

Cleveland County Board of Commissioners
February 15, 2016:

The Cleveland County Board of Commissioners met in a special work session on Monday, February 15th at 1:00 p.m. in the R. Lane Alexander Conference Room at the Cleveland County Administrative Office.

PRESENT: Jason Falls, Chairman
Eddie Holbrook, Vice-Chairman
Susan Allen, Commissioner
Ronnie Hawkins, Commissioner
Johnny Hutchins, Commissioner
Jeff Richardson, County Manager
Andrea Leslie-Fite, Assistant County Attorney
Henry Earle, Clerk
Kerri Melton, Community Services Director
Brian Epley, Finance Director
Allison Mauney, Human Resources Director
Chris Green, Tax Administrator
Kristin Reese, Economic Development Director

CALL TO ORDER

Chairman Jason Falls called the meeting to order and determined a quorum.

STRATEGIC PLAN UPDATE

Kerri Melton began by discussing the current strategic plan and what had been accomplished.

- In the area of public safety, cameras and magnetic locks had been installed in the county administration building, as well as installed card access. Additional lighting was installed at the library and there would be a full time security presence at the new health and human service campus. Also at the second meeting in March the Commissioners will hear a strategic plan for Volunteer Fire Departments in Cleveland County.
- Community Education and Outreach: Staff has done a lot of work to get the range open by April of this year. The Veteran's Support Services department has created a food pantry and made hygiene bags as well as marketed themselves heavily at the World Series. We created the Cleveland Connection Magazine and are partnering with the UNC-MPA program and letting them help us rebrand ourselves.
- Economic Development: Brian Epley, Finance Director, spoke. Corporate recruitment and growing the tax base, the top 6 are Clearwater, AT&T, Disney, Duke Energy, Southern Power and T5. To offer the same level of service to our citizens if we did not have these companies it would have to be raised 5.2 cents. The expansions will lead to about 5 million per year over time. Kristen Reese then spoke. She said the County captured close to 8 million in unannounced projects and expansions that were not incentivized. The county has been ranked #5 in micropolitan ranking. Within the next few years we will begin to see significant roll off for taxable incentives which will help us see more money. Commissioner Hutchins said that he thinks the county should be putting money back for incentive programs, perhaps around 5%. Resources have been allocated to CCC for workforce development.
- Fiscal Sustainability: A multi-year pay plan was created, moving everyone up 2.4% and a lump sum of 3% was given to employees as well for a \$1.8 million investment. The goal was to get the fund balance between

18-20% and as of July 1st the balance is projected to be at 18.3%, with each percentage point being about \$1 million. The RFQ has been drafted for a facilities master plan, and other priorities were the in house liability fund, negotiation of banking contract and \$500k in re-engineering idea implementation.

- From the staff's perspective having strategic goals allows us to work on strategic planning and not being all over the place and hopefully the bi-weekly update is helpful as well.

BUDGET FORECAST

County Manager Richardson stated that before the Commissioners were going to see the budget forecast for the upcoming year, which could help them decide their goals and objectives for the coming year. Challenges and opportunities for 2016-2017 are revaluation employee compensation, Medicaid cost settlement and healthcare inflation of nearly \$500,000. With revaluation, there is a net decrease of 3.6% for a general fund revenue loss of \$1.6 million. To be revenue neutral, the county must recuperate the 2 cents lost, moving from 57 cents to 59 cents. Commissioners quickly stated that they wanted to keep the rate at 57 cents and did not want to raise taxes. Proceeding then at 57 cents some reengineering would need to happen and departments have been told to look at overlap in services and ways to save money. Manager Richardson said they will start looking at overlaps and inefficiencies, but it can be difficult because the organizational culture, to this point, has not been one of efficiency. So the budget challenges will be 1.6 million in revaluation loss, 500k in health insurance premiums, and unknown challenges in capital planning, employee compensation and volunteer fire department strategic planning. Commission Hawkins asked about employee compensation. Manager Richardson said that is what he will do last as his part to balance the budget. Known opportunities at the time are 900k in sales tax, 100k in incentive roll offs, and 200k in debt service reduction so at least 1.2 million in new money. All in all about a \$1 million shortfall.

PRIORITIZATION OF STRATEGIC GOALS

Chairman Falls instructed Commissioners that they were going to go through their current list of goals and mark off ones that they did not need and what they wanted to add to the list. New goals added to the list were:

- Small business incentives grants for retail businesses
- Creation and Implementation of commercial dilapidated buildings ordinance
- Partnering with Cleveland Community College on Phase 2 of the Shooting Range
- Dialogue with municipal/organizational leadership so as to know municipal needs
- Expansion of internet access throughout the county
- Explore revenue opportunities to lessen the stress of property tax revenues
- Form partnership with the City of Shelby, KM and DOT to do beautification on highway 74
- Continued partnership and support between county departments

Commissioners then put stickers on their goals and priorities for the coming year. Items receiving either 5 or 6 stickers (making them highest priority) include:

- Pay plan stabilization
- Shooting range education center
- Volunteer Fire Department funding and planning
- Small business incentive grants
- Exploring revenue options to lessen property tax revenue needs
- Partnering with municipalities and DOT for highway 74 beautification

Chairman Falls reminded Commissioners that there are workforce and monetary constraints so the county will not be able to engage in every activity the Commissioners want to engage in, thus necessitating the need for strategic planning. Commissioner Falls asked for staff to prepare a document to outline the goals for the year that were chosen.

BUDGETARY DIRECTION

County Manager Richardson said that departments were submitting capital requests and operating budgets that will be due on February 26th. After that happens detailed discussions will begin to happen with departments to look at reengineering opportunities and be ready to share budget information in May.

ADJOURNMENT

Chairman Falls entertained a motion to adjourn. The motion was made by Commissioner Hawkins, seconded by Commissioner Hutchins and unanimously approved by the Board. The next regularly scheduled meeting of the Cleveland County Board of Commissioners will be on Tuesday, February 16th, 2016 at 6:00 p.m. in the Commissioner's Chamber.