

**CLEVELAND COUNTY BOARD OF COMMISSIONERS**

**June 18, 2013**

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

**PRESENT:** Ronnie Hawkins, Chairman  
Jason Falls, Vice-Chairman  
Susan Allen, Commissioner  
Johnny Hutchins, Commissioner  
Eddie Holbrook, Commissioner  
David Dear, Interim County Manager  
Bob Yelton, County Attorney  
Kerri Melton, County Clerk  
April Crotts, Deputy Clerk  
Chris Green, Tax Administrator  
Dorothea Wyant, Health Director  
Chris Crepps, Finance Director  
Dewey Cook, Emergency Management Director  
Allison Mauney, Human Resources Director  
Jessica Pickens, *The Shelby Star*  
Other individual names on file in the Clerk's Office

**VETERANS:** Ronnie Hawkins, Chairman  
Jason Falls, Vice-Chairman  
Johnny Hutchins, Commissioner  
Lynn Dean  
Michael Chrisawn

**CALL TO ORDER**

Chairman Hawkins called the meeting to order. Tax Administrator Chris Green led the audience in the "Pledge of Allegiance" to the flag of the United States of America and provided the invocation for the meeting.

**AGENDA ADOPTION**

**ACTION:** Johnny Hutchins made the motion, seconded by Eddie Holbrook, and unanimously adopted by the Board, to *adopt the agenda as presented by the County Clerk with the following additions:*

**F: WORKERS COMPENSATION:** Budget Amendment (BNA#087)

**10. CLOSED SESSION TO DISCUSS A LEGAL MATTER (NCGS 143-318.11(a)(3))**

**CONSENT AGENDA**

**TAX COLLECTOR'S MONTHLY REPORT**

The Tax Collector provided Commissioners with a detailed written report regarding taxes collected during *May 2013* (copy found on Page \_\_\_\_\_ of Minute Book \_\_\_\_\_).

**TAX ABATEMENTS AND SUPPLEMENTS**

The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during *May 2013*. The monthly grand total of tax abatements was listed as (\$13,178.06); and, the monthly grand total for tax supplements was listed as \$14,969.51.

**WORKERS COMPENSATION: BUDGET AMENDMENT (BNA #085)**

**ACTION:** Jason Falls made the motion, seconded by Susan Allen, and unanimously adopted by the Board, *to approve the following budget amendment:*

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
060.650.4.991.00	Workers Comp/Fund Balance Approp	\$100,000.	
060.650.5.586.00	Workers Comp/Ins/Legal Settlement	100,000.	

*Explanation of Revisions: To cover workers comp settlement.*

**COOPERATIVE EXTENSION: BUDGET AMENDMENT (BNA #086)**

**ACTION:** Jason Falls made the motion, seconded by Susan Allen, and unanimously adopted by the Board, *to approve the following budget amendment:*

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
010.495.4.510.89	Cooperative Extension/Master Gardeners	\$1,680.	
010.495.5.530.89	Cooperative Extension/Master Gardeners	1,680.	

*Explanation of Revisions: To budget revenues received for registration fees @ \$105 per participant.*

**WORKERS COMPENSATION: BUDGET AMENDMENT (BNA #087)**

**ACTION:** Jason Falls made the motion, seconded by Susan Allen, and unanimously adopted by the Board, *to approve the following budget amendment:*

<i>Account Number</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
060.650.4.840.00	Workers Comp/Insurance Settlement	\$350,000.	
060.650.5.586.00	Workers Comp/Ins/Legal Settlement	350,000.	

*Explanation of Revisions: Workers comp settlement approved by Insurance Commission on 6/17/2013.*

**REQUEST TO REMOVE SERVICE REVOLVER FROM COUNTY INVENTORY- SGT. FRANCINA ANN JONES**

Sheriff Alan Norman requested Commissioners honor Sergeant Francina Ann Jones, who retired on May 30, 2013 after thirty years of law enforcement, by presenting her with her departmental service revolver. Sgt. Jones served with four administrations. The service revolver requested to be removed from inventory is a *Glock, Model 21, serial number FLU-901*.

**SPECIAL RECOGNITION**

**EARL SCRUGGS CENTER PRESENTATION OF BLUE RIDGE MUSIC HERITAGE BOOK**

Stan Lowery and Emily Epley presented Commissioners with a copy of the Blue Ridge Music Heritage Book. Cleveland County has been added to the Blue Ridge Music Trail. Cleveland County is considered the hub of a five district area known as the Flint Hill Special District. Being part of this book will have a great positive economic impact on Cleveland County. Thousands of visitors from across the world visit The Blue Ridge Music Trails. Commissioners thanked Emily, Stan and Brownie Plaster for their hard work. "Thank you for being champions."

**PUBLIC HEARINGS**

**COMMUNITY DEVELOPMENT BLOCK GRANT- CLEARWATER PROJECT CLOSEOUT**

Amy Bridges, with Isothermal Planning & Development Commission thanked Commissioners for allowing Isothermal to administer the Clearwater Grant. The purpose of the hearing is to receive comments from area citizens concerning the County closing out the Clearwater Paper project CDBG #09-E-2081. Cleveland County received \$1,000,000 of Community Development Block Grant funds in the Economic Development category to be used to assist Clearwater Paper with street improvements, other public facilities and for the planning of the application and administration of the project. The county has expended all CDBG funds and as a result of this assistance, the company has created over 218 jobs.

Ms. Bridges presented a detailed budget of expenditures as follows:

**Clearwater Paper Inc. CDBG # 09-E-2081**

Activity	Budget	Expenditures
Street Improvements	\$396,903.51	\$396,903.51
Other Public Facilities	\$573,096.49	\$573,096.49
Planning	\$5,000.00	\$5,000.00
Administration	\$25,000.00	\$25,000.00
Total CDBG Expenditures –	\$1,000,000	
Local	\$146,295.55	\$146,295.55

Chairman Hawkins opened the public hearing. (Notice of this hearing was accomplished with a block ad in the non-legal, non-classification section of the paper on June 6, 2013)

Hearing no comments, Chairman Hawkins closed the public hearing.

**ACTION:** Susan Allen made the motion, seconded by Eddie Holbrook and unanimously adopted by the board, *to close out CDBG grant #09-E-2081 for Clearwater Paper.*

Commissioner Hutchins called the project another win for Cleveland County and the 200ish employees.

**ECONOMIC DEVELOPMENT ~ INCENTIVES FOR PROJECT GNOME**

Kristin Fletcher, Vice President of Economic Development began by thanking Commissioners for the contributions they continue to make for Economic Development. Ms. Fletcher presented an incentive agreement between Cleveland County and Project Gnome (*copy found on Page \_\_\_\_\_ of Minute Book \_\_\_\_\_*).

She explained the project is still competitive. The company is still examining other locations. Project Gnome is a manufacturing company which has plans to invest \$4,990,000 and bring 94 new full-time jobs to Cleveland County. Ms. Fletcher described this company as a financially stable company. The grant term will be for five years. The county shall make an incentive grant payment to the Company

in an annual amount equal to sixty percent of the County General ad valorem taxes on real and personal property paid to the county.

Chairman Hawkins opened the public hearing (*notice of this hearing was accomplished in accordance with the General Statutes in The Shelby Star on June 8, 2013*).

Michael Chrisawn, President of Cleveland County Chamber, spoke in support of the project. Mr. Chrisawn thanked Commissioners for their support toward Economic Development. He encouraged Commissioners to approve the incentive agreement as he described it as a win/win.

Robert Williams, 814 Stagecoach Trail, thanked David Dear for taking him on a tour of several industries. He described Clearwater Paper as “very impressive”. Mr. Williams complained about not having access to information that the Commissioners receive prior to the Commissioners meetings. Mr. Williams also shared his concern with the \$21,000 average salary for this project. He expressed the current average wage for Cleveland County is over \$30,000. “This is not a plum project.”

Kristin Fletcher, Vice-President of Economic Development, responded to Mr. Williams comments by noting the diversity among projects in Cleveland County is phenomenal. She explained that some projects have jobs that pay \$75,000 a year while others pay less. However, she described this project as substantial and explained their focus is jobs and this project will bring 94 new jobs. “This is a good company. While the average salary may be a little lower, the benefits are substantial. I believe this project is just as important as the Clearwater Paper’s or AT&T’s.”

Robert Williams, 814 Stagecoach Trail Fallston, explained that he is not against the project and would probably vote in favor of it if he were a County Commissioner, however, he just does not see the great benefit of minimum wage jobs.

Hearing no other comments, Chairman Hawkins closed the public hearing.

Commissioner Hutchins responded to Mr. Williams comments by stressing the importance of these jobs for our workforce who may not be as skilled. He explained that he would love for every job created to make above the average salary.

Commissioner Holbrook also spoke regarding the diversity of companies recruited to Cleveland County. “You can’t recruit high-level jobs all the time. The labor force is diverse.” Commissioner Holbrook commended the efforts of the Economic Development Team and the County Commissioners and made note that, this year, Cleveland County recruited 40 percent of the economic development projects across the state.

**ACTION:** Jason Falls made the motion, seconded by Eddie Holbrook and unanimously adopted by the board, *to approve the incentive agreement as presented (Copy found on Page \_\_\_\_ of Minute Book \_\_\_\_)*.

**BUDGET: FISCAL YEAR 2013-2014**

County Manager David Dear presented Commissioners the 2013-14 budget in accordance with State statutes. The budgeted revenues and expenditures were presented balanced with no change in the current property tax rate of \$.57 per \$100 of property valuation.

The projected tax base for fiscal year 2013-2014 is \$7.47 billion. He shared a brief PowerPoint which included the highlights of the budget as follows:

- A balanced budget with no reductions in services from County funded programs.
- County General property tax rate remains the same at 57 cents.
- County-wide school supplemental tax remains the same at 15 cents.
- Recommendation for the County Volunteer Fire Service District tax be increased from 3 cents to 5 cents.
- Recommendation for the Number Seven Volunteer Fire Service District tax be increased from 3 cents to 4 cents upon recommendation from their Board of Directors.
- Recommendation the Landfill Fee Schedule be amended based on professional actuarial studies that were done, changing the annual household fee for convenience center usage from \$50 to \$62 and the landfill tipping fee from \$33 per ton to \$37.65 per ton. The household fee has not been increased since its inception over twenty years ago.
- The Emergency Medical Fee Schedule is recommended to be amended to keep current with applicable federal reimbursement rates.
- Recommendation of a 2% COLA for all county employees. This is the first salary increase for county employees since the economic recession began.
- Employer paid individual Health Insurance rates will increase by 8%
- Retirement system rates have been increased by .32% or roughly 1/3 of 1% due to actuarial adjustment by the State Treasurer's Office.
- County General Fund contributions to Cleveland County Schools reduced by \$558,000 due to a reduced student population. This leaves the school funding rate per pupil at the same level as last year.
- Federal and State mandated Social Services program costs increased by \$455,000.
- County General fund support of Workers Compensation is increased by \$210,000 due to increased claims activity.
- Law enforcement and Detention Center operations increased by \$172,000.
- Emergency Medical Services operations increased by \$123,000

Chairman Hawkins opened the public hearing (*notice of this hearing was accomplished in accordance with the General Statutes in The Shelby Star on May 31, 2013 and June 7, 2013*).

Kevin Gordon, 1310 Stoney Point Road, as Waco Fire Chief, spoke of the importance of funding for the Volunteer Fire Districts. Mr. Gordon explained, years ago, fire departments would raise money to help with funding. “The days of fundraising are over.” He explained that the Volunteer Firefighters need to be taken care of. The county could not afford to have to have a full paid fire department. When Mr. Gordon became a member of Waco Fire Department twenty years ago, they averaged 75 calls per year. They now average 400 a year. He is concerned with some cuts that may be coming from Raleigh including cuts in grant funding, workers compensation programs and the Pension and Relief Fund.

Jimmy Hensley, Grover Volunteer Fire Department, has been serving the citizens of Grover as a Volunteer Fire Fighter for 30 years. He reminded Commissioners of the sofa store fire in Charleston which killed nine firefighters, “This is more than numbers.”

There are currently 330 volunteer firefighters in Cleveland County. These firefighters protect 44,429 citizens over 317 square miles. They responded to 2,636 calls in 2012. Mr. Hensley explained the cost of equipment has doubled since 1990. He used fuel for example. In 1990 fuel was \$1.10 per gallon. The current cost is \$3.96. It would cost Cleveland County approximately \$15 Million to provide fire service in those areas not currently served by a municipal fire department. He asked for the support of the Commissioners for the fire tax increase.

Joe Starnes, moved to Cleveland County in 2008. He has over 35 years experience with the fire service. He spoke with the Commissioners about the community aspect of the Fire Departments and what they mean to the residents.

Hearing no other comments, Chairman Hawkins closed the public hearing.

Commissioner Hutchins thanked those Volunteer Firefighters who were in attendance. “I think we are way behind the eight-ball.” Commissioner Hutchins shared that he worked for the Rescue Squad years ago. Rescue Squads are about a thing of the past partly due to the training required by volunteers. He spoke of the importance of supporting the Volunteer Fire Departments.

Commissioner Hutchins also spoke about the increase in Landfill fees. He explained the Landfill is a separate Enterprise Fund that does not use County General Funds. Commissioner Hutchins felt as though the county needed this increase to prepare for the future. “Let the people who use it have to pay the fees to maintain it.”

Commissioner Holbrook thanked the Volunteer Firefighters and described the tax increase as “a first step to make things right for Volunteer Firefighters.” He thanked the County Manager for his hard work in preparing the budget.

Commissioner Allen also thanked the Volunteer Firefighters for their leadership and for putting their lives on the line. She believes the board is presenting a budget that will take care of the community in the future.

Vice-Chairman Falls read a prepared statement.

“I want to thank our County Manager, finance department and staff for putting so much time and thought into this budget for next year. Nothing was easy about it.

Our County budget should reflect our priorities. While this budget goes a long way to that end, there are some serious concerns that I have. We still have so many people in our County out of work, others struggling to make ends meet and parents and grandparents concerned about the direction of every level of government and how it will affect their families.

This budget is asking more of Cleveland County families at a time when many can't afford them. I support our fire departments, and would support an increase in their tax rate if we would agree to decrease our tax rate by the same amount. However, even though we are considering a decrease in our direct funding to the fire departments by \$300,000 out of our general taxes... now that money will be spent on something else. No cuts in our general tax rate. Same is true with our decreased funding to Cleveland County Schools by over \$500,000 and mental health by almost \$150,000. No cuts. We are even taking over \$2 million out of reserves to balance this budget. The County is going to spend a lot more money next year than we did this year.

My priorities for our residents are the safety of our residents (fire, rescue and law enforcement), quality schools and infrastructure to allow for businesses to bring quality jobs to our area and residents to have services they can depend on. We need quality people providing those services and show our appreciation to them... our County employees deserve more than what we can afford. The bottom line is: our families are going to pay higher taxes and fees because of this budget. It goes against my promise to those that put me in this office and against my convictions.”

Chairman Hawkins said it would be irresponsible not to implement an increase in the tipping fees. “We are protecting the citizens for years to come.”

**ACTION:** Eddie Holbrook made the motion, seconded by Susan Allen and adopted by a majority vote of the board (*Vice-Chairman Falls voted in opposition*), *to adopt the budget as presented by the County Manager.*

**COUNTY MANAGER'S BUDGET MESSAGE**

**FY 2013-2014**

June 18, 2013

**To the Cleveland County Board of Commissioners:**

The proposed fiscal year 2013-2014 budget for Cleveland County has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act and General Statute 153A-82. The fiscal year

2013-2014 budgeted revenues and expenditures are balanced with a property tax rate of 57 cents per \$100 of property valuation. The budget will be open for public inspection on June 6, 2013 and a public hearing will be held on June 18, 2013.

The county has been facing challenging economic conditions over the past several years that have negatively affected county revenues, but because of the Commissioners strong leadership and sound fiscal management, Cleveland County has been able to present a balanced budget with no tax increase and no reduction in county funded services.

**General Fund Budget**

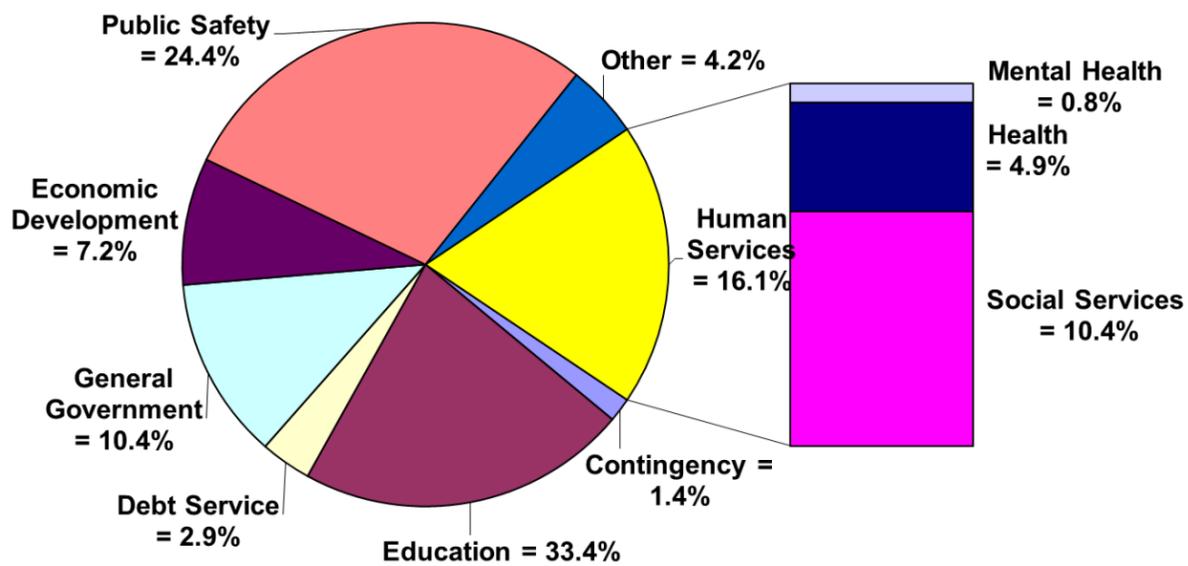
The projected tax base for fiscal year 2013-2014 is \$7,470,000,000. This is a projected increase of \$520,000,000 in value over the previous year, which translates into \$2,875,080 in new revenue at a 57 cents tax rate with a 97% collection rate. Sales tax distributions are expected to increase about 2.57% or roughly \$205,000 for fiscal year 2013-2014. Overall service-related fee collections seem to have reached the bottom and are increasing slightly over last year. We have recently seen a slight increase in residential building permits. We hope this trend continues through the coming year. We must continue to recruit new businesses to our community. Growth in the tax base and sales taxes must increase to match our mandated spending requirements or our current allocated funding levels will be difficult to sustain over time.

**Human Services**

The overall appropriation of county funding for the *Department of Social Services* is \$7,869,324 for an increase in funding of 6.14% over the previous year. This increase is primarily due to a reduction in Federal and State funding for county mandated programs and services. These programs provide essential services for families and children.

The *Health Department* budget reflects an overall decrease of 0.12% for a total county appropriation of \$3,686,324. The Health Department is adding a pharmacist technician and an administrative support assistant which will be funded by Carolina Access grant dollars.

**Cleveland County Expenditures**  
FY 2013-2014 Primary + Schools Funds By Function



**Landfill (Enterprise Fund)**

The proposed budget includes an increase in tipping fees of \$4.65 per ton and household fees by \$12 per year. Household fees have not been increased in twenty years. These increases are needed to plan for the future costs of closing cells, post-closure care and possible corrective action needed.

**Public Safety**

The *Emergency Medical Services* department budget is allocated a total of \$5,669,396. This department budget reflects an increase of 4.16%. The purchase of one new ambulance is included in the budget. The budget reflects an increase in EMS fees. This increase is due to changes in Medicare Allowable charges. A majority of the EMS Budget is paid for by fees generated from the services that they provide.

Cleveland County EMS	Current Charge	CCEMS 2013 Recommended Fees
ALS NE A0426	\$410.00	\$410.00
ALS E A0427	\$490.00	\$525.00
BLS NE A0428	\$410.00	\$410.00
BLS E A0429	\$410.00	\$445.00

ALS 2 A0433	\$700.00	\$780.00
Specialty Care A0434	\$830.00	\$900.00
Urban Mileage or Rural Mileage 18+ A0425	\$12.00	\$12.00
Rural Mileage 1 - 17	\$12.00	\$14.50

The *Sheriff's Office* budget reflects an increase of 3.97% for a total appropriation of \$10,569,361. This budget includes the addition of 11 new Sheriff's vehicles to replace current high mileage vehicles as well as the conversion of two full-time hourly positions without benefits to full-time permanent positions with benefits. Both of these positions will be administrative support positions at the Detention Center.

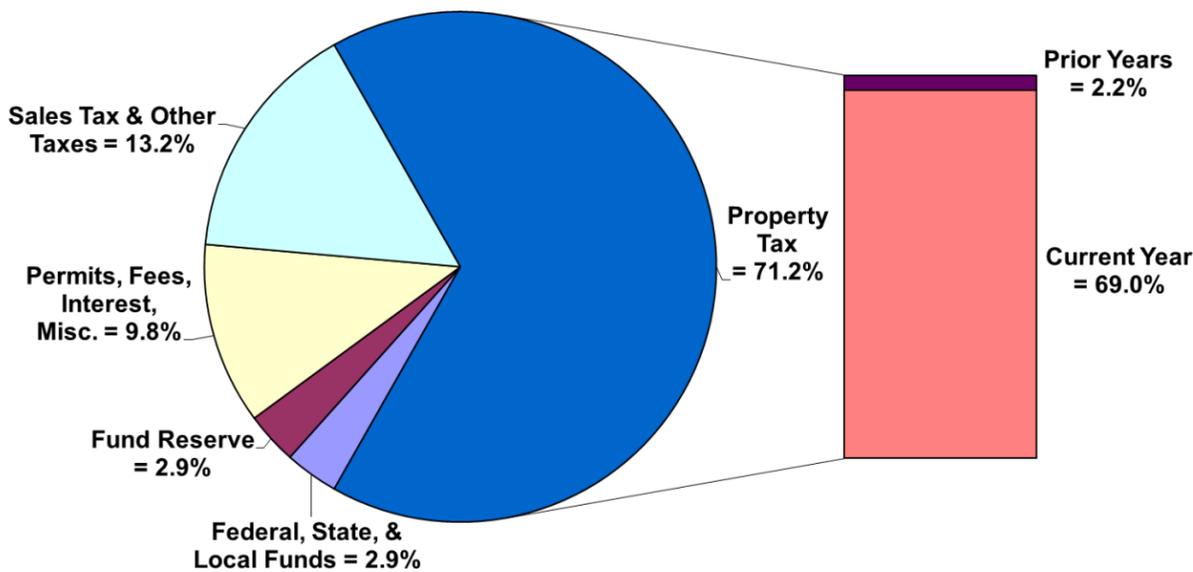
**Volunteer Fire Service Districts**

Number Seven Fire District is requesting an increase of 1 cent for a total tax rate of 4 cents. The proposed budget includes a 2 cent increase in the County Fire District tax. As the only source of funding, Fire District tax funds are used to support the Volunteer Fire Departments purchase of equipment and to provide required training for volunteers. Our volunteers are enthusiastic in their desire to provide outstanding service to the citizens of Cleveland County.

**Tax Administration**

This budget proposes no change in the current county property tax rate of 57 cents per \$100 of valuation. The tax rate for the county-wide school district will remain at 15 cents. The early payment discount for taxpayers who pay during the month of August will remain at the current discount rate of one-half of 1%.

**Cleveland County Revenues**  
FY 2013-2014 Primary + Schools Funds By Source



**Veterans Services**

The Cleveland County Veterans Services office assists our almost 9,000 local veterans and their dependents in applying for pension, health care, compensation, and other benefits and services. Due to the economy and rising costs in health care, the Veterans Office has seen a 30% increase in applications for health care benefits. The county staff has been doing an outstanding job in providing exceptional service to our local veterans.

**Human Resources**

It has been several years since county employees have received the opportunity for a pay increase. This budget includes a 2% cost of living adjustment for all permanent full-time employees. Set hourly rates will also rise by 2%.

Beginning last year, the county provided employees with a Health Savings Account (HSA) as the only health insurance plan option. Our health insurance costs have been controlled over the past several years due primarily to the savings of the HSA plan. For next year, the premiums paid by the county on behalf of the employees will rise by 8%. The county will continue work on ways to better manage our health insurance costs. The dental program has been stable this past year so there will not be an increase in dental premiums in the budget.

The Wellness Program continues to be a great benefit for county employees. Employees are encouraged to make healthy choices which have a positive effect on their individual health as well as the overall stability of our health plan. In conjunction with our health plan, we have continued to promote our employee wellness clinic and pharmacy program as affordable options.

The State Treasurer's Office approved an increase in the employer retirement contribution rate. Effective July 1, 2013, the new county budgeted rate 7.07% for all employees. This reflects an increase of .32%.

**Cleveland County Library System**

The Cleveland County Library System consists of two facilities that provide up-to-date library services to the people of Cleveland County. The main library in Shelby, located across from the Shelby City Park, is open 6 days a week. Besides the traditional library services, the main library provides free access to the Internet for

the public as well as free access to the latest in ebooks and audiobooks. Over 150,000 people visit the main library every year and check out approximately 250,000 items. The Spangler Branch Library, located in Lawndale, serves the residents of upper Cleveland County. Offering all the same services of the main library but on a smaller scale, the branch is open 26 hours a week and circulates more than 30,000 items each year.

### **Public Schools**

The per pupil funding for the Cleveland County School System will remain the same at \$1,763.38. The current expense allocation will be reduced by \$558,643 due to the projected decrease in the number of students. The county allocation in the budget totals \$27,249,570. Capital outlay will remain the same at \$1,550,000 and special capital projects will be funded at a total of \$1.2 million. The supplemental tax will increase by an estimated \$150,000 and the sales tax is expected to increase by \$59,500.

COUNTY OF CLEVELAND, NORTH CAROLINA						
SCHOOL FUNDING WORKSHEET (ACCRUAL BASIS)						
March 15, 2013						
FISCAL YEAR	2014	2013	2012	2011	2010	2009
	<i>projected</i>	<i>estimated</i>				
<b>CLEVELAND COUNTY SCHOOLS</b>						
CURRENT EXPENSE	9,849,570	10,408,213	10,408,213	10,408,213	10,408,213	10,408,213
CAPITAL OUTLAY	1,550,000	1,550,000	1,750,000	2,000,000	2,000,000	2,000,000
SPECIAL CAPITAL PROJECTS	1,200,000	1,200,000	1,200,000	1,400,000	1,400,000	1,400,000
SUPPLEMENTAL TAX	11,250,000	11,100,000	10,608,257	10,150,211	10,170,229	10,099,060
FINES & FORFEITURES	500,000	500,000	474,075	506,623	580,292	590,056
SALES TAX	2,900,000	2,840,500	2,810,135	2,589,580	2,600,505	3,282,542
TOTAL FUNDING	27,249,570	27,598,713	27,250,681	27,054,626	27,159,239	27,779,872
PROJECTED A.D.M.(+)	15,453	15,651	15,886	16,107	16,411	16,768
PER PUPIL FUNDING	1,763.38	1,763.38	1,715.39	1,679.68	1,654.94	1,656.72
ANNUAL AMOUNT CHANGE	0.00	47.99	35.71	24.74	(1.78)	53.43
ANNUAL PERCENT CHANGE	0.00%	2.80%	2.13%	1.49%	-0.11%	3.33%

### **Community College**

The budget includes an increase of \$109,573 to \$1,590,573 in current expenditures for Cleveland Community College. Funding for capital projects will increase \$25,000 to \$100,000 for the FY 2013-2014.

### **Capital Projects**

This budget addresses several capital projects. These projects are summarized as follows:

- Farmers' Market – Working on a joint project with the City of Shelby to create a new farmers' market located in Uptown Shelby. \$50,000 is included in this budget for this purpose.
- Foothills Commerce Center – Working on a joint venture with the City of Shelby to develop an industrial park west of Shelby. A 100,000 square foot shell building has been completed in the park and sold creating 300 new jobs for our citizens. A second 100,000 sq ft. building is now under construction using the proceeds of the first building.
- Historic Courthouse Renovations – Assisting with the renovation of the historic courthouse. The Earl Scruggs Center is scheduled to be completed by the end of 2013.
- American Legion Baseball Facilities – Assisting with the renovation of the Shelby High School Baseball Stadium in preparation for another successful American Legion World Series in August.

### **Economic Development/Tourism**

The budget will appropriate \$161,000 to the Cleveland County Economic Development Partnership to be used in the recruitment of new businesses, as well as existing industry expansions. We continue to receive calls and visits from potential businesses considering locating to our area. We will also continue to explore new and innovative ways to be more marketable to current and future businesses.

The county has continued to place an emphasis on local travel and tourism within our community. This budget is allocating \$110,000 for travel and tourism with a majority of funding coming from the local occupancy tax. Additional improvements continue at the Shelby High School baseball stadium to prepare for the American Legion World Series baseball tournament. As a result of the hard work of many dedicated volunteers, our community will see another tremendous economic benefit and national recognition from this event.

### **Conclusion**

The county unemployment rate is currently 9.9%. While the overall economy is still struggling, retail sales have been stabilizing over the past couple of years and local housing starts have been improving but are not near the levels of several years ago. With economic uncertainty, this budget focuses on keeping operating costs down while maintaining the same level of public services. The county departments have been exploring all avenues to manage costs while providing quality services to our citizens. With the County Commissioners' direction and leadership, we will continue to operate with no reduction in county funded services and no increase in county general property taxes.

We look forward to continuing our focus on the recruitment of new businesses and the retention of our current businesses. There have been several recent industrial and new company announcements. Creating and retaining jobs for our citizens will help stabilize our local economy as well as assist with maintaining a stable tax rate. We are currently working on several more economic development projects which, if successful, will have a positive impact on our overall economy and unemployment rate.

I would like to thank Chris Crepps, Finance Director and his staff for their outstanding work in assisting with the preparation of this budget. Our county departments and staff continue to work diligently to contain costs and manage our resources wisely while providing exceptional public services.

Respectfully Submitted,  
 David C. Dear  
 Interim County Manager

**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF CLEVELAND COUNTY:**

**SECTION I. FUND ESTIMATED REVENUES.** It is estimated that the revenues and fund balances of the funds and departments as listed below will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014 to meet the functional appropriations as set forth in Section II. All fees, commissions, and other sums paid to or collected by any County Officer, or agent in their capacity, shall accrue to the benefit of the County and become County funds.

<b><u>A. GENERAL FUND ESTIMATED REVENUES</u></b>		<b>\$115,419,068</b>	
		<i>Less Transfers In:</i>	(\$14,436,081)    \$100,982,987
<b><u>Primary</u></b>			<b>\$64,780,831</b>
		<i>Less Transfers In:</i>	(\$1,363,717)    \$63,417,114
<u>Ad Valorem Tax:</u>	Current Year	\$41,301,630	
	(57.0 Cents per \$100 value) X (\$7,470,000,000 total value) X (97% collection)		
	Prior Years	\$1,188,450	
	Advertising/Penalties	\$490,000	
	Sales		
<u>Other Taxes:</u>	Tax        1 Cent (Article 39)	\$4,640,000	
	Two 1/2 Cents (Art 40 & 42)	\$3,540,000	
	Occupancy Tax	\$240,000	
	Heavy Equip Tax	\$20,000	
	Vehicle Lease		
	Tax	\$30,000	
	Excise Stamps Tax	\$200,000	
<u>Intergovernmental:</u>	US Grant-Emergency Management	\$15,862	
	NC Telecommunications Surcharge	\$300,000	
	NC Grants-Third Party (Pass-Thru)	\$947,831	
	NC Grant--J.C.P.C.		
	Admin.	\$1,471	
	NC Court Arrest Fees-Sheriff	\$36,000	
	NC Forfeited Property-Sheriff	\$25,000	
	NC Housing of State Prisoners-Jail	\$290,000	
	NC Court Fees-		
	Jail	\$54,000	
	NC License Revocation-		
	Jail	\$8,000	
	NC Grant-Soil Conservation Match	\$25,600	
	NC Grant-Veterans' Services Match	\$1,452	
	NC Grant-State Aid to Libraries	\$132,184	
	Kings Mtn: County Library System	\$2,888	
	Schools: School Resource Officers	\$289,362	
	Shelby: Payment in Lieu of Taxes	\$11,000	
	Other Various Sources	\$12,000	
<u>Permits/Fees:</u>	Register of		
	Deeds	\$425,000	
	Sheriff	\$245,000	
	Inspections	\$200,000	
	Planning &		
	Zoning	\$15,000	
<u>Sales/Services:</u>	Rents	\$3,025,000	
	Contracted Revenues		
	Municipal Tax Collection	\$250,000	
	Municipal Elections	\$167,419	
<u>Sales/Services:</u>	Local Fees & Medicaid		
	Emergency Med Serv	\$2,550,000	
	Volunteer Rescue	\$20,000	
	Electronic Maintenance	\$15,000	
	Cooperative Extension	\$15,250	
	County Library System	\$30,000	

**SECTION I. FUND ESTIMATED REVENUES.**  
**A. GENERAL FUND ESTIMATED REVENUES**

(continued)  
 (continued)

<i>Interest:</i>	Interest on Investments	\$250,000		
<i>Miscellaneous:</i>	ABC Per Bottle & Profit Distribution	\$75,000		
	Sale of Used Assets	\$25,000		
	Vending/Payphone Commissions	\$80,000		
	Contributions & Donations	\$42,800		
	Other Miscellaneous	\$20,000		
<i>Other Sources:</i>	School Capital Reserve Fund (Transfer)	\$1,290,000		
	Emergency Telephone Fund (Transfer)	\$73,717		
	ROD Automation E & P	\$53,100		
	Fund Balance Appropriated	\$2,110,815		
	<b><u>Social Services &amp; Public Assistance</u></b>		<b>\$23,975,076</b>	
		<i>Less Transfers In:</i>	(\$7,869,324)	\$16,105,752
	Grants-Federal and State Govts	\$16,046,212		
	Local Fees	\$59,540		
	Primary Fund (Transfer)	\$7,869,324		
	<b><u>Public Health</u></b>		<b>\$12,940,889</b>	
		<i>Less Transfers In:</i>	(\$3,808,707)	\$9,132,182
	Grants-Federal and State Govts	\$1,472,732		
	Local Fees & Medicaid	\$7,659,450		
	Primary Fund (Transfer)	\$3,686,324		
	Other Funds (Transfer)	\$122,383		
	<b><u>Employee Wellness</u></b>		<b>\$787,493</b>	
		<i>Less Transfers In:</i>	(\$640,493)	\$147,000
	Local Fees	\$147,000		
	Health Insurance Fund (Transfer)	\$640,493		
	<b><u>Court Facilities</u></b>		<b>\$324,286</b>	
		<i>Less Transfers In:</i>	(\$150,000)	\$174,286
	Departmental Fees	\$174,286		
	Primary Fund (Transfer)	\$150,000		
	<b><u>School Property Taxes</u></b>		<b>\$11,205,000</b>	\$11,205,000
	Ad Valorem Tax: Current Year	\$11,205,000		
	(15.0 Cents per \$100 value) X (\$7,470,000,000 total value)			
	<b><u>Workers' Compensation</u></b>		<b>\$725,000</b>	
		<i>Less Transfers In:</i>	(\$603,840)	\$121,160
	Interest on Investments/Other	\$121,160		
	Primary Fund (Transfer)	\$315,000		
	Other Funds (Transfer)	\$288,840		
	<b><u>Health Insurance</u></b>		<b>\$680,493</b>	\$680,493
	Fund Balance Appropriated	\$680,493		
	<b>SECTION I. FUND ESTIMATED REVENUES.</b>			<b>(continued)</b>
	<b><u>B. SPECIAL REVENUE FUND ESTIMATED REVENUES</u></b>		<b>\$2,278,496</b>	
		<i>Less Transfers In:</i>	(\$66,667)	\$2,211,829
	<b><u>Emergency Telephone</u></b>		<b>\$395,863</b>	\$395,863
	E911 Subscriber Fees	\$298,862		
	Other Revenues	\$27,013		
	Fund Balance Appropriated	\$69,988		
	<b><u>County Fire Service District</u></b>		<b>\$1,815,966</b>	\$1,815,966
	Ad Valorem Tax: Current Year	\$1,552,000		
	(5.0 Cents per \$100 value) X (\$3,200,000,000 total value) X (97% collection)			
	Ad Valorem Tax: Prior Years	\$27,900		
	Other Revenues	\$236,000		
	Fund Balance Appropriated	\$66		
	<b><u>Community Development</u></b>		<b>\$66,667</b>	
		<i>Less Transfers In:</i>	(\$66,667)	\$0
	Primary Fund (Transfer)	\$66,667		
	<b><u>C. DEBT SERVICE FUND ESTIMATED REVENUES</u></b>		<b>\$5,316,869</b>	
		<i>Less Transfers In:</i>	(\$4,006,934)	\$1,309,935
	<b><u>Debt Service</u></b>		<b>\$5,316,869</b>	
		<i>Less Transfers In:</i>	(\$4,006,934)	\$1,309,935
	Other Unit's Share of Expenditures	\$1,309,935		

Primary Fund (Transfer)	\$2,124,811		
School Capital Reserve Fund (Transfer)	\$1,882,123		
<b><u>D. CAPITAL PROJECT FUND ESTIMATED REVENUES</u></b>		<b>\$6,031,857</b>	
		<i>Less Transfers In:</i>	(\$2,329,867) \$3,701,990
<b><u>Capital Projects</u></b>		<b>\$1,429,867</b>	
		<i>Less Transfers In:</i>	(\$1,429,867) \$0
Capital Reserve Fund (Transfer)	\$1,429,867		
<b><u>County Capital Reserve</u></b>		<b>\$1,429,867</b>	
		<i>Less Transfers In:</i>	(\$900,000) \$529,867
County Funds	\$900,000		
Fund Balance Appropriated	\$529,867		
<b><u>School Capital Reserve</u></b>		<b>\$3,172,123</b>	\$3,172,123
Sales Tax: Two 1/2 Cents (Art. 40 & 42)	\$1,762,821		
Grants-Public School Bldg. Cap. Fds.	\$1,409,302		
<b><u>E. ENTERPRISE FUND ESTIMATED REVENUES</u></b>		<b>\$6,797,893</b>	
		<i>Less Transfers In:</i>	(\$750,000) \$6,047,893
<b><u>Solid Waste Landfill</u></b>		<b>\$6,297,893</b>	
		<i>Less Transfers In:</i>	(\$250,000) \$6,047,893
Grants and Shared Taxes-State Govt	\$120,000		
Local Fees and User			
Fees	\$5,907,893		
Sale of Recyclables/Other	\$20,000		
Primary Fund (Transfer)	\$250,000		
<b><u>LeGrand Conference Center</u></b>		<b>\$500,000</b>	
		<i>Less Transfers In:</i>	(\$500,000) \$0
Primary Fund (Transfer)	\$500,000		
<b><u>SECTION I TOTAL (TOTAL FUND ESTIMATED REVENUES)</u></b>		<b>\$135,844,183</b>	
		<i>Less Transfers In:</i>	(\$21,589,549) \$114,254,634
<b>SECTION II. FUND APPROPRIATIONS. It is hereby affirmed that the appropriations of the funds and departments as listed below will be sufficient to meet the County's normal operating obligations.</b>			
<b><u>A. GENERAL FUND APPROPRIATIONS</u></b>		<b>\$115,419,068</b>	
		<i>Less Transfers</i>	
		<i>Out:</i>	(\$16,647,619) \$98,771,449
<b><u>General Government</u></b>		<b>\$26,876,509</b>	
		<i>Less Transfers</i>	
		<i>Out:</i>	(\$16,542,619) \$10,333,890
10.411 Commissioners (Governing Body)	\$395,934		
10.412 County Manager's Office	\$455,811		
10.413 Finance/Purchasing	\$638,265		
Property Tax			
10.415 Administration	\$1,456,600		
10.416 Legal/County Attorney	\$67,560		
10.418 Elections	\$394,411		
Register of			
10.419 Deeds	\$360,946		
10.421 Information Technology	\$579,337		
Human			
10.423 Resources	\$367,808		
10.426 Building Maintenance	\$1,392,643		
10.428 Municipal Elections	\$167,419		
10.430 Municipal Grants	\$147,048		
10.432 Grants--Third Party (Pass Thru)	\$947,831		
10.433 Grant--J.C.P.C. Administration	\$1,671		
10.613 Communities in Schools	\$58,500		
10.619 ROD Automation E & P	\$23,100		
10.981 Transfers Out To:		\$15,862,126	
Social Services	\$5,347,533		
Public			
Assistance	\$2,521,791		
Public Health	\$3,686,324		
Courts	\$150,000		
Workers' Comp.	\$315,000		

	Community Development	\$66,667		
	Debt Service	\$2,124,811		
	Capital Reserve	\$900,000		
	Solid Waste	\$250,000		
	Conference Center	\$500,000		
	Emergency & Contingency		\$1,042,227	
10.998				
13.660	Employee Wellness		\$787,493	
14.417	Court Facilities		\$324,286	
60.650	Workers' Compensation		\$725,000	
65.981	Employee Medical Insurance (Transfer)		\$680,493	

**Public Safety**

**\$18,494,149**      \$18,494,149

10.439	Grant--Criminal Justice Partnership		\$0	
10.440	School Resource Officers		\$338,268	
10.441	Sheriff		\$5,923,227	
	Forfeited Property--			
10.442	Federal		\$0	
10.443	Forfeited Property--State		\$25,000	
10.444	Detention Center/Jail		\$4,307,866	
10.445	Emergency Management		\$311,935	
10.446	Emergency Medical Services Volunteer		\$5,669,396	
10.447	Rescue		\$68,480	
10.448	Communications		\$956,525	
10.449	Electronic Maintenance		\$365,777	
10.450	Building Inspections		\$418,076	
10.451	Coroner		\$89,519	
10.453	Hazardous Materials		\$20,080	

**SECTION II. FUND APPROPRIATIONS.**  
**A. GENERAL FUND APPROPRIATIONS**

(continued)  
(continued)

**Economic & Physical Development**

**\$5,433,401**      \$5,433,401

	Planning &			
10.491	Zoning		\$320,753	
10.492	Economic Development/Tourism		\$4,644,968	
10.495	Cooperative Extension		\$305,499	
10.496	Forestry Management		\$73,302	
10.498	Soil Conservation		\$88,879	

**Transportation**

**\$39,465**

10.497	Transportation Admin. of Clev. Cty.		\$39,465	
--------	-------------------------------------	--	----------	--

**Human Services**

**\$37,819,557**

			<i>Less Transfers</i>	
			<i>Out:</i>	
				(\$105,000)
10.560	Mental Health (Pathways)		\$647,939	
10.591	Veterans' Service Officer		\$101,618	
10.617	Council on Aging (Senior Center)		\$154,035	
	Social Svcs. & Public			
11.000	Asst.		\$23,870,076	
11.000	Transfers Out To Other Funds		\$105,000	
12.000	Public Health		\$12,940,889	

**\$37,714,557**

**Education**

**\$25,485,143**      \$25,485,143

	Cleveland County			
10.600	Schools		\$12,689,570	
	Current			
	Expense	\$9,849,570		
	Capital Outlay	\$2,840,000		
10.604	Cleveland Community College		\$1,590,573	
	Current			
	Expense	\$1,590,573		
20.600	School Property Taxes		\$11,205,000	

**Cultural**

**\$1,211,689**      \$1,211,689

10.611	Libraries		\$1,060,389	
	County Library System	\$990,368		
	Other Libraries	\$70,021		
10.612	Recreation		\$79,900	
10.614	Historic Artifacts		\$71,400	

<b><u>Debt Service (small lease purchase agreements)</u></b>		<b>\$59,155</b>	<b>\$59,155</b>
10.800 Debt Service	\$59,155		

**B. SPECIAL REVENUE FUND APPROPRIATIONS**

		<b>\$2,278,496</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$73,717)	\$2,204,779
<b><u>Public Safety</u></b>		<b>\$2,278,496</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$73,717)	\$2,204,779
26.454 Emergency Telephone	\$322,146		
26.454 Transfer Out To Other Funds	\$73,717		
28.452 Volunteer Fire Departments	\$1,515,966		
28.452 Volunteer Fire Departments	\$300,000		
29.493 Community Development	\$66,667		

**C. DEBT SERVICE FUND APPROPRIATIONS**

		<b>\$5,316,869</b>	<b>\$5,316,869</b>
<b><u>Debt Service</u></b>		<b>\$5,316,869</b>	<b>\$5,316,869</b>
30.800 Debt Service	\$5,316,869		

**SECTION II. FUND APPROPRIATIONS.**

(continued)

**D. CAPITAL PROJECT FUND APPROPRIATIONS**

		<b>\$6,031,857</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$4,601,990)	\$1,429,867
<b><u>Capital Projects</u></b>		<b>\$6,031,857</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$4,601,990)	\$1,429,867
40.210 General Projects	\$1,429,867		
41.209 County: Capital Reserves (Transfer)	\$1,429,867		
42.105 Schools: Local Option Sales Taxes (Tr'fer)	\$1,762,821		
42.106 State Corporate Income Taxes (Transfer)	\$1,409,302		

**E. ENTERPRISE FUND APPROPRIATIONS**

		<b>\$6,797,893</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$266,223)	\$6,531,670
<b><u>Environmental</u></b>		<b>\$6,297,893</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$266,223)	\$6,031,670
54.473 Solid Waste Disposal	\$4,140,877		
54.473 Transfer Out To Other Funds	\$266,223		
54.474 Solid Waste Collections	\$1,890,793		
<b><u>Cultural</u></b>		<b>\$500,000</b>	<b>\$500,000</b>
55.480 LeGrand Conference Center	\$500,000		

**SECTION II TOTAL (TOTAL FUND APPROPRIATIONS)**

		<b>\$135,844,183</b>	
	<i>Less Transfers</i>		
	<i>Out:</i>	(\$21,589,549)	\$114,254,634

**SECTION III. PROPERTY TAX RATES.** The County-wide property tax rate shall be 57 cents per \$100 valuation for purposes of the General Fund and 15 cents per \$100 valuation for purposes of the School Property Taxes Fund; thus, the combined County-wide property tax rate shall be 72 cents per \$100 valuation. Further, the property tax rate for the County Fire Service District shall be 5 cents per \$100 valuation and derived revenues shall be used to benefit volunteer fire departments in the district. In addition, to benefit the volunteer fire department in a special fire district which is seeking approval of this rate change from the Board of County Commissioners, the property tax rate for the Number Seven Fire District shall be 4 cents per \$100 valuation.

**SECTION IV. BUDGET CHANGES.** The County Manager shall have authorization to make budget changes between any and all operating funds and departments as long as the Total Fund Estimated Revenues and Total Fund Appropriations remain at the level, including all subsequent budget amendments, approved and adopted by the County Board of Commissioners, except as provided below.

**SECTION V. BUDGET CARRY FORWARDS.** The County Manager shall have authorization to include in the budget all prior year budget amounts remaining for outstanding purchase order encumbrances, unspent grants, unspent donations, and other ongoing projects as determined by the Finance Department.

**REGULAR AGENDA**

**FRANCHISE HAULER RATE INCREASE**

Health Director Dorothea Wyant began by introducing Sam Lockridge and Cindy Prewitt from the Landfill as well as Tim Allen from GDS. She explained, tipping fees became necessary at the landfill in Cleveland County in 1991 due to the expense of regulatory changes. In 2010, Cleveland County contracted with Municipal Engineering to conduct a fee study and create a schedule to increase tipping fees (landfill disposal fee) and household fees (collection sites and recycling fees) to enable the Solid Waste Program to meet future financial obligations. Anticipated expenses include future construction needs for the Landfill, including opening a new cell within the next 12 years at an approximate cost of six million dollars and future capping of the Landfill in 45 years at an approximate cost of twenty million dollars. Capped landfills must be monitored for a 30 year period at an approximate cost of five million dollars. 7.5 million dollars was spent during the past four years to construct the Self-McNeilly Solid Waste Disposal Facility, substantially depleting reserved monies in the enterprise funds. Presently, there is approximately two million dollars in the enterprise fund. In order to meet future needs, the County needs to escrow one million dollars above operating costs annually into the enterprise fund.

The Board of Health recommended the Landfill Fee Schedule be amended based on professional actuarial studies that were done, changing the annual household fee for convenience center usage from \$50 to \$62 and the landfill tipping fee from \$33 per ton to \$37.65 per ton. Commissioners approved this increase as part of the 2013/2014 budget. The household fee has not been increased in the 22 years since its origination.

Mr. Lockridge shared that Republic Services of North Carolina, LLC, D.B.A. GDS-Cleveland has requested they be allowed to pass the 15% increase in tipping fees (disposal) to their customers, which would equal an increase of fifty cents per month per customer. They have also requested a 1.9% service increase established by the consumer price index, which would equal an increase of twenty-nine cents per month per customer. According to the franchise agreement with Cleveland County, Republic Services of North Carolina, LLC, D.B.A. GDS-Cleveland may request an annual increase based on a consumer price index. The 1.9% service increase will include commercial and industrial clients. Implementation of the proposed fee schedule change will double the amount of escrow funds in the enterprise fund and allow the County to provide for future needs.

**ACTION:** Eddie Holbrook made the motion, seconded by Susan Allen and adopted by a majority vote of the board (*Vice-Chairman Falls voted in opposition*), *to allow GDS-Cleveland to pass the 15% increase in tipping fees (disposal) to their customers, which would equal an increase of fifty cents per month per customer and to allow a 1.9% service increase established by the consumer price index, which would equal an increase of twenty-nine cents per month per customer.*

**RESOLUTION TO CHANGE MEETING DATE**

**ACTION:** Susan Allen made the motion, seconded by Jason Falls, and unanimously adopted by the board, *to adopt the following resolution.*

**NUMBER 17-2013**

**CHANGE IN REGULAR MEETING SCHEDULE OF THE CLEVELAND COUNTY BOARD OF COMMISSIONERS**

**WHEREAS**, the Cleveland County Board of Commissioners have decided that it is appropriate to cancel their regular meetings of **Tuesday, July 2, 2013 and Tuesday July 16, 2013** and to schedule a regular meeting for **Tuesday, July 9, 2013 at 6:00 pm in the Commission Chamber at 311 East Marion Street in Shelby.**

**NOW, THEREFORE, BE IT RESOLVED, THAT**, the Cleveland County Board of Commissioners will cancel said meetings and notify the public of their decision in accordance with the mandates of North Carolina General Statute 153A-40. The regular meeting schedule as adopted by the Board will resume after these meetings.

**ADOPTED THIS 18<sup>th</sup> DAY OF JUNE, 2013.**

**CLOSED SESSION**

**ACTION:** Johnny Hutchins made the motion, seconded by Eddie Holbrook, and unanimously adopted by the Board, *to conduct a closed session as follows;*

*To consult with the county attorney in order to preserve the attorney-client privilege, as allowed under North Carolina General Statute 143-318.11(a)(3).*

**ACTION:** Johnny Hutchins made the motion, seconded by Jason Falls, and unanimously adopted by the Board, *to reconvene in open session.*

No action was taken but direction was given to the County Attorney and County Manager.

**COMMISSIONERS REPORTS**

Vice-Chairman Falls met with the management of Cleveland Mall where there are some very positive things in the works.

Commissioner Hutchins will be attending an MPO meeting tomorrow night where they will take a vote on the establishment of a three-county MPO.

Commissioner Holbrook announced that there are two hotels looking to possibly locate near the Cleveland Mall.

Commissioner Allen thanked all those who worked hard on the budget. She made note that the County has received quite a few applications for the open County Manager position. Each Commissioner will be reviewing the applications and the deadline for applications will be June 30<sup>th</sup>. They would like to interview 3-5 candidates sometime in July.

**ADJOURN**

There being no further business to come before the Board at this time, Johnny Hutchins made the motion, seconded by Susan Allen, and unanimously adopted by the Board, to adjourn the meeting. The next regular meeting of the Commission is scheduled for ***Tuesday, July 9, 2013 at 6:00 p.m.*** in the Commission Chamber. (*Note: The regular meeting of July 2<sup>nd</sup> was cancelled in observance of Independence Day.*)

---

*Ronald J. Hawkins, Chairman  
Cleveland County Board of Commissioners*

---

*Kerri Melton, Clerk  
Cleveland County Board of Commissioners*