

CLEVELAND COUNTY BOARD OF COMMISSIONERS

April 12, 2007

The Cleveland County Board of Commissioners reconvened their recessed session of April 3, 2007 on this date, at the hour of 9:00 a.m., in the Commission Chamber of the Cleveland County Administrative Offices for the purpose of conducting budget hearings.

PRESENT: Mary S. Accor, Chairwoman
Eddie Holbrook, Vice-Chairman
Jo Boggs, Commissioner
Ronald J. Hawkins, Commissioner (Excused 12:10 p.m.)
Johnny Hutchins, Commissioner
David C. Dear, County Manager
Kerri Melton, County Clerk
Eddie Bailes, Assistant County Manager
Chris Crepps, Finance Director
Cherish Wilson, The Star
Other individual names on file in the Clerk's Office

CALL TO ORDER

Chairwoman Mary S. Accor called the meeting to order.

CLEVELAND COMMUNITY COLLEGE

Tommy Greene, Vice President of Finance/Administrative Services, began by saying "Cleveland Community College has served Cleveland County for more than 40 years with higher education and workforce development programs. We feel that we are very responsive to meeting the needs of the county and we appreciate the past support that we have received from the County Commissioners." Mr. Greene presented his budget request to Commissioners. He shared the curriculum headcount information which shows that the student headcount has nearly doubled over the last sixteen years.

This growth has put a heavy strain on the budget. Cleveland Community College (CCC) ranks 27th in Community College Rank by FTE (Full-time equivalent 1 FTE = 16 credit hours). In 1990, CCC ranked 36th.

County funding over the last several years does not correlate with the growth that CCC has achieved. In 1998-1999, CCC received \$5.08 per square foot in county funding. In 2006-2007, CCC received only \$4.41 per square foot. In County funding per budgeted FTE, CCC ranks 58th out of 58 community colleges with a county funding per budgeted FTE of \$383. Statewide average county funding per budgeted FTE is \$890.10.

The 2006/2007 CCC county funding budget is expecting a \$40,467 shortage. In the 2007/2008 county budget request, Cleveland Community College is asking for an additional \$208,372 in operating budget and an additional \$25,000 in capital budget. Mr. Green explained the following funding priorities:

- Increase number of maintenance positions by one position
- Increase number of full-time security positions from one to two
- Increase number of housekeeping positions by one position
- Implement plans to address deferred maintenance projects

Mr. Greene also listed future repairs and renovation projects totaling \$915,000. These repairs have been passed on for a number of years due to budget constraints. Mr. Greene explained to Commissioners that these repairs will soon “have” to be completed.

CLEVELAND COUNTY SCHOOLS

Dr. Bruce Boyles introduced Chairman Dr. George Litton, Vice-Chairman Dr. Jack Hamrick, Board Member Tommy Greene and CCS Finance Director David Lee. He began by stating that the budget that the Commissioners have received is draft. The School Board has not “officially” adopted their budget.

Since merger, Cleveland County Schools has been appropriating fund balance in their budget. The current year budget has \$4.4 million dollars in fund balance appropriated. Dr. Boyles expects to spend a little more than half of that. He emphasized that the appropriation of the fund balance is a concern of his coming in as a new School Superintendent.

Total budget request for FY 2007/2008 is \$10,758,213. This means an increase of \$950,000 over the 2006/2007 budget. The projections received from the County Manager included a \$385,000 (1.47%) increase. Dr. Boyles noted that the \$385,000 increase would be the smallest increase in thirteen years. Dr. Boyles stated, “I will commit to you that we will work to find ways to make the budget process more efficient and our spending more efficient.”

Mr. Boyles told Commissioners that the schools will continue to focus on concerns such as teacher supplements to attract the best teachers and on equalizing salaries for lower paid staff members. Last year, the State of North Carolina mandated teacher salary increases totalling \$2.2 million dollars in local expenditures. That, and the inflationary increases in energy costs, have negatively affected the money that should have been saved through school merger. These factors are causing the schools to have an increasing budget.

One way the school system is becoming more efficient is reducing the central office staff. Since merger, there have been fifteen positions eliminated. Dr. Boyles believes that not having central office staff located in one central facility may be causing some inefficiencies. They are also creating some staffing goals within schools and trying to standardize allotments throughout the district.

On the capital side, Cleveland County Schools are working toward a long range strategic plan. When this is completed, they will discuss long-term capital needs with Commissioners.

CLEVELAND COUNTY CHAMBER (CLEVELAND COUNTY 20/20 ECONOMIC DEVELOPMENT PARTNERSHIP AND TRAVEL AND TOURISM)

Stuart Gilbert, Chamber President, began by introducing the Cleveland County Chamber Board of Directors and Chamber staff members. Mr. Gilbert thanked Commissioners for their extreme leadership over the past four years.

Mr. Gilbert made the comment, “Economic Development’s tremendous success this year was based on the vision that County Commissioners had four years ago followed by leadership, teamwork, unity and partnerships. We see this same opportunity moving forward now in Travel and Tourism.”

Mr. Gilbert then outlined his budget requesting the Board of Commissioners approve a \$20,000 increase from \$212,000 to \$232,000 for the Cleveland County 20/20 Partnership. Primarily, these funds would be used for temporary salary support, professional training, marketing and networking.

Mr. Gilbert requested that County Commissioners simply maintain the funding that is currently in place in the area of Travel and Tourism. This would include the \$50,000 currently budgeted and a portion of the occupancy tax.

Mr. Gilbert introduced Jackie Sibley, Travel and Tourism Director. Ms. Sibley presented a chart that outlined the increase in Occupancy Tax over the last year. The additional advertising dollars being spent are making a very big impact on the occupancy tax collected. Ms. Sibley talked about the State Occupancy Tax Guidelines and expressed her desire that someday Commissioners may adopt these guidelines and use the Occupancy Tax for what it was originally designed for rather than to supplement the General Budget.

Ms. Sibley discussed challenge areas in Travel and Tourism. Those included the following:

- Limited Lodging
- Limited Venues for crowds
- Dining for large groups
- Information Resources

Stuart Gilbert then introduced Adelaide Craver, Chairwoman of the Cleveland 20/20 Economic Development Partnership. Ms. Craver thanked Chairwoman Accor for appointing Commissioner Hutchins to the Cleveland 20/20 Economic Development Partnership Board.

Ms. Craver introduced Dave Hart, VP of Economic Development. He began by saying, “The year 2006 was a great year for Cleveland County 20/20 Economic Development Partnership bringing over 1,000 jobs and \$70 million in investment to Cleveland County. We are off to a great start in 2007 with 470 jobs and over \$20 million in investment.”

This year, Cleveland County was ranked a Tier One county. Tier One means you get the most benefit for a new industry locating in your county (five employees = \$12,500 tax credit per employee). This ranking is done annually making us unsure of how long Cleveland County will be a Tier One county. Mr. Hart said, “We need to take advantage of this opportunity.”

The \$20,000 increase being requested by Cleveland County 20/20 Economic Development partnership would specifically be used to hire a consultant (Tim Waters) to update the sites and buildings with all the current information. The majority of economic development respects will look directly at the website for complete information before contacting the County.

Kristen Fletcher, Economic Development Associate, took a few moments to thank Commissioners for their support and explained the keys to successful economic development efforts.

SOCIAL SERVICES

Steve Padgett began speaking for the Department of Social Services by reading a message, “The one thing I have learned at DSS is that this department is a complex agency with 202 employees. Caseloads per employee are still among the highest in the state. Caseloads are slated to go from approximately 213 cases per employee to 231 per employee in the coming year. This year we are requesting additional staff to accommodate the nearly 4,300 additional projected caseloads.” The state and federal government has overburdened the employees with thousands of forms to be filled out. Mr. Padgett explained that there are many people in the county who need help. He listed a number of examples the services that DSS provide. He explained that the greatest need is medical assistance. Approximately 18.8% of the population of Cleveland County is eligible for Medicaid. In many instances, these peoples have jobs but cannot afford health insurance.

In order to decrease the DSS budget, you need to increase the number of jobs in the county, as well as increase the per capita income of many people who are already working. The 2007/2008 DSS budget shows a modest increase, considering how many more caseloads being projected.

John Wasson, Social Services Director, continued with the presentation from the Department. The proposed 2007/2008 Department of Social Services Budget shows an increase of \$395,877. The Department of Social Services is requesting the following positions be added for a total cost of \$34,099:

- Income Maintenance Caseworker II (two positions to be changed from temporary Income Maintenance Technicians)
- Temporary Income Maintenance Technician

The Department of Social Services also requested to contract with the Sheriff for a full-time deputy to deliver “show cause notices” to absent parents.

Mr. Wasson shared that DSS continues to be hit with unfunded mandates. The most recent unfunded mandates include:

- Requirement to register clients to vote
- Register minors for work permits
- Issue fishing license
- Federal government has cut back child support incentives

Recently, the State cut back on child support incentives. This cut is expected to cause a loss in revenue of approximately \$205,984.

Mr. Wasson presented Commissioners with an annual report listing how Department of Social Services money is spent (*copy found on Page _____ of Minute Book 29*).

Mr. Wasson also shared with Commissioners the need to address automation needs. The majority of Social Services clients are multiple users. In order to run a particular clients name and find out which services they are receiving, the caseworker needs to look up the clients name in every system. This process is very inefficient.

Commissioners commended Mr. Wasson and his staff for a job well done.

SHERIFF

Sheriff Hamrick presented his budget request to Commissioners. His request included an increase in the Sheriff's Part-time Salary/Wages account of \$20,000. With the recent state appointment of an additional District Court Judge, an additional Bailiff will be required for her court. Out-of-county transports have increased keeping officers on the road for 10-12 hours for a round trip. Part-time hours are also required to replace Detention personnel who are either out sick or on vacation.

Sheriff Hamrick requested the purchase of four Glock 21 handguns (\$1,976) and the purchase of twelve full-size vehicles with a police package (\$257,892). These vehicles would be used to replace high mileage vehicles that are requiring more than routine maintenance.

He requested the purchase of two additional Emergency Locator Systems and accessories from Federal Forfeited Property. This system will allow the Department to track individuals such as those with early dementia or Alzheimer's.

Sheriff Hamrick requested four additional full-time Detention Officers. With the increase in inmate population, these positions are requested in order to "provide our citizens with effective, professional service." Included under capital equipment were the purchase of a replacement intercom (\$15,000) and one Ford mini-van (including security cage and video equipment) for inmate transport (\$21,000).

Sheriff Hamrick discussed with Commissioners distributing standard rate increases at a full-step increase annually up to step 4 rather than the current 1/2-step annual increase. When standard rate increases were first introduced, they were distributed at a full-step up to step 4. This was a benefit used to recruit employees. It now takes seven years to get to step 4 where based on the previous pay plan, it

took only four. In 2006, the Sheriff's Department lost 11 deputies to higher paying jobs. "We must maintain competitive salaries, re-implementing the full-step would help in this effort." Sheriff Hamrick noted that employee retention was one of his top priorities.

HEALTH DEPARTMENT

Ms. Stallings began by saying "Public Health is what we as a society do collectively to assure the conditions in which people be healthy." Ms. Stallings reviewed and explained the budget through a power-point presentation including listing the overall Health Department budget changes:

- Animal Control Officer
- Animal Control Attendant (Animal Welfare Act) USDA Standards
- Medicine Cost Increases (Vaccines, Contraceptive Pills, etc.)
- Accreditation Expenses (IT Support Critical, Consultant)
- Workforce Development (Training costs, Travel)
- Decreased Carry-Over
- Environmental Health Position/Fee Changes

After explaining each item, Ms. Stallings stated, "The County request for FY 2007/2008 increases county dollars by \$156,056.00." Ms. Stallings explained the Health Department budget as follows:

- State and Federal grants: 2006/2007 budget \$1,515,771 (15.36%); 2007/2008 requested budget \$1,523,076 (14.45%)
- Medicaid: 2006/2007 budget \$3,134,110 (31.76%); 2007/2008 requested budget \$2,985,149 (28.33%)
- Grants/Fees/Medicare: 2006/2007 budget \$1,945,536 (19.71%); 2007/2008 requested budget \$2,599,454 (24.67%)
- County Funds: 2006/2007 budget \$3,274,010 (33.17%); 2007/2008 requested budget \$3,430,066 (32.55%)
- Total 2006/2007 budget \$9,869,427; 2007/2008 requested budget \$10,537,745

Solid Waste Program

- Solid Waste Disposal: 2006/2007 budget \$3,706,701; 2007/2008 requested budget \$3,644,550
- Manned Sites / Collections: 2006/2007 budget \$1,644,052; 2007/2008 requested budget \$1,736,445

Increased Cost Indicators 2006/2007

Solid Waste Disposal

- Fuel Costs
- Maintenance / Repair of equipment
- Professional Services (statewide sampling)

Manned Sites and Collections

- Fuel Costs
- Maintenance and repairs at Oak Grove and Mid-Pines
- (2) new replacement trash compactors
- Automotive supplies

Other discussion topics included a proposed industrial roll-off fee schedule. Ms. Stallings informed Commissioners that the proposed fee schedule is something that Commissioners can adopt. At their last meeting, the Cleveland County Board of Health adopted the fee schedule (*copy found on Page*

_____ of Minute Book 29). GDS rates are comparable to both Rutherford County and Catawba County.

EMS

Joe Lord, EMS Director, reviewed his proposed budget by line item, reviewing areas of increase such as: medicine supply, pharmacy costs and capital needs (including 2 new ambulances and one re-mount). Mr. Lord explained that his budget includes an increase in fees. There has not been an increase in fees in 4 or 5 years. He also explained that the majority of rescue squads are now billing for services. Between 80-90% of consumers have some sort of insurance coverage for ambulance transport. Mr. Lord said that the ability to collect has increased dramatically due to contracting of collection services.

COMMISSIONER RONALD HAWKINS: FORMALLY EXCUSED FROM REMAINDER OF MEETING

COUNTY MANAGER

David Dear, County Manager began by saying that department head requests did not figure in a 3% COLA increase or increases in health insurance. Total requests are \$4.5 million. Mr. Dear is expecting approximately \$1.5 million in new revenues this year.

“I think that we could cover a 3% COLA, but we also need to factor in the 2% increase that we approved for employees after the 2006/2007 budget was approved for a total of 5% COLA increase over last years budget.”

Mr. Dear told Commissioners that a long-term fix for the jail will need to be explored. This new facility will include the addition of sixty beds and will require the addition of at least four new positions.

In conclusion, Mr. Dear stated that he continues to be optimistic on the Medicaid relief situation and he continues to be hopeful on the Duke Power Cliffside Project.

RECESS TO RECONVENE UNTIL THURSDAY, APRIL 12TH, 1:30 p.m.

There being no further business to come before the Board at this time, Jo Boggs made the motion, seconded by Johnny Hutchins, and unanimously adopted by the Board, to recess (at 12:30 p.m.) to reconvene as the Board of Equalization and Review on *Thursday, April 12th, 1:30 a.m.* in this Commission Chamber.

*Mary S. Accor, Chairwoman
Cleveland County Board of Commissioners*

*Kerri Melton, County Clerk
Cleveland County Board of Commissioners*