of \$190,000.

Investment Income

Investment income is a barometer of strategic use of un-allocated resources. The county's investment team is constantly evaluating 60, 90, & 120 day cash flow needs in order to maximize the investment portfolio. As a result of strategic management and increasing rates, investment income has grown approximately 500% since 2014. The FY20 budget reflects a budget increase of \$325,000 for a total revenue estimate of \$650,000.

Federal Revenues

In FY20, Federal revenues are currently projected to be 9.5% over the amount included in the FY19 Budget. Projected increase in FY20 is reflective of the actual revenues received in FY19, which came in above the budgeted FY19 amount, due to an increase in the Department of Social Services caseload and an increase in the Federal reimbursement rates.

Budgeted Expenses

Health & Human Services

The overall appropriation of local funding for the Department of Social Services will be \$8,146,692. This represents an increase from the prior year of \$414,070 and a cumulative decrease of 2.5% over the last five years. The current year increase is entirely tied to employee compensation and wellness investments. Several key changes are reflected in the FY20 budget including continuation of NC Fast implementation, State management of Medicaid Transportation and State management of Childcare Services. Cleveland County DSS employs approximately 220 FTEs which equates to approximately 25% of the County workforce.

The overall appropriation of local funding for the Department of Public Health will be \$3,953,656. This represents an increase from the prior year of \$442,380, but a cumulative decrease since 2014 of approximately \$250,000. The increase in the FY20 budget is due to investments into employee compensation and wellness – along with conservative revenue estimates in anticipation of Medicaid transformation and managed care beginning in November 2019. The Public Health Department continues to lead the charge on improving the County health ranking and educating citizens on the importance of community wellness. The Public Health Department has approximately 160 FTEs.

Operational Highlights

The Cleveland County Register of Deeds (ROD), Betsy Harnage, began processing and administering

passport applications during FY19. This is only being done in a few Registers offices across the State and we applaud the team for offering a new service to the Citizens of Cleveland County. This service is being offered as a result of the hard work and innovative ideas of the ROD. This new service required very small capital improvements to the existing office, and a marginal increase in the operational and part time budget. During FY19, the Register of Deeds processed passports which resulted in \$15,000 in revenue. This number will be rolled over into next years budget.

The Human Resources Department continues to work to support an atmosphere that promotes work place engagement, employee wellness, and high performing culture. Included in the FY 19 budget is continued funding of \$30,000 to provided effective supervisory training, diversity training, and workplace harassment training. In FY19, the Board of Commissioners approved updates to Articles I, II and III of the county's personnel ordinance. In FY20, the Human Resources Department will be focusing on Articles IV, VII, VIII, IX.

Employee Benefits

Cleveland County strives to be an employer of choice. On average, employees receive a benefit package that represents 25-35% of their total annual salary. We are very excited to include, as part of the FY20 budget, a one and a half percent (1.5%) cost of living adjustment as well as an additional half percent (.5%) compression relief adjustment for a total of two percent (2%). Also included in the FY20 budget is a three percent (3.0%) market adjustment for all Sheriff's Office employees. This totals an additional \$1,315,000 in employee compensation.

County Governments across the State are reporting average health care cost increases of 15-20% for Employee Health Insurance. Included in the FY20 budget is an 8% employer increase in health care premiums. Monthly premiums per employee will be increased from \$835 - \$900, at no cost to the employee. This increase has an organization cost of \$700,000 which will be absorbed by the County General Fund. Our team is pleased with the continued momentum of managing our health costs with offsetting investments into our workforce.

One area of opportunity in our Wellness Program is in spousal and dependent coverage. Since 2014, dependent claims as a percentage of the overall health plan have increased from 16% to 35%. This is partly attributed to an increase in the number of covered lives which is indicative of the robust health plan the county offers. It is also attributed to some unavoidable high cost claims. For the ninth year in a row we have budgeted flat dependent and family rates. During FY20, Cleveland County will be conducting a Spousal and Dependent Audit. These audits are a best practice used by organizations nationally and locally to ensure compliance with regulatory requirements and to help control the cost of benefits for everyone. The purpose is to ensure those dependents on the health plan are eligible per regulatory requirements.

Cleveland County will continue to offer the Education Assistance program to employees. Since its inception in 2016, an average of 17 employees per year have participated in this professional development opportunity. The Education Assistance program is available to fulltime employees with one year of service and will reimburse up to \$1200 annually for tuition for both graduate and undergraduate, work related coursework.

COMMISSIONERS STRATEGIC GOALS

Strategic planning is used to set priorities and focus energy and resources to move an organization towards its vision. Cleveland County has used strategic planning for many years to inform policy development and financial decision-making and achieve the community desires and values articulated in the County's Strategic Plan. The FY19-20 Commissioner Strategic Plan is comprised of five (5) focus areas and then further defined with specific goals and objectives.

- 1.) Economic Development
- 2.) Citizen Engagement
- 3.) Public Safety
- 4.) Community Wellness
- 5.) Fiscal Sustainability

Focus Area – Economic Development

Cleveland County Commissioners continue to see the importance of Economic Development and the recruitment of industry. Work force development continues to be a primary focus for long range success. During the FY20 fiscal year, the Board of Commissioners will continue to partner with Cleveland County Schools and Cleveland Community College to promote dual tract with a focus on modern manufacturing. During FY20, Cleveland County Schools will be rolling out a Trade Skills Training program. This program will allow for high school students to receive training for skills such as HVAC, plumbing and electrical at the Community College. Also in FY20, Cleveland County will be rolling out Accelerate Cleveland. Accelerate Cleveland is a workforce development strategy targeting the underemployed, those who are currently working but making less than a living wage. This project will be funded through a partnership with Cleveland County, Cleveland Community College and six manufacturing industries in Cleveland County.

The Board of Commissioners have also placed a high priority on assisting the agricultural community in their efforts. Included in the FY20 budget is the continued support for the small business incentive program, continued funding of North Carolina Cooperative Extension, funding for the Farmers Market Manager and the continuation of grant support to assist local farmers.

The cleanup and development of Dover Mill was completed in FY19. During FY19, Phase I of a Highest and Best Use study was also completed. The Phase I study recommended a mixed-use development which would include housing and flex space. The Commissioners continue to be very strategic in their decision making. To assist them with determining direction for this historical property, included in the FY20 budget is funding of a Housing Market Study to determine the housing needs across all markets in Cleveland County over the next five years.

Focus Area – Public Safety

The total public safety budget for Cleveland County in the FY20 budget is \$24,447,808 and includes the Sheriff's Department, Detention Facility, EMS, Emergency Management, and E-911 communications. The County Commissioners commitment to public safety investment is most evident when analyzed over time. In 2015, this budget was \$19,608,050– the increase of \$4,839,758 has been more than any other

function of County government and has supplanted in matching the funding levels of other similar North Carolina Counties.

Included in the FY19 budget was the addition of five (5) new positions in the Detention Center. Continued momentum for public safety is a priority. Included in the FY20 budget is the addition of three (3) new positions at the Detention Facility. These additions in the Detention Center year-two of a three-year staffing plan. Turnover in the Detention Center has decreased from 36% to 8% since 2016.

Included in the FY19 budget was allocation of one-time capital for the preliminary due diligence for a Jail Expansion. Included in FY20 budget is funding for a Court Study. Study of the Courthouse building was recommended as part of the 2017 Facility Master Plan.

In FY20, Cleveland County EMS and Emergency Management will be moving to the former American Red Cross building to free up space in the courthouse. The building was purchased from the Red Cross and has been renovated to house these departments. Also housed in this building will be Building Inspections and Planning and Zoning. The American Red Cross will continue to have a presence in the building.

The Cleveland County Sheriff's Department reflects a total annual appropriation of \$15,400,152. This reflects salaries, operations and capital for the Sheriff's Department, Detention Facilities, and School Resource Officers. Of that total, \$756,000 is dedicated to capital asset replacement in the Sheriff's Office and Detention Center. Cleveland County EMS has a capital budget of \$480,000. This funding will include one new ambulance as well as the remounting of an existing ambulance.

The Board of Commissioners continue to support the outstanding efforts of the County's Animal Services Department. In 2012, the total number of annual euthanized animals was 4,500. In 2018, that number was reduced to 300. During FY20, Cleveland County has budgeted for a consultant to review and update policies and procedures for Animal Shelter. Also in FY20, a committee will review and recommend changes to existing Animal Ordinances in Cleveland County.

Focus Area – Community Wellness

FY20 will be the second year the Cleveland County Board of Commissioners are including a Community Wellness Focus Area as part of their strategic plan. Community Wellness is an inclusive focus area that navigates based on improving the following:

- 1.) County Health Rankings
- 2.) Social Determinants of Health
- 3.) Access to Physical Activity and Health Promotions

The Commissioners have identified several key initiatives specific to promoting and improving community wellness including an intentional focus on actively engaging in the fight against the opioid epidemic, continued momentum of the "*Partnering for Community Prosperity*" project. The key focus areas identified for the group are as follows:

- Access to education and training to obtain and keep a living wage job;
- Access to reasonable transportation;
- Children arriving to school healthy and ready to learn;
- Bringing physical and behavioral healthcare into the community in a “safe” way;
- Access to safe and affordable housing;
- Access to affordable and healthy food;
- Breaking the cycle of trauma and intergenerational poverty and dependency by creating another pathway for the next generation.

Highlights of their work over the last several years has included: Graham Elementary students exposure to college through a partnership with Gardner Webb University, faith based volunteers embedded in Graham Elementary, and a 3rd grade cohort with trained mentors to assist with pre and post tests for academics and emotional well-being. Included in the FY20 budget is an appropriation to continue year three of the West End Reach transportation project. Staff continues to see an increase in ridership with an average of 20 riders per day on the transportation route that serves West Shelby. Also included in FY20 budget is expansion of the Telemedicine project. In FY20, telemedicine will be expanding to North and East Elementary schools and Kings Mountain Intermediate for a total of seven schools being served.

The FY20 budget includes continued support of wellness opportunities including the Kings Mountain Gateway Trail and the Broad River Greenway. With over 160,000 visitors per year and 20 miles of trail. As a placemaking strategy, the Board of Commissioners have a vision for Cleveland County to continue the partnership with the City of Shelby to examine the possibility of creating a Rail Trail which would run from the City of Shelby to the South Carolina line through many small Cleveland County municipalities. This is an unfunded priority at this time.

Focus Area – Citizen Engagement

In the FY19 budget, the County re-classified a vacant position into a Public Information Officer. Projects included, update of the County’s website as well as increased citizen communication. In FY19, the number of impressions on Social Media increased from 45,000 to 1,600,000. Included in FY20 the Public Information Officer will focus on assisting the Foothills Shooting Complex and the LeGrand Center further their marketing efforts as well as creating a Social Media policy and a Crisis Communications plan.

The Foothills Public Shooting Complex will be undergoing an expansion in FY20. The expansion will include an additional 104 acres of skeet, trap and five stand fields at the Foothills Shooting Complex. This expansion will allow the complex to host local, state, national and international shooting sports competitions. The capital for this project will be paid by the North Carolina Wildlife Commission (up to \$487,000). Cleveland County will make an in-kind contribution toward this project of land and grading of the expansion site.

Cleveland County is home to fifteen (15) municipal governments, which is one of the highest numbers of any County in the State. Each of these municipal partners are vital to providing the highest level of

government services to the citizens of Cleveland County. The Board of Commissioners recognize the importance of supporting these municipalities while maintaining a balance with a multitude of other competing interests, social responsibilities and statutory duties. To help facilitate long-term sustainability, we will continue the municipal grant program as part of the FY20 budget. The program will allocate \$60,000 on an annual basis that would be distributed to Cleveland County municipalities through a competitive application that is analyzed based on competing interest and Strategic Plan alignment annually through the County's budget process. This \$60,000 allocation will be divided among the towns of Waco, Earl, Boiling Springs and Lawndale.

Included in the FY20 budget is funding for a land-use plan. In 1995, Cleveland County developed a 10-year Land Use Plan which was then updated in 2005. The landscape of land-use has changed over the last 20 years in Cleveland County. In developing a plan, the most important item is assuring that the community has ownership in the end product. A public participation process will identify a community's preferences and can serve as a means to refine goals and objectives and ensure that Plan implementation measures address these issues. This Land Use Plan will be assembled with significant involvement and input from the general public.

Focus Area – Fiscal Sustainability

I began serving Cleveland County as Finance Director in 2014, at that time the County's fund balance was 14.6%. It has been a continued goal of the County Commissioners to increase the County's fund balance to between 18-20%. Primarily due to intentional budget management, service re-design, and expenditure re-engineering, fund balance at the end of FY19 will be 18%.

Cleveland County Government is committed to the fundamental principles of a *High Performing Organization* (HPO). One of the essential functions of an HPO is continuous self-reflection and rethinking of all activities and programs. One of our continued focuses is maintaining an innovative mindset of public service entrepreneurship. Our rethinking initiatives have resulted in identifying those projects, services, and business relationships that needed strengthening and those that needed abolishing. Our team of department leaders and budget managers have exceeded expectations over the past 4 budgets – in 2014 the County had an overall General Fund Budget of \$113,583,738 and the total appropriation for FY20 is approximately \$116,852,885. Since that period, we have:

1. Increased staff salaries on average more than 20%
2. Decreased employee turnover by an average of 15%
3. Improved all aspects of the employee health plan
4. Created employee tuition reimbursement plans
5. Developed a 20-year Master Facility Plan
6. Increased public school funding

Our team is also pleased with the success of our long term and prudent fiscal planning. Included as an attachment of the FY20 budget is a formal 5-year Capital Improvement Plan. The plan is intended to plan for emerging issues and upcoming capital needs (which are conceived from our Facility Planning and Long Term Operational Strategies) and align those needs with proper funding resources. This type of policy direction and support from the Board of Commissioners is greatly appreciated by staff and recognized as true fiscal sustainability. The County recently received a bond rating upgrade from

S&P/Moody's and is now AA+, which ranks in the top 15% of all Counties in the State.

Debt service management is another vital part of long term planning and sustainability. The County has approximately \$60,000,000 in outstanding debt obligations; however, due to strategic management and innovative planning the County General Fund is only responsible for paying 37% of that amount. That represents approximately 3.29 cents of the County's 57 cent tax rate. The remaining 63% of the debt is serviced from other Federal, State, and Local funding sources. Currently over 80% of the County's debt will be completely liquidated over the next 10 years.

RECOMMENDED FY 2020 STAFFING PLAN

Cleveland County currently employs more employees than the average county based on population.



In an effort to manage the human capital, the County administrative leadership team has incorporated four points of emphasis for the upcoming fiscal year.

- A.) Position Justification – A formal and data driven review of each vacant position in the organization as it is vacated. The review includes analyzing the potential for cross departmental sharing, technology savings and attrition.
- B.) Position Re-Classification - This represents an intentional effort to maximize each FTE position within County government. Our team recognizes that business and service delivery expectations change and that our team should look for opportunities to align current resources with the most appropriate need.
- C.) Substantial Equivalency – Substantial equivalency is the process of converting State defined staffing classifications into a local classification. This is a developing trend across the State and recognizes that County government is much more nimble and effective when we are adaptable to local needs.
- D.) Other Force Reduction Strategies- In the FY20 budget, the county will look for other innovative ways to be efficient in managing the FTE positions in Cleveland County.

Included in the annual appropriation is the addition of three (3) additional FTEs at the Detention Center at an approximate cost of \$138,000. The additional FTEs are a product of a professional staffing analysis that is founded on standards from the “institute of corrections”. This staffing recommendation also considers the possibility of co-locating both of Cleveland County’s jails in the future.

PUBLIC SCHOOLS AND VOLUNTEER FIRE DEPARTMENTS

Cleveland County Schools

The Cleveland County Schools budget allocation totals \$30,267,648 which equates to \$2,017 per pupil an increase of \$42 per pupil from last fiscal year. Projected local funding, at \$2,017 per pupil, would place Cleveland County Schools in the top half of 118 LEAs in NC. Included in this total allocation is capital outlay of \$2,850,000 which is consistent with the prior year.

Property Tax Revenue	\$ 13,467,648
Sales Tax Revenue	\$ 3,700,000
Local Operational Appropriation	\$ 10,250,000
Local Capital Appropriation	\$ 1,400,000
Sales Tax Capital Appropriation	<u>\$ 1,450,000</u>
Total	\$ 30,267,648

Cleveland Community College

The Community College allocation for the FY20 budget is \$2,283,872. This includes an increase of \$150,000 over last years budget. The County continues to partner with the Community College in workforce development efforts including the innovative Accelerate Cleveland project which will be launched in FY20. Cleveland Community College ranks 54 out of 58 community colleges in local funding. Staff has worked closely with the Community College to develop a five-year funding plan to align Cleveland Community College with the state average.

In the FY20 budget, Cleveland Community College will create a Culinary Program as part of their course offerings. Cleveland Community College will be partnering with Cleveland County for use of the commercial kitchen in the LeGrand Center. The LeGrand Center kitchen will be used as lab space for the program.

Cleveland County VFD

The County Fire Service Districts tax rate will remain the same with a consistent rate of 8.75 cents per \$100 of property valuation for all County Fire Districts. The tax rate provides all funding including part time personnel, operations and capital for all 12 fire districts in Cleveland County. The budget team has worked closely with the County Fire Commission to forecast future needs and ensure appropriate resources are distributed to ensure proper coverage limits for Cleveland County citizens.

CONCLUSION

The 2019-2020 Fiscal Year Budget will continue to provide our residents, families, and guests with a full scope of high-quality services. All signs in the community are continuing to trend in a very positive direction from both a macro-economic and community service perspective. It is truly a very exciting and transformational time for Cleveland County.

We are facing new challenges in the organization and in the community in 2019 that are very different than ten years ago. Our economic indicators such as unemployment, sales tax revenue and occupancy tax have maintained momentum, along with the growth of the national economy. These economic stabilizers have connected with the strategic economic development roots that were planted by Cleveland County Commissioners during the recession and are beginning to provide unprecedented opportunity; however, it also creates very unique complexities and challenges. Our executive leadership team is aware and very cognizant of the responsibility that comes with opportunity and is excited about what the future offers for Cleveland County and its' citizens. Cleveland County Government experienced eight to ten years of economic suppression from, 2005 – 2014, which created pent up demand in most areas of County government including human capital, information technology/automation, and deferred building maintenance. Our executive leadership is indebted to the Board of Commissioners for recognizing these needs and allowing staff to develop action plans that address these areas. This again adds to the excitement and buzz in the organization.

Once again, I would like to thank our Commissioners for their vision and direction through this process and all the hard work of our Department Heads and staff. With the effective work of our Finance Department and that of each Department, the County is operating with a clear plan of maintaining fiscal strength and stability. This Budget will allow Cleveland County to continue its quality of life as a thriving and safe community that cherishes its location, maximizes and creates opportunity and evolves to meet the continuous challenges that success brings.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Epley', with a long horizontal flourish extending to the right.

Brian C. Epley
County Manager