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

**PRESENT:** Kevin Gordon, Chairman  
Deb Hardin, Vice-Chair  
Johnny Hutchins, Commissioner  
Ronnie Whetstine, Commissioner  
Doug Bridges, Commissioner  
Tim Moore, County Attorney via teleconference  
Brian Epley, County Manager  
Phyllis Nowlen, Clerk to the Board  
Kerri Melton, Assistant County Manager  
Katie Swanson, Social Services Director  
Tiffany Hansen, Health Department Director  
Martha Thompson, Chief Deputy Attorney  
Perry Davis, Emergency Management Director/Fire Marshal  
Sandra Orvig, Shooting Range Director  
Scott Bowman, Maintenance Director  
Tony Adair, Animal Services Director  
Marty Gold, Information Technology Director  
Allison Mauney, Human Resources Director  
Lucas Jackson, Finance Director  
Daryl Sando, Electronic Maintenance Director  
Stori McIntyre, E-911 Communications Director  
Jason Falls, Business Development Director  
Josh Davis, Solid Waste Director  
Betsy Harnage, Register of Deeds

**CALL TO ORDER**

Chairman Gordon called the meeting to order.

American Legion Shelby Post 82 provided the invocation and led the audience in the Pledge of Allegiance.

**AGENDA ADOPTION**

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

**CITIZEN RECOGNITION**

No one registered to speak.

**CONSENT AGENDA**

**APPROVAL OF MINUTES**

The Clerk to the Board included the Minutes from **May 3, 2022 regular meetings** in Board members’ packets.

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

**TAX COLLECTOR’S MONTHLY REPORT**

The Tax Collector provided Commissioners with the following detailed written report regarding taxes collected during **April 2022.**
The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during April 2022. The monthly grand total of tax abatements was listed as ($745.72) and the monthly grand total for tax supplements was $51,278.11.

The Tax Administration Office is requesting the release of $1,103.29 in the total refund to various businesses in the uptown Shelby district to correct a clerical error with the effective tax rate in the USMS district. The County Tax Assessor has reviewed the requests and advised they are in order for Board approval.

**ACTION:** Commissioner Hutchins made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, to **approve the Abatements and Supplements and Pending Refunds/Releases** as submitted by the Tax Assessor.
### SHERIFF’S OFFICE: BUDGET AMENDMENT (BNA #057)

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

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Project Code</th>
<th>Department/Account Name</th>
<th>Increase</th>
<th>Decrease</th>
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</thead>
<tbody>
<tr>
<td>010.436.4.409.00</td>
<td>93211</td>
<td>Mobile Command Unit/Local Revenues</td>
<td>$27,455.00</td>
<td></td>
</tr>
<tr>
<td>010.436.5.910.00</td>
<td>93211</td>
<td>Mobile Command Unit/Capital Equipment</td>
<td>$27,455.00</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Revisions:** Budget allocation for $27,455 in grant funds received from the Dover Foundation to assist with the purchase of a Mobile Command Truck. The County has already received $450,000 from the State Capital and Infrastructure Fund (SCIF) from the state to go towards the purchase of the truck. The total cost of the truck is $477,455.

### SHERIFF’S OFFICE: BUDGET AMENDMENT (BNA #058)

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

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Project Code</th>
<th>Department/Account Name</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>010.438.4.310.00</td>
<td>93211</td>
<td>LEO Grants/Federal Govt Grants</td>
<td>$5,071.00</td>
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<tr>
<td>010.438.5.500.01</td>
<td>93211</td>
<td>LEO Grants/Federal Govt Grants</td>
<td>$5,071.00</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Revisions:** Budget allocation for $5,071 in grant funds from the Rural Communities Opioid Response Program (RCORP) Implementation Award to be used for the new STAR program that replaces the DARE program. This is a coalition of various agencies, and funds will be used to set up virtual classrooms at the detention center to educate inmates on opioid abuse.

### LIBRARY: BUDGET AMENDMENT (BNA #059)

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

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Project Code</th>
<th>Department/Account Name</th>
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<tbody>
<tr>
<td>010.611.4.409.00</td>
<td>93211</td>
<td>Library/Local Revenues</td>
<td>$400.00</td>
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<tr>
<td>010.611.5.700.00</td>
<td>93211</td>
<td>Library/Grants</td>
<td>$400.00</td>
<td></td>
</tr>
</tbody>
</table>
Explanation of Revisions: Budget allocation for $400 in grant funds received from the North Carolina Arboretum Society for an eco-friendly program to engage kids with science and nature.

HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #060)

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

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Project Code</th>
<th>Department/Account Name</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>012.541.4.350.00</td>
<td></td>
<td>Environmental Health/State Gov Grant</td>
<td>$22,368.00</td>
<td></td>
</tr>
<tr>
<td>012.541.5.121.00</td>
<td></td>
<td>Environmental Health/Salaries FT Reg</td>
<td>$22,368.00</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Revisions: Budget allocation for $22,368 in grant funds from the North Carolina Department of Health and Human Services, Environmental Health Section. These funds are given to local health department environmental health programs to assist in implementing state-mandated sanitation requirements. Funds will be used towards existing salaries in the Environmental Health Department.

PLANNING DEPARTMENT: REQUEST TO CANCEL PUBLIC HEARING FOR TUESDAY, JUNE 7, 2022 FOR CASE 22-13: REQUEST TO REZONE PROPERTY AT 1318 STONY POINT ROAD FROM RESTRICTED RESIDENTIAL (RR) TO RESIDENTIAL (R)

At the May 3, 2022 meeting the Board set a public hearing for June 7, 2022, to hear Case 22-13, request to rezone property at 1318 Stony Point Road from Restricted Residential (RR) to Residential (R). Parcel 47196 is 15.16 acres, located at 1318 Stony Point Road, and is currently zoned Restricted Residential (RR). The applicant, Dexter Williams, is requesting to withdraw his rezoning request to rezone this parcel.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, approve canceling the public hearing as requested.

LEGAL DEPARTMENT: SALE OF COUNTY OWNED PROPERTY – PARCEL 43596

Parcel 43596 is a county-owned property located on Cabiness Drive in Shelby. Cleveland County acquired this property through foreclosure proceedings in 2007 and has incurred costs in the amount of $3,924.80 for accrued unpaid taxes and interest and county costs. This parcel of land has no residual structures and has a tax value of $10,786. The offer of $26,500 exceeds County costs and is $15,714 above tax value equaling to a gain of $22,575.20.

<table>
<thead>
<tr>
<th>Parcel Number</th>
<th>Amount Offered</th>
<th>Tax Value</th>
<th>Year Acquired</th>
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<tbody>
<tr>
<td>43596</td>
<td>$26,500.00</td>
<td>$10,786.00</td>
<td>2007</td>
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</table>

<table>
<thead>
<tr>
<th>Breakdown of county cost for Cabiness Drive, Parcel No.: 43596</th>
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</thead>
<tbody>
<tr>
<td>Costs</td>
</tr>
<tr>
<td>Taxes and Interest</td>
</tr>
<tr>
<td>Court Cost</td>
</tr>
<tr>
<td>Attorney’s Fees</td>
</tr>
<tr>
<td>Service Fee</td>
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<tr>
<td>Advertisement Fee</td>
</tr>
<tr>
<td>Guardian Ad Litem Fee</td>
</tr>
<tr>
<td>5% Commission</td>
</tr>
<tr>
<td>Clerk’s Commission</td>
</tr>
<tr>
<td>Deed</td>
</tr>
<tr>
<td>Revenue Stamp</td>
</tr>
<tr>
<td>TOTAL:</td>
</tr>
</tbody>
</table>

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously approved by the Board to, adopt the resolution authorizing county staff to advertise and begin the upset bid process.
REGULAR AGENDA

SOLID WASTE FRANCHISE AGREEMENT

Chairman Gordon recognized Strategic Initiative Manager Jeff Sedlacek to present the Solid Waste Franchise Agreement. Commissioners were reminded, at their February 1, 2021 work session, staff was directed to analyze the existing franchise agreement that provides exclusive residential and commercial curbside collection throughout Cleveland County. On June 1 of that same year, the Board voted to pilot open market commercial collections in unincorporated areas of the county with a specific focus on market rate, waste integrity and litter reduction. On July 1, the open commercial process began and the Solid Waste Department created a vendor registration system. The county did not make changes to the exclusive residential curbside collection franchise agreement at that time.
At the February 25, 2022 Work Session, staff presented an update on the open market commercial pilot program. During this meeting, staff also presented information on the residential curbside collection. Board Members directed staff to divide the county into zones providing coverage across all unincorporated areas of the county to identify more demographic information within those zones. Through that process, 3,287 unique customers were identified within Cleveland County. After further direction by Commissioners, the county issued a request for proposal (RFP) on March 16, 2022 focusing on two separate options for residential curbside pick-up:

- Option A: Entire County
- Option B: Selection of Zone(s)

The RFP bid remained open for six weeks closing on April 29, 2022. During that process, staff met with vendors, collecting all the registration information and answering questions or concerns. The county received two bids. Republic Services has 36,000 employees nationally, including 50 full-time employees locally based who provide services throughout the unincorporated county. The other bid was received from PSW Services. PSW Services is based locally in Kingstown. They currently provide services to the towns of Lattimore, Earl and Kingstown. Republic Services bid for option A to provide coverage for the entire county at $25 per member per month. PSW services bid for option B (Zones 3 and 4) which would only be partial coverage. The cost for collection by PSW would be $20.99 per member per month. The following information and PowerPoint were presented to Commissioners.
Chairman Gordon opened the floor to the Board for questions and discussion. Commissioner Whetstine asked, “Since PSW, doesn’t cover the entire county, is Republic Services willing to cover the two zones, or are they only interested in serving the entire county?” Mr. Sedlacek advised they are only interested in serving the entire county. Commissioner Whetstine continued, “we’ve got to provide service for all the citizens of this county, so we need to continue our relationship with Republic Services.” Commissioner Hutchins echoed Commissioner Whetstine’s comments. Commissioner Bridges commented on Republic Service’s fee and inquired if PSW is not awarded the bid, would they still be able to provide services to their customers. County Manager Brian Epley advised this would not impact municipality solid waste pick-up. The Board thanked Mr. Sedlacek for the information and the hard work that has been put into this project.
**ACTION:** Commissioner Whetstine made a motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board to, *award the residential curbside collection franchise to Republic Services and have staff draft the Solid Waste Franchise Agreement to bring back to the Board at their June 7, 2022 regular meeting for a first reading.*

**FY 2022 – 2023 COUNTY MANAGER’S RECOMMENDED BUDGET**

Chairman Gordon recognized County Manager Brian Epley to present the FY 2022 – 2023 County Manager’s Recommended Budget. Policy direction begins with the Board’s Strategic Plan. In a period of rising costs, it is important for Commissioners to be clear with their goals and priorities to direct staff with allocation of resources. The proposed general fund is balanced at $126.5MM dollars with a tax rate of 54.75 cents and a school tax rate of 14 cents. There is no recommendation for a tax increase.

Following the Board’s February 2022 work session, a top priority for this year was to continue to execute the facility master plan with a specific focus on the Justice Center. Other priorities include the success in recruiting and now hosting a highly competitive national shooting match at the Foothills Shooting Complex, continuing the partnership with Cleveland County School System to get an adequate long-term capital facility plan and working through the county’s own public safety strategic plan. Improving Community Health Rankings also continues to be a top priority for the Board. Resources have been allocated to reengage in community offerings like a Citizen’s Academy. This specific goal has been on the Board’s strategic plan for several years with little movement forward.

Lastly, maintaining Cleveland County as an “Employer of Choice” is a Commissioner’s priority. The county needs to have competitive pay, modern policies and continue to work towards career progression. This is accomplished by attracting and retaining top talent, focusing on internal operations, staying committed to values, and operating the right way every day.

Many of the county’s revenues are predicated on the performance of the economy. Cleveland County’s economy has shown resilience. There are many other towns and counties that have seen a dramatic negative impact over the last 24 months, specific to economic performance. Since 2020, the county, like many other organizations across the country, experienced economic declines due to the COVID-19 pandemic. As the country has shifted from a pandemic to an endemic with regulations lifted, the rebound growth exploded and has now stabilized. The county’s home sales are strong, people are shopping and the unemployment rate of people who are actively seeking or already working is 3.2%. Industrial manufacturing is a major part of the county’s economy; it’s the primary labor force.

National data shows confidence in economic recovery from COVID-19. Sales Tax is performing at an unprecedented rate and people want to re-engage in pre-pandemic activity. These actions can grow optimistic economic energy, but the rising real inflation rates must be recognized; fuel prices have increased by 40%, and construction costs, depending on what type of materials are needed, have double-digit increases. Although Cleveland County currently has a 3.2% unemployment rate, the labor force participation rate is only 61%.
For FY 2022 – 2023, staff is expecting a tax base of $10.6 billion dollars. This will be comprised of all real property, personal property, state boards and motor vehicle. Motor vehicles will contribute about $900 million dollars. It is essential for the county to maintain a recession-ready budget, recognizing that conservatism, and being principle-driven, are critical. In revenue forecasting, staff tried to diversify revenue sources to reduce the dependency on property tax and sales tax. If an organization is overly reliant on sales tax, meaning the percentage of total revenue portfolio is balanced on sales tax, if the economy dips, that will apply pressure to the budget. It’s the same with property tax, if there’s a loss in revenue in other places, there’s a strain on that property tax.

Commissioners, past and present, have focused on maintaining a lower tax rate for the citizens of Cleveland County. When building the budget, it starts with analyzing the base. There is no incremental budgeting in Cleveland County, every budget begins with a zero base and staff builds to it. The county’s general fund, as mentioned, is balanced at 54.75 cents and the school tax rate is balanced at 14 cents. The proposed budget does not include money from the American Recovery Plan Act or opioid settlement dollars as those large one-time funds could jeopardize future analytical budget comparisons. Those funds will be placed in their own individual spending plans. The county does have an approved spending plan through the North Carolina Recovery Office and external auditors.

Staff has a three-phase systemic approach to employee pay with the first being a living wage adjustment. This adjustment focuses on lower-paid employees who are working full-time and not earning a living wage. There is an organizational-wide recommended 3% Cost-of-Living Adjustment (COLA) effective July 1, 2022 with an additional 1% increase bringing the 401K contribution to 6%. To keep Cleveland County competitive the proposal continues the county’s performance pay system. There is a recommendation for 10 additional Full-Time Employees (FTEs) which, for this organization is not customary. Over the last four years, the organization has been able to reduce the personnel headcount by 100. This was accomplished by leveraging technology and focusing on process refinement. This has allowed for flexibility to bolster some of the programs and projects staff has been working on. As reviewed previously, there is economic and people growth in Cleveland County and across the country which has caused the need for the additional FTEs. These 10 new positions include:

- 4 Deputy Sheriffs
- 1 Information Technology Position
- 1 E-911 Telecommunicator
- 1 Emergency Management/Fire Marshal Position
- 1 Animal Services Officer
- 2 Environmental Health Officers

Through Commissioner’s vision, there has been a very intentional reallocation of resources without growth in the entirety of the budget. Staff has been able to reallocate resources from other functional areas to make the budget align more closely with the Board’s policy. Mr. Epley gave an executive review of the Commissioner’s Focus Area of fiscal sustainability which included goals such as: Cleveland County being an employer of choice, executing the capital plan, and leveraging an unprecedented opportunity to affect federal grant money
opportunities. Moving into next fiscal year, staff has several strategies to support the reengineering of funds and resources such as stop/loss adjustments, technology savings, building/department consolidations and position justifications.

The employee wellness plan is $10MM and is self-funded with 827 covered lives. This fund pays for items such as health claims, biometrics, the Wellness Center and HSA contributions. This fund continues to exceed expectations. When comparing, FY 2022 the county spent $564,000 per month, compared to FY 2019 when the county was spending $643,000 a month. That $80,000 savings a month multiplied by 12 months has a tremendous positive impact on the county’s budget. The savings from this fund pay bills, fund programs and advances the Board of Commissioners’ strategic plan. The cost reduction has been achieved through disease management programs, pre-diabetes classes, reduced rates for YMCA membership and a culture of wellness. The continuation of these programs is included in the proposed budget. The Charlotte Business Journal named Cleveland County an Employer of Choice in their top group of small and mid-sized employers for employee wellness and culture. Spousal and dependent coverage remains unchanged for the 12th straight year.

Grant management strategies are in place as staff is actively seeking grants which if awarded, can lower the county’s local costs. Grants already given are a $59MM grant from the General Assembly to assist with the Justice Center Campus, a $450,000 grant for a mobile command unit, a $5MM grant for primary care access for at-risk/in-need citizens, a School Resource Officer (SRO) grant, and a Victim Specialist Grant. These are examples of the county being fiscally minded by looking for alternative funding sources, versus traditional property and sales taxes.

Public safety remains one of the primary focus areas on the Commissioner’s strategic plan. Creation of a Public Safety Strategic Plan, a goal of the Board, is expected to be complete by the early fall of 2023. The seamless transition to a centralized EMS system, a recommendation from the Public Safety Strategic Plan, has improved response time and patient outcomes. Other areas under public safety include developing a nuisance ordinance, successful completion of the public safety campus and maintaining support for the Volunteer Fire Departments. As the community grows, resources in these departments will need to be re-evaluated and right-sized.

The recommended Fire Service tax rate remains unchanged at 8.75 cents with a total allocation of $5.1MM. Included in the proposed budget is an increase to both the hourly wage and per call stipend. The hourly wage will increase to $15.00. An increase in operations allocation will give departments the ability to provide Saturday and Sunday daytime coverage.

Cleveland County’s community health ranking is currently 81st out of all 100 counties in North Carolina. Improving community wellness has been on the Board’s strategic plan for the last four years. This is being talked about by the local hospital, schools and other community partners and is an endeavor being led by this Board. Resources are allocated in the budget to the community base initiative in an effort to impact community health in a positive way. The two county departments that fundamentally impact community wellness are public health and social services. Other peer counties that compare to Cleveland County in demographics such as population size,
budget, median income, poverty level, etc. are performing at a much higher level in community health. Data continues to show poverty, lack of accessible health care, and behavioral lifestyles such as poor diet, exercise, tobacco and alcohol use are resulting in premature deaths, obesity, strokes, etc., for the citizens of Cleveland County. Staff has been able to further refine those to these specific census tracts, giving a roadmap to implement community-based education and care, with a focus on impacting citizens’ lives in a positive way.

Broadband access to the residents of Cleveland County is also a priority focus on the Commissioners’ strategic plan. The county has resources and a budget to assist with broadband expansion throughout the community. Currently, there are three opportunities for broadband expansion. The first one is called RDOF. The governmental relations expert from Charter Communications presented at a Commissioners’ meeting during the fall of 2021 a plan that will be executed over the next five years, with no local dollar impact, to provide internet access. It would provide high-speeded internet to 1,960 homes in the county. There are two other opportunities: the Great Grant and the CAB Grant. Both of these require a local funding match. The American Recovery Plan dollars will provide that match. The Great Grant would provide additional internet coverage to 1,200 homes. By 2025, 90% of Cleveland County residents will have access to broadband.

Mr. Epley reviewed the Economic Development Focus Area. Goals include growth in the county including agricultural economic development, the upcoming national shooting competition and shell building projects. Staff is currently in partnership with the City of Shelby for the anticipated completion of Shell Building 4 by the end of 2022. The Shell Building 5 project may be located on the former Dover Mill site. There are resources allocated to finish construction, design and grading to get that site pad ready. Commissioners were briefed about the FY 2022 – 2023 Capital Projects Improvement Plan that includes a public defender’s office, Health/DSS Co-location, E-911 Communications Center, new Board of Elections location and the Justice Center Campus. The county has a 10-year payout for debt function maintenance. In the absence of new debt instruments, Cleveland County will have the debt paid off by 2033. Staff has been very intentional about positioning the county to have debt capacity, improving the county’s bond rating.

The goal for Cleveland County Schools (CCS) is to have dedicated funding for future capital as well as teacher supplements and financial equity with no impact on charter schools. Commissioners directed staff to create an escrow funding source for CCS. The account, dedicated to supplements and capital was created. A total of $700,000 was added to the Commissioner-controlled escrow. Mr. Epley next discussed Community College funding.

There are 58 community colleges in North Carolina. Most of those are funded by multiple counties not on a single county funding model. When compared to peer counties, Cleveland Community College (CCC) has a fair and favorable comparison, which gives staff a benchmark to better understand the funding level and keep the community college competitive. Since 2018, annual funding for the community college has increased to $549,000 per year. In FY 2022, county funding was increased by 17%. Included in the budget is also an in-kind contribution
being offered over the next five years, for a parcel of land located on Highway 180, which will add another $39,950 to their funding.

The Cleveland County Solid Waste Department operates on a budget of $11.9MM. Of all the operational departments in the county, rising inflationary costs have impacted this department more so than any other. Necessary operation costs such as steel trays, heavy equipment and motor fuel have an incredible impact on the FY 2022 – 2023 budget. There is life left in the county landfill but as household waste decomposes, the county has the responsibility of monitoring and ensuring the environmental side of the budget is being accounted for. The landfill has a $22.5MM unfunded liability and the funding of the landfill. Funding the Solid Waste Department is much less about people, fuel and equipment and more about future obligations and environmental reporting. Included in the proposed budget is a $1 per ton fee for litter clean-up. Staff has asked an engineering firm to complete a review and proposal for a rate stabilization plan that includes a 10% increase in tipping fees this year, followed by a residual 3% increase through 2033. Cleveland County’s tipping fees are lower than many of the open and operated landfills around the area. There has been growth, investment and improvements in the county’s collection sites focusing on safety, efficiency, and customer experience. The following information and PowerPoint were presented to Commissioners.
FY 23 Commissioners Top Priorities

Commitment to implementation of the County’s Capital Improvement Plan - using the Public Safety Plan as a priority.

Successful Testing of Water Metering Contractors at Firehills Public Storage Complex.

Navigating a partnership with a territorial county to develop a long-term capital facility plan.

Allocate support for County Public Safety Department through development of a five-year Public Safety Strategic Plan.

Focus on community wellness by identifying health disparities and partnering with community agencies to implement Equity, Health Impact.

Promote housing in compliance of City - competitive pay, modern policy, career progression.

FY 23 Commissioners Strategic Plan

Policy Making

Corporate Governance
Make Legal / Regulatory Employment of CEO Community Liaison

Staff Responsibility

Implementation

Strategic Planning
Policy Execution
Performance Mgt.
Program Operations
Fixed Management

Economic Recovery Models

Economists call this K-shaped recovery

Dip and rebound

Those who are doing well are doing really well

Those who are hurting financially are really hurting

Economic Outlook & FY 23 Revenue Forecast

The Good News: Our Economy Has Shown Resiliency

Local Key Economic Indicators

Population Growth - 2.4%

Residential Home Permitting - 4.4%

Land Use Revenues - 25%

Unemployment Rate - 2.9%

Construction Material - 12.3%

United States Industrial Production Index

United States Moody’s Analytics

Labor Force by Sector
FY 23 General Fund Budget Highlights
- General Fund Tax Rate —— $4.794
- Cleveland County Incomes Recommended Rate —— $4.005
- Does Not Include Any Fills Funding
- Developed Intentionally Based
- Includes Phase II Funding (additional surplus $700K to support Debt Service, Fairmount Center Campus
- Anticipates Replanning the Majority of Prior Year Revenue Loss
- Does Not Include Any Fills Funding
- Three-phase systematic approach to employee performance management: OMB, Administration, Pay

Priority Based Budget Expenditure by Function

Fiscal Year 2015
1. Human Services.............35%
2. Education...................29%
3. Public Safety...............19%
4. Economic Development........8%
5. General Government..........10%
6. Cultural & Rec................0%

Proposed Fiscal Year 2023
1. Human Services..............27%
2. Education....................27%
3. Public Safety...............27%
4. Economic Development........4%
5. General Government..........11%
6. Cultural & Rec...............04%

Fiscal Sustainability
- Employer of Choice
- Capital Plan Execution
- Leveraging State & Federal Grant Opportunities
- Fund Balance Growth > 20%
- Re-engineering Innovation & Implementation

FY23 Re-engineering Summary

Historical Cost Re-Engineering

Current Year Cost Re-Engineering

Investment into Technology

Organizational Approach To Human Capital
Grant Management Strategies

- ARPA Grant Management and Administration
- Opioid Settlement Management and Administration
- SRO & Victim Specialist Grant Management

Public Safety

Completion of Public Safety Strategic Plan
Central Administered EMS System
Develop a nuisance ordinance
Design and Construct a Public Safety Campus
Maintain support for County Volunteer Fire Departments

Public Safety Funding

<table>
<thead>
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<th>Department</th>
<th>FY 15</th>
<th>FY 23</th>
<th>% Change</th>
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<td>Detention Center</td>
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<td>$7,973,570</td>
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<td>Sheriff’s Department</td>
<td>$7,011,656</td>
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<td>Total Public Safety Budget</td>
<td>$19,098,090</td>
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Sheriff/Detention Peer Comparison

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<th>FY 22</th>
<th>FY 23</th>
<th>% Change</th>
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<tr>
<td>Detention Center</td>
<td>$7,452,065</td>
<td>$7,973,570</td>
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<tr>
<td>Sheriff’s Department</td>
<td>$10,315,040</td>
<td>$11,409,072</td>
<td>11.1%</td>
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<td>$419,480</td>
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<tr>
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<td>Total Public Safety Budget</td>
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<td>$29,839,264</td>
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EMS/911 Peer Comparison

<table>
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<th>Department</th>
<th>FY 22</th>
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<th>% Change</th>
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Emergency Management Peer Comparison

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Fire Department Funding Analysis

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<tbody>
<tr>
<td>Total</td>
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Volunteer Fire Service

- Recruit and train new firefighters
- Ensure fire station is up to code
- Maintain station budget of $1,000,000
- Raise the donation for fire station improvements
- Support local volunteers in emergency situations
Community Wellness

Improvement in Community Health Rankings
Effective Use of Opioid Settlement Funds
Expansion of Existing Trail Systems & Exploration of New Opportunities
Implementation of a Long-Term Solid Waste Handling System – Commercial & Residential

Community Wellness Rankings
Peer Group Overall Health Comparison

Obesity

Adult obesity in Cleveland County, NC County, State and National Trends
Cleveland County is getting worse for this measure

Social Services Budget Allocation

Social Services - Annual Expenditures vs. Medicaid Eligibility

Citizen Engagement

Explore Partnerships that Support Broadband Expansion
Focus on Support of Municipal Development & Community Place-Making
Implementation of Pilot Citizens Academy
Community Beautification & Litter Cleanup Programs
Marketing Communication & Implementation of New Animal Services Ordinance

DHHS Funding

Premature Death

Data Source: National Center for Health Statistics
- Number of deaths among citizens under age 75
- Number of deaths among citizens under age 18
- Number of all infant deaths

Preventable Hospital Stays

Presentable hospital stays in Cleveland County, NC County, State and National Trends
Cleveland County is getting worse for this measure

Highest Concentration Areas

Poverty – Social Determinants
Access to Care
Behavioral / Lifestyle Adjustments

Broadband Infrastructure

<table>
<thead>
<tr>
<th>Locations</th>
<th>Grant match</th>
<th>Timeline</th>
<th>Status</th>
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<tbody>
<tr>
<td>RDGF</td>
<td>1,060</td>
<td>$50,000</td>
<td>5 years</td>
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<tr>
<td>GREAT</td>
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<tr>
<td>CAB</td>
<td>TBD</td>
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Citizens Academy

Economic Development

Travel Tourism Investment vs Occupancy Tax Revenue

Economic Development Product Inventory

Commitment to Capital Planning

Cleveland County Schools – County Budget

Public Education Funding FY 23

Public Education Revenue Sources

Funding | Share with Charter | Amount
--- | --- | ---
Property Tax | Yes | $14M
Local County | Yes | $10.25M
Unrestricted Sales Tax | No | $3.2M
Local Capital | No | $1.4
Restricted Sales Tax | No | $1.45M
Fines & Forfeitures | Yes | $350K

 Commitment to Capital Planning

Cleveland County Schools – County Budget

Commissioner Goals:
- Additional Dedicated Funding For Education Capital & Teacher Supplements
- Financial Equity
- No Impact on Charter Schools
Public Education Escrow Balance (June 30, 2022)

Public Education Escrow Disbursement
- $1.9M ($1.9M) – July Disbursement to Fund 2.5% Classroom Teacher Supplement Increase
- $5.1M ($5.1M) – Allocated to School Capital Reserve Fund for Future Capital

Teacher Supplements - Benchmarking

Public Education Funding (FY 23)
- Flat funding model from FY 22, with science, performance in property and value being allocated to Commissioner Costs.
- Reduction of Local Capital Allocation from $4.1 million to $0
- 2% TIA budget cut for Escrow
- 2% TIA reduction of County Allocation

Cleveland County Schools – County Budget

Commissioner Goals:
- Additional Dedicated Funding For Education, Capital & Teacher Supplements
- Financial Equity
- No Impact on Charter Schools

Cleveland Community College Funding FY 23

Cleveland Community College Benchmarking (2021 Data)

Cleveland Community College FY 23

Outside Agency Support FY 23
Commissioner Gordon opened the floor to the Board for questions and discussion. Commissioner Hutchins commented on the rising inflation rates and the increased cost of living including higher prices for places to live, groceries and gas. He asked Mr. Epley to re-evaluate the proposed 3% COLA and 1% additional 401K contribution for employees to see if there could be a possibility to give a higher COLA adjustment now to help alleviate some of the inflation impacts and still be able to provide the additional 401K contribution. Mr. Epley advised the Board the budget team will review all possible options and will bring back options at the June 7, 2022 Commissioners’ meeting.
Board members commented positively on the proposed budget presentation, thanking Mr. Epley and the entire team for all the hard work, countless hours and months that have been gone into making the proposed FY 2022 – 2023 budget. On May 20, 2022, a full copy of the proposed FY 2022 – 2023 budget will be available at the following locations:

- Office of the Clerk to the Board, 311 E Marion Street, Shelby (during normal business hours)
- Cleveland County Public Libraries (Boiling Springs, Kings Mountain, Lawndale, Shelby)

The Board of County Commissioners will conduct a public hearing on the proposed budget for Cleveland County's Fiscal Year 2022-2023 on Tuesday, June 7, 2022 at 6:00 p.m. The public hearing will be held in the Commission Chamber, County Administrative Office Building, 311 East Marion Street, Shelby, North Carolina, at which time the public will have the opportunity to make any comments or recommendations relative to the proposed budget. Commissioners will also be able to approve, deny or make modifications to the proposed budget at that time.

**BOARD APPOINTMENTS**

**CLEVELAND COMMUNITY COLLEGE BOARD OF TRUSTEES**

**ACTION:** Commissioner Whetstine made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, to appoint Anthony Berry and Kenneth Ledford to serve as members of this board, for a period of four years, scheduled to conclude June 30, 2026.

**ADJOURN**

There being no further business to come before the Board at this time, Commissioner Hardin made a motion, seconded by Commissioner Bridges and unanimously adopted by the Board, to adjourn. The next meeting of the Commission is scheduled for Tuesday, June 7, 2022 at 6:00 p.m. in the Commissioners Chambers.

__________________________
Kevin Gordon, Chairman
Cleveland County Board of Commissioners

__________________________
Phyllis Nowlen, Clerk to the Board
Cleveland County Board of Commissioners