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  
Ronnie Whetstine, Vice-Chair  
Johnny Hutchins, Commissioner  
Doug Bridges, Commissioner  
Deb Hardin Commissioner  
Tim Moore, County Attorney via teleconference  
Martha Thompson, Deputy County Attorney  
Todd Carpenter, Interim County Manager  
Phyllis Nowlen, Clerk to the Board  
Kerri Melton, Assistant County Manager  
Allison Mauney, Human Resources Director  
Lucas Jackson, Finance Director  
Jason Falls, Business Development Director  
Scott Bowman, Maintenance Director  
Betsy Harnage, Register of Deeds  
Sherry Lavender, Tax Assessor  
Clifton Philbeck, Board of Elections Director  
Colt Farrington, Building Inspections Director

CALL TO ORDER

Chairman Gordon called the meeting to order, and members of the Women Republicans of Cleveland County (WeROCC) led the audience in the Pledge of Allegiance and provided the invocation.

AGENDA ADOPTION

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

SPECIAL RECOGNITION

RESOLUTION IN HONOR OF RUTH WILSON

Ruth Barnett Wilson was a lifelong public servant to the citizens of Cleveland County. She served on the Cleveland County Board of Elections from 1985 to 2009 and was instrumental in finding precinct officials, and ensuring the proper conduction of local elections. Mrs. Wilson passed away on April 15, 2023, and the following was proclaimed in her honor.
CITIZEN RECOGNITION

Janet Whisnant, 1338 Union Church Road, Shelby – spoke about her concerns with Animal Services. Ms. Whisnant was a Cleveland County Animal Services Advisory Board member. She cited the work that was accomplished during her tenure on that board, and recommended reactivation of the board.

Marge Hooper, 157 Delmar Road, Shelby – spoke in opposition to the “Crafting in Color” event that was held at the Eugenia H. Young Library on Tuesday, June 6, 2023.

Cindy Bailey, 2546 Shoal Creek Church Road, Shelby – spoke in opposition to the “Crafting in Color” event that was held at the Eugenia H. Young Library on Tuesday, June 6, 2023.

Alex Cherry, no address given – spoke about her concerns with Animal Services’ policies and procedures.

Mary Ledford, no address given – spoke about her concerns with Animal Services’ management, policies, and procedures.

Deanna Kristen, 215 Eagle Cove Drive, Cherryville – spoke about her concerns with the repeal of animal licensing ordinance and the issues it could cause. She also cited other areas in the county’s Animal Services Ordinance that should be reviewed, updated, and enforced.

Maggie Watson, 127 Carroll Drive, Cherryville – spoke about her concerns with Animal Services, echoing previous comments.

Guy Smith, 2207 Taylor Road, Shelby – spoke in opposition to the “Crafting in Color” event held at the Eugenia H. Young Library on Tuesday, June 6, 2023, suggesting defunding the library.
David Marshall, 517 Cherryville Road, Shelby – spoke in favor of the “Crafting in Color” event held at the Eugenia H. Young Library on Tuesday, June 6, 2023, and the value of inclusion within a community.

Kaylynn Beaver, 361 Grice Street, Shelby - spoke about her concerns with Animal Services, echoing previous comments about policies and procedures.

BJ Zamora, 504 Country Club Acres, Shelby – spoke about her concerns with the repeal of Animal Licensing and other areas of the Animal Services Ordinance, echoing previous comments regarding management, policies, procedures, and enforcement.

Ginger Bullock, 119 Laurel Ridge Drive, Cherryville – spoke about her concerns with Animal Services and the Animal Services Ordinance, echoing previous comments.

Alton Beal, 104-1 N. Lee Street, Shelby – spoke in opposition to the “Crafting in Color” event that was held at the Eugenia H. Young Library on Tuesday, June 6, 2023, echoing previous comments of concern and defunding the library.

Joann Hampton, no address given – spoke in favor of the “Crafting in Color” event that was held at the Eugenia H. Young Library on Tuesday, June 6, 2023, thanking the library and staff.

Katrina Summerville, 1217 S. Lafayette Street, Shelby – spoke about her concerns with Animal Services regarding their policies and procedures.

Renea Bumgarner, 864 West Warren Street, Shelby – spoke about inclusiveness and its importance to the community.

CONSENT AGENDA

APPROVAL OF MINUTES

The Clerk to the Board included the Minutes from the May 16, 2023 regular Commissioners’ meeting in Board members’ packets.

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

FINANCE DEPARTMENT: BUDGET TRANSFER SUMMARY

As required by North Carolina General Statute §159-15, all internal transfers shall be submitted to the Board of Commissioners. The budget transfer summary from May 8, 2023 through May 26, 2023 is included in Commissioner packets.

ACTION: Commissioner Bridges made a motion, seconded by Commissioner Hardin, and passed unanimously by the Board to, approve the budget transfer summary as presented.
**REGISTER OF DEEDS: BUDGET AMENDMENT (BNA #064)**

**ACTION:** Commissioner Bridges made a motion, seconded by Commissioner Hardin, 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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<tr>
<td>010.619.4.991.00</td>
<td>ROD Automation/Fund Balance Appropriated</td>
<td>$4,721.00</td>
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<tr>
<td>010.619.5.490.00</td>
<td>ROD Automation/Professional Services</td>
<td>$4,721.00</td>
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Explanation of Revisions: Budget allocation for $4,721 in automation funds to cover FY23 preservation work on Marriage Certificates by Kofile Technologies.

**HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #065)**

**ACTION:** Commissioner Bridges made a motion, seconded by Commissioner Hardin, 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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<tr>
<td>013.660.4.510.78</td>
<td>EWC/Wellness Tier 5 – Fees</td>
<td>$225,339.00</td>
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<tr>
<td>013.660.5.121.00</td>
<td>EWC/Salaries-Wages Reg</td>
<td>$36,504.00</td>
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<tr>
<td>013.660.5.210.00</td>
<td>EWC/Departmental Supply</td>
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<tr>
<td>013.660.5.230.01</td>
<td>EWC/Prescription Drugs</td>
<td>$176,735.00</td>
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<tr>
<td>013.660.5.231.00</td>
<td>EWC/Pharmacy Fees</td>
<td>$10,000.00</td>
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<tr>
<td>013.660.5.321.00</td>
<td>EWC/Telecommunications</td>
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</table>
**FINANCE DEPARTMENT: 2023 AUDIT CONTRACT**

North Carolina General Statute §159-34 requires each unit of local government in North Carolina to have its accounts audited at the close of each fiscal year by a certified public accounting firm. The audit evaluates the performance of a unit of local government regarding compliance with applicable federal and state laws as well as the accuracy and reliance of the financial statement disclosures. Each year Cleveland County’s audit contract must be approved first by the County Board of Commissioners and then by the North Carolina Local Government Commission. The Finance Department recommends renewing the contract with Thompson, Price, Scott, Adams & Co, P.A. for the 2023 – 2024 fiscal year audit.

**ACTION:** Commissioner Bridges made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, to approve the audit contract with Thompson, Price, Scott, Adams & Co, P.A. for the 2021-2022 fiscal year audit. (A full copy of the audit contract is on file in the Clerk’s Office and the Finance Department).

**PLANNING DEPARTMENT: REQUEST TO SET A PUBLIC HEARING FOR TUESDAY, JULY 11, 2023 FOR CASE 23-14; REQUEST TO REZONE PARCELS AT 392 PREYER STREET FROM RESTRICTED RESIDENTIAL (RR) TO RESIDENTIAL (R)**

The applicant, Oz Realty, LLC, requests to rezone parcel 22160, containing 0.45 acres, from Restricted Residential (RR) to Residential (R). The parcel is on Preyer Street, off Oak Grove Road, east of Shelby. The property is zoned Restricted Residential (RR), as is property to the north along Oak Grove Road and Residential to the south down Preyer Street and neighboring streets. The surrounding uses are a mix of single-family dwellings, manufactured homes, and some business uses along Oak Grove Road. The Land Use Plan designates this area as Primary Growth.

**ACTION:** Commissioner Bridges made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, approve setting the public hearing as requested.

**PLANNING DEPARTMENT: REQUEST TO SET A PUBLIC HEARING FOR TUESDAY, JULY 11, 2023 FOR CASE 23-15; REQUEST TO REZONE PARCELS AT 410 DAVIS ROAD FROM RESIDENTIAL (R) TO NEIGHBORHOOD BUSINESS-CONDITIONAL USE (NB-CU) FOR A RECREATIONAL VEHICLE PARK EXPANSION**

Parcel 55397 is 23.1 acres at 410 Davis Road, south of Shelby. The Gibsons own Dry Ridge RV Park on parcel 59068, containing 30 RV pads. The RV Park is considered a nonconforming use, and 12-8(C) of the Cleveland County Unified Development Ordinance (UDO) states that any expansion beyond the original lot where the use is located is prohibited. Expanding onto parcel 55397 requires rezoning to a district that has RV parks as a permitted use. The request is to change the 18 acres marked on the site plan, covering parcel 59068, and a section of parcel 55397 to Neighborhood Business-Conditional Use (NB-CU) to place 20 RV sites on it. As a condition, the petitioner is requesting that these parcels be combined if approved for rezoning by the Commissioners. The proposed site plan meets the requirements of Section 12-161 of the UDO. The surrounding zoning is mostly
Residential (R), with Residential Manufactured Homes and Parks (RMH) to the northeast and General Business (GB) to the east along South Post Road. The surrounding uses are mostly single-family dwellings and large vacant agricultural tracts. The Land Use Plan calls this area Future Secondary Growth.

**ACTION:** Commissioner Bridges made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, approve setting the public hearing as requested.

PLANNING DEPARTMENT: REQUEST TO SET A PUBLIC HEARING FOR TUESDAY, JULY 11, 2023 FOR A REQUEST TO ABANDON A PORTION OF THE PUBLIC RIGHT OF WAY ON HYWOOD ROAD

The applicant, Kellie Boice, requests that a portion of Hywood Road be abandoned. The road is surrounded by parcels 37944 and 65157, both owned by Ms. Boice who has requested to abandon the right of way that begins at parcel 37944 and continues into parcel 65157. The North Carolina Department of Transportation (NCDOT) has been notified of the request and has given its consent to move through the abandonment process.

**ACTION:** Commissioner Bridges made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board to, approve setting the public hearing as requested.

LEGAL DEPARTMENT: SALE OF COUNTY-OWNED PROPERTY FOR PARCEL 7924

Cleveland County acquired parcel 7924, located on Campbell Circle in Kings Mountain from foreclosure proceedings in 1994. This plot of land is landlocked and has no residential structures. The 2023 Tax Value is $160. Parcel 7924 was approved for advertising following the offer on this property for an upset bid pursuant to North Carolina General Statutes. The final bid and offer are now before the Commissioners for consideration to approve the sale. The City of Kings Mountain was the highest bidder, offering $630.00. Staff is requesting approval of the offer made and authorizing County staff to prepare a deed to sell this parcel to the City of Kings Mountain.

**ACTION:** Commissioner Bridges made a motion, seconded by Commissioner Hardin, and unanimously approved by the Board to, approve the offer of $630 made on parcel 7924 and authorize county staff to prepare the deed of sale and deliver to the City of Kings Mountain upon payment.
Annually, the Juvenile Crime Prevention Council (JCPC) comes to the Board of Commissioners to seek their approval on their annual list of priorities. This does not have any direct cost to the county but does require action on the Board’s part to approve their funding priorities for the fiscal year. Recommendations for FY 2023-2024 include:
ACTION: Commissioner Bridges made the motion, seconded by Commissioner Hardin and unanimously approved by the Board to, approve the Cleveland County Juvenile Crime Prevention Council Annual Plan and Funding Allocation for 2023 – 2024.

PUBLIC HEARINGS

PLANNING DEPARTMENT CASE 23-10; REQUEST TO AMEND THE CLEVELAND COUNTY UNIFIED DEVELOPMENT ORDINANCE AND TABLE OF USES TO ALLOW MICROBREWERIES AS A PERMITTED USE IN THE RURAL AGRICULTURAL (RA) DISTRICT

Chairman Gordon recognized Zoning Administrator Henry Earle to present Planning Department Case 23-10; Request to Amend the Cleveland County Unified Development Ordinance (UDO) Definitions and Table of Uses to Allow Microbreweries as a Permitted Use in the Rural Agriculture (RA) District. The applicants, Phillip and Jillian Hidy, are requesting to amend the Cleveland County Development Ordinance, Sections 12-21 (Definitions) and Section 12-124 (Table of Uses) so that microbreweries can be a permitted use in the Rural Agriculture (RA) zoning district. Currently, breweries are categorized as beverage and tobacco product manufacturing in the UDO and permitted only in the Heavy Industrial (HI) district. This amendment, if approved, will define and separate microbreweries from the beverage and tobacco product manufacturing category and allow them in the Rural Agriculture (RA) district with a zoning permit. Due to the low density, the Rural Agriculture (RA) district allows Residential (R), various agricultural, and some commercial uses. Similar uses permitted in the Rural Agriculture (RA) district include wineries and distilleries.

The Hidys have proposed the following text amendment definition; Micro-brewery – A craft brewery primarily engaged in the production of fewer than 15,000 barrels of craft beer per year. Planning staff reviewed and compared the proposal to other ordinances and suggested the following definition be considered:

<table>
<thead>
<tr>
<th>MANUFACTURING</th>
<th>RA</th>
<th>RR</th>
<th>R</th>
<th>RM</th>
<th>NB</th>
<th>GB</th>
<th>CP</th>
<th>LI</th>
<th>HI</th>
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<tbody>
<tr>
<td>Food</td>
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<td></td>
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<td></td>
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<td>Beverage and Tobacco Products</td>
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<td>Z</td>
<td></td>
</tr>
<tr>
<td>Micro-Brewery</td>
<td>31200</td>
<td>Z</td>
<td></td>
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</table>

Section 12-21 Definitions

Micro-Brewery – A craft brewery primarily engaged in the production of less than 15,000 barrels of craft beer per year.
• Micro-brewery – A brewery primarily engaged in the production of fewer than 15,000 barrels of beer per year. This establishment may also include on-site beverage and food services.

The Planning Board voted unanimously to recommend approval of the request to add microbreweries as a permitted use in the Rural Agriculture (RA) district with a zoning permit. They also voted unanimously to recommend adopting the definition of a microbrewery proposed by the Planning staff, determining that the use of a microbrewery in the Rural Agriculture (RA) district was consistent with similar uses of a winery and distillery, which are already permitted in that district. The following information and PowerPoint were presented to the Board.

Chairman Gordon opened the floor to the Board for questions and discussion. Commissioner Hutchins inquired why microbreweries were not recommended to be included in Light Industrial (LI) zoning districts like wineries and food establishments. Mr. Earle advised that this was the proposed amendment submitted by the applicants; however, Commissioners may change the text to include breweries in the Light Industrial (LI) zoning districts.

Chairman Gordon opened the Public Hearing at 7:11 pm for anyone wanting to speak for or against Planning Department Case 23-10; Request to Amend the Cleveland County Unified Development Ordinance (UDO)
Definitions and Table of Uses to Allow Microbreweries as a Permitted Use in the Rural Agriculture (RA) District.  

(Legal Notice was published in the Shelby Star on Friday, May 26, 2023, and Friday, June 2, 2023).

Jacqueline Walford, 910 Stony Point Road, Shelby – spoke in opposition to the proposed amendment, expressing her concerns about increased traffic safety if the brewery location were to be approved.

Wayne Smiley, 955 Stoney Point Road, Kings Mountain – spoke in opposition to the proposed amendment, citing his worries about the amount of increased traffic, noise, and safety for the community.

Chairman Gordon reminded those in attendance who wish to speak regarding Planning Case 23-10 that the public hearing is to consider the text amendment only, not the brewery's location/rezoning request. The case before Commissioners is to consider amending the Cleveland County Unified Development Ordinance (UDO) Definitions and Table of Uses to allow microbreweries as a permitted use in the Rural Agriculture (RA) District.

Cindy Bailey, 2546 Shoal Creek Church Road, Shelby – spoke neither for nor against Planning Case 23-10; she inquired if the county has recently opened a total of four shell buildings, why is a new facility considered for this microbrewery. (Chairman Gordon corrected Ms. Bailey on the difference between a shell building and the proposed text amendment). Ms. Bailey suggested that this business should look at other facilities located within the city limits of a highly populated municipality and not in a rural setting.

Alex Walker, 944 Stoney Point Road, Shelby – spoke in opposition to the rezoning to allow the microbrewery expressing his concerns regarding alcohol consumption and safety for the community.

Danny Perkins, 814 Stoney Point Road, Shelby – spoke in opposition to allowing microbreweries in the Rural Agricultural (RA) zoning district, advising that these types of businesses should be in more populated areas of the county, not in the rural areas.

Allison Still, 1731 Pinedale Road, Cherryville – spoke in opposition to the text amendment, echoing previous comments of concerns about traffic, safety, and rural living. She stated that microbreweries should be in more populated areas.

Kaylynn Beaver, 361 Grice Street, Shelby – spoke in favor of allowing microbreweries in Rural Agricultural (RA) zoning stating the location made sense with the amount of acreage proposed. She also commented on the positive financial opportunities local farmers could have with growing new fields, such as hops and barley.

Renea Bumgarner, 864 West Warren Street, Shelby – spoke in opposition to allowing microbreweries in Rural Agricultural (RA) zoning, echoing previous safety concerns such as traffic and alcohol consumption.

Scott Peeler, 127 Harbor Town Drive, Kings Mountain – spoke in opposition to allowing a microbrewery on Stony Point Road, citing traffic and safety concerns.

Wayne Smiley, 955 Stoney Point Road, Kings Mountain (rebuttal) – spoke about the issues and frustrations he had when he requested rezoning for his double-wide home; however, the proposed microbrewery was quickly approved by the Planning Board.
Carl Duncan, 104 Pilbury Drive, Earl – spoke in opposition to the proposed microbrewery being located in the Rural Agriculture (RA) zoning district.

Hearing no further comments, Chairman Gordon closed the Public Hearing at 7:33 pm.

Chairman Gordon opened the floor to the Board for comments and questions. Commissioner Hardin asked Mr. Earle for clarification that case 23-10 is proposing specifically to amend the Cleveland County UDO definitions and Table of Uses to allow microbreweries as a permitted use in the Rural Agriculture (RA) District; Mr. Earle replied that was correct. Mr. Earle continued by stating that this proposed text amendment and definition is for the UDO would apply to the entire county, not just one location. She then inquired why microbreweries would not be allowed in other zoning districts, such as General Business (GB) and Light Industrial (LI). Mr. Earle advised that, when staff reviewed the proposal, they looked at similar uses, such as wineries and distilleries, and their allowances in the different zoning districts. Commissioner Hardin voiced her concerns about possible spot zoning. Mr. Earle explained that all zoning requests are brought to the Planning Board for their review and then brought before the Board of Commissioners for a decision.

Commissioners further discussed the allowance of microbreweries in the Rural Agriculture (RA) zoning district, citing rural preservation, compatibility with the area, traffic flow and safety, hours of operation, licensing, and possible business expansions. Commissioner Whetstine stated he was in favor of the proposed text amendment advising that microbreweries and other rural agriculture businesses could help boost crops, which in turn, helps the local farmers grow their businesses and income. Mr. Earle reiterated that there are several business allowances in the Rural Agriculture (RA) zoning districts. Chairman Gordon asked Mr. Earle to explain the process when a citizen submits a zoning or text amendment.

Mr. Earle explained that the North Carolina General Statue provides guidance on notification and advertising for a zoning or text amendment. He continued. “It is a multi-level process. The first step is Commissioners setting a public hearing which is typically set a month before the actual hearing. Step two is notification. Between 10 and 21 days, a legal ad is placed in the local newspaper, running twice, and letters are sent via United States Postal Services to all adjoining property owners; this includes residents across the street from the proposed location and, depending on the case, notification to neighbors is broadened. Signs are also posted on the property.” Chairman Gordon and other Commissioners interjected concerns that citizens in that community and larger surrounding areas were not notified.

Chairman Gordon recognized the applicant Phillip Hidy to further explain to the Board the purpose of the proposed text amendment and site location details. Mr. Hidy explained the intention is to keep their business in a rural setting and operate as a farm/animal rescue. He added that there is no intention of mass producing and selling the beer crafted on their property. Such as other breweries, theirs will remain on site. The final plan is to have a small venue on-site for events such as weddings and rescue adoptions. Mr. Hidy continued that they will be conscious of the parking and traffic in the area and do not plan on “developing” the site for heavy or industrial-type
uses, keeping in line with the surrounding agricultural uses and scenery. Their goal is to have a family-friendly business. Commissioner Hardin asked Mr. Hidy if he had a general idea of what their hours of operation would be; Mr. Hidy replied that their hours would be comparable to the other local wineries’ business hours, 12:00 pm – 8:00 pm, and closed on Mondays and Tuesdays. He concluded by explaining that there was a house already on site, and they planned on living on the property, and being Cleveland County residents.

Commissioner Hutchins made a motion to approve the text amendment with the modification to include the allowance of breweries in Rural Agriculture (RA), General Business (GB), Light Industrial (LI), and Heavy Industrial (HI) zoning. Commissioner Whetstine seconded the motion. Mr. Earle asked for clarification if the motion is also to approve the applicant’s proposed definition or the staff’s; Commissioner Hutchins replied to approve staff’s definition.

Chairman Gordon opened the floor to the Board for final questions and discussion. Commissioner Hutchins acknowledged the concerns brought forth to the Board during the public hearing citing that there are procedures in place to prevent spot or modified zoning and business being built in residential areas. Commissioner Hardin inquired if a person already lives in a Rural Agricultural (RA) zoning; they do not have to come back before Commissioners for approval. Mr. Earle replied, “If the amendment passes as proposed if someone lives in the Rural Agricultural (RA), General Business (GB), Light Industrial (LI), and Heavy Industrial (HI) zoning districts, a brewery would be allowed by a zoning permit issued by the Planning Department along with a site plan and schematics, but it would be done by permit through our office.”

Chairman Gordon agreed with expanding the allowances to Light Industrial (LI) but voiced concerns regarding permittance in General Business (GB) zoning and suggested sending this case back to staff and the Planning Board for further review and due diligence. The Board was in favor and Commissioner Hutchins withdrew his motion to approve. After a brief discussion, Commissioners advised Planning Case 23-10 to be brought back before the Board at their July 11, 2023, regular meeting.

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously approved by the Board to, send case 23-10 back to the Planning Department and Planning Board for further review. Case 23-10 is to be brought back before the Board at their Tuesday, July 11, 2023, regular meeting at 6:00 pm in the Commissioners’ Chambers.

Chairman Gordon gave direction to Mr. Earle to ensure and expand the notification to residents living in the Rural Agriculture (RA) zoning district regarding the proposed text amendment.

**PLANNING DEPARTMENT CASE 23-11; REQUEST TO REZONE PROPERTY AT 956 STONY POINT ROAD FROM RESIDENTIAL (R) TO RURAL AGRICULTURE- CONDITIONAL USE (RA-CU) FOR A MICROBREWERY**

Due to the postponement of case 23-10, Commissioners discussed postponing this case until a date after Planning Case 23-10 has been heard again.


**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously approved by the Board to, *postpone the public hearing for case 23-11, request to rezone property at 956 Stony Point Road from Residential (R) to Rural Agriculture – Conditional Use (RA-CU) for a microbrewery until Tuesday, August 1, 2023, at 6:00 pm in the Commissioner Chambers.*

Commissioner Hardin left the meeting, unexcused at 7:57 pm.

**PLANNING DEPARTMENT CASE 23-12; REQUEST TO REZONE PARCELS AT 111 KELSO DRIVE FROM RESTRICTED (RR) TO RESIDENTIAL (R)**

Mr. Earle remained at the podium to present Planning Case 23-12; a request to rezone parcels at 111 Kelso Drive from Restricted Residential (RR) to Residential (R). The applicant Steve McSwain is requesting to rezone parcels 52428, 5758, 5788, 46027, and 46026, containing a total of 38 acres, from Restricted Residential (RR) to Residential (R). Restricted Residential (RR) allows for only single-family stick-built and modular homes, whereas Residential (R) zoning allows manufactured homes. The parcels are adjoining and sit between Crow Road and Bettis Road, south of the Town of Earl. Surrounding zoning is a mix of Residential (R) to the north and east and Restricted Residential (RR) to the south. Surrounding uses are mostly stick-built homes with some manufactured housing along Bettis Road. There is also a car salvage yard to the west along Crow Road. The Land Use Plan designates this area as Secondary Growth, which supports residential uses. The proper notification was given for the Planning Board meeting and there was no opposition heard during their meeting.
The Planning Board voted unanimously to recommend approval of the request. The Land Use Plan (LUP) designates this area as a Secondary Growth area accommodating uses of moderate intensity and density. The Planning Board determined that the proposed zoning district would be compatible with the area and land use plan designation. The following information and PowerPoint were presented to the Commissioners.
Commissioner Hardin returned to the meeting at 8:02 pm.

Chairman Gordon opened the floor to the Board for questions and discussion. Commissioner Hutchins inquired if the applicant gave any indication of what he plans on doing with the property if it is rezoned, citing concerns about a possible trailer park. Mr. Earle advised that Manufactured Home Parks (MHP) are not permitted uses in either Restricted Residential (RR) to Residential (R) zoning districts; they are only allowed in Manufactured Home Park (MHP) zoning districts. Commissioner Hutchins further inquired about the possibility of the applicant surveying off an acre at a time who could, in turn, place a manufactured home on the newly subdivided acre(s) of land. Mr. Earle responded that the applicant could; however, once the applicant hit four manufactured homes, he would then have to start paving roadways to make a subdivision. Mr. Earle further explained that the applicant could survey his property one acre at a time and put stick-built or modular homes on his property.

Chairman Gordon opened the Public Hearing at 8:03 pm for anyone wanting to speak for or against Planning Department Case 23-12; a request to rezone parcels at 111 Kelso Drive from Restricted Residential (RR) to Residential (R). *(Legal Notice was published in the Shelby Star on Friday, May 26, 2023, and Friday, June 2, 2023).*

**Jane Buchman, no address given** – spoke neither in favor nor against the rezoning request but inquired if this was approved, would it regulate the trail riding that is done on the applicant’s property?

Chairman Gordon asked Mr. Earle if he could respond to Ms. Buchman’s question. Mr. Earle advised that if the trail riding is being done as a business, that is something that would need to be investigated, as that is not permitted in either zoning district but if it is just the applicant’s family and friends just trail riding, the county does not regulate that.
Hearing no further comments, Chairman Gordon closed the Public Hearing at 8:05 pm.

Chairman Gordon opened the floor to the Board for comments and questions. Commissioner Hardin asked if the applicant gave any information on his plans for the property. Mr. Earle advised that the applicant plans on putting a manufactured home on the property behind his house for his granddaughter to reside in. Commissioner Whetstine inquired about the placement of manufactured homes on the property, asking for clarity that the applicant could put mobile homes on the property but could not make a Manufactured Home Parks (MHP). Mr. Earle stated that was correct and reviewed the process required for a Manufactured Home Parks (MHP).

**ACTION:** Commissioner Hardin made a motion, seconded by Commissioner Bridges, and unanimously approved by the Board to, approve the request to rezone parcels 52428, 5758, 5788, 46027, and 46026 located at 111 Kelso Drive from Restricted Residential (RR) to Residential (R).

**ANIMAL LICENSING REPEAL 1ST READING**

Chairman Gordon called Assistant County Manager Kerri Melton to the podium to present the first reading of the animal licensing repeal the County’s ordinance requiring licensing of dogs and cats is set to take effect on July 1, 2023, with no fees associated with the licensing program. During budget discussions, costs associated with animal licensing were included as a new budget line item in the FY 2023 – 2024 budget. Several areas of concern were identified by staff, including:

- Duplication of information in Licensing program as well as the Animal Services Software Program
- First-year cost of licensing is estimated to be $70,000. With no fee, none of the cost would be re-couped
- Information gathered as part of licensing program is the same information included on rabies vaccinations
- In addition to licensing costs, the program may require additional resources for enforcement

Staff is recommending rescinding the Animal Services Licensing Ordinance. Per North Carolina General Statute §153A-45, the ordinance may be passed at the meeting at which it is first introduced by receiving approval of all members of the Board of Commissioners. If not approved by a unanimous vote of the Board of Commissioners upon first reading, this ordinance may be adopted any time within 100 days of its introduction upon receiving a majority of the votes cast, a quorum being present.

Chairman Gordon opened the Public Hearing at 8:11 pm for anyone wanting to speak for or against the first reading of the animal licensing repeal. (Legal Notice was published in the Shelby Star on Friday, May 26, 2023, and Friday, June 2, 2023).

Allison Still, 1731 Pinedale Road, Cherryville – spoke in opposition to the animal licensing repeal. Ms. Still serves as a Director and current President of the Association for the Welfare of Animals and introduced other board members who were in attendance. She spoke about her concerns regarding the current Animal Licensing Ordinance as written and expressed her frustration with the county’s Animal Services. Ms. Still cited the purpose and importance of having a county-wide licensing program and proper enforcement.
Jerry Glover, 123 Andrews Drive, Grover – spoke neither for nor against the animal licensing repeal. Mr. Glover serves as a Director and Treasurer for the Association for the Welfare of Animals and spoke about the importance of a low-cost spay and neuter program in Cleveland County.

Sherry Crowder, 1208 New Crest Lane, Shelby – spoke neither for nor against the animal licensing repeal. She serves as a Director and Vice-President for the Association for the Welfare of Animals and echoed previous comments regarding a low-cost spay and neuter program in Cleveland County. Mrs. Crowder expressed her frustrations with Animal Services and the lack of enforcement regarding animal abuse/cruelty cases.

BJ Zamora, 504 Country Club Acres, Shelby – spoke in opposition to the animal licensing repeal, citing the importance of animal licensing with enforcement. Ms. Zamora echoed previous comments regarding frustrations with Animal Services and the lack of enforcement regarding animal abuse/cruelty cases.

Ginger Bullock, 119 Laurel Ridge Drive, Cherryville – spoke in opposition to the animal licensing repeal explaining the importance of licensing and advised that there are many counties around Cleveland County that do have an animal licensing program with fees. She outlined the revenue benefits that could come into Animal Services with reasonable licensing fees.

Cindy Bailey, 2546 Shoal Creek Church Road, Shelby – spoke in favor of repealing the animal licensing fee, advising pet owners who have multiple animals may not be able to afford the licenses.

Deanna Kristen, 215 Eagle Drive, Shelby – spoke neither for nor against the animal licensing repeal. She spoke about her frustrations regarding the lack of care for animals in the community.

Hearing no further comments, Chairman Gordon closed the Public Hearing at 8:48 pm.

Chairman Gordon opened the floor to the Board for comments and questions. Commissioner Hardin explained the county is in the process of implementing a new software program called Chameleon and asked if it includes a licensing program. Mrs. Melton replied that was correct. Commissioner Hardin also asked if the program that was originally selected to be used for animal licensing was selected by an Animal Services Director who was no longer with Cleveland County. Mrs. Melton advised that was also correct. Commissioner Hardin stated that if the repeal of animal licensing was approved, that did not mean that this licensing could not be revisited and reviewed more thoroughly for possible approval at a later date. She continued, stating that she is active in her rescue and is aware of the issues regarding Animal Services and the overpopulation of dogs and cats in Cleveland County. Commissioner Hardin went on to further explain the importance of a low-cost spay and neuter clinic in the county and the benefits of an animal licensing program. She asked Mrs. Melton about rabies vaccination/clinic programs. Mrs. Melton responded that Animal Services will begin implementing those programs again in the near future. When citizens bring their dog or cat to the rabies clinics, their information will be taken and uploaded into the county’s Chameleon system.

Commissioner Whetstine asked Mrs. Melton to explain what would happen if the repeal of the animal licensing was not approved. Mrs. Melton reminded the Board in October 2022, Commissioners removed the
implementation of fees for animal licensing. Approval would have budget implications on the county. In December 2022, the Board moved the implementation date of animal licensing from January 1, 2023, to July 1, 2023.

Commissioners briefly discussed the history of animal licensing in the county dating back to the 1990s, and the purpose of having fees associated with the licensing. They agreed that a licensing system with no fees did not make sense.

**ACTION:** Commissioner Whetstine made a motion, seconded by Commissioner Bridges, and unanimously approved by the Board to, **approve the repeal of animal licensing.**

**AN ORDINANCE REPEISING THE IMPLEMENTATION OF CLEVELAND COUNTY’S REGISTRATION REQUIREMENTS FOR COMPANION ANIMALS**

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CLEVELAND IN REGULAR SESSION ASSEMBLED:

The following changes are hereby made to Chapter 3, Article VII of the Cleveland County Code of Ordinances. These changes shall be considered effective on the date that this ordinance is approved by the Cleveland County Board of Commissioners. Deletions are indicated by strike-through and insert.

**ARTICLE VII: REGISTRATION OF DOGS AND CATS**

**Sec. 3-136: Definitions.**

The following definitions apply to this section:

(1) Adoption center is the Cleveland County Animal Services’ Adoption Center.

(2) Board is the Cleveland County Board of Commissioners.

(3) Companion animals are furred and domesticated dogs and cats that are kept by a person for company and companionship.

(4) Director is the Director of Cleveland County Animal Services.

(5) Department is the Cleveland County Animal Services Department.

(6) Nonresident or nonresident members visiting animal owners who reside temporarily in Cleveland County and for a period of thirty (30) days or less who do not intend to reside within the county permanently.

(7) Repeals...

(8) Registration tags are tags obtained from Cleveland County for the purpose of companion animal identification.

**Sec. 3-137: Registration requirement for companion animals.**

(a) Any owner who owns or keeps, in Cleveland County, a dog or cat four (4) months of age or older shall have such dog or cat registered by and in Cleveland County and shall obtain and keep a current registration tag.

(b) Any owner of a dog or cat shall obtain a Cleveland County registration tag within thirty (30) days after the dog or cat has been vaccinated against rabies. A separate registration tag shall be issued for each dog or cat.

(c) Any registration tag for a dog or cat shall consist of a tag suitable for attachment to the animal’s collar or harness.

The director shall design an appropriate registration tag and shall issue the tag through authorized representatives.

(d) Any nonresident or nonresident member visiting animal owners who reside temporarily in Cleveland County and for a period of thirty (30) days or less who do not intend to reside within the county permanently shall have such dog or cat registered by and in Cleveland County within thirty (30) days after arrival.

The Board took a brief recess at 9:00 pm, returning at 9:05 pm.

**FY 2023 – 2024 COUNTY MANAGER’S RECOMMENDED BUDGET**

Chairman Gordon recognized Interim County Manager Todd Carpenter to present the FY 2023 – 2024 County Manager’s recommended budget. The proposed budget is balanced and prepared on the guidelines of North Carolina General Statute Chapter 153. The recommended general fund is balanced at $126.5MM dollars with a tax rate of 5.475 cents, a school tax rate of 14 cents, and an 8.75 cent fire tax rate. There is no recommendation for a tax increase. The FY 2023 -2024 budget was built around the Commissioner’s strategic plan focus areas of citizen engagement, economic development, public safety, fiscal sustainability, and community wellness.

On May 17, 2023, a full copy of the proposed FY 2023 – 2024 budget was available for public inspection 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)
Mr. Carpenter concluded his presentation with the following statement, “In accordance with the general statutes of North Carolina, I submit to you for your consideration the fiscal year 2023 – 2024 recommended budget for Cleveland County. This budget maintains a property tax rate of 54.75 cents per $100 evaluation, along with a 14-cent school tax rate and an 8.75-cent fire tax rate. The proposed budget is balanced and was prepared under the guidelines of North Carolina General Statute §159(a)(3), the local government budget, and fiscal control act. The budget incorporates the county strategic plan and ensures focus on five main areas of citizen engagement, economic development, public safety, fiscal sustainability, and community wellness. The budget exists to accomplish the goals and priorities established by the Board and facilitates long-term use. The theme of this budget is outstanding service delivery. The focus of the budget was to forecast budget revenues and expenditures while maintaining outstanding service delivery accurately and conservatively to the citizens of Cleveland County. Strategic investments toward the funding of capital projects, education, public safety, health, and quality of life are all included in the budget. The budget includes seven new positions and a 5% cost of living adjustment. Each of these strategic investments contributes to the quality of life enjoyed by county residents. The county is experiencing growth in population, property tax, sales, jobs, and the housing industry. Staff are diligent in their efforts to bring new businesses into the community, encourage new investment and support well-established businesses.

It is the Board of County Commissioner’s vision to deliver outstanding service to the citizens. Staff is using a data-driven approach and vicious policies to deliver on the vision and implementation of the Commissioner’s strategic planning. Department leaders and employees identify with this vision through a focus on providing a high level of customer service and the organization’s core purpose of Making Our Community Better. The leadership of the Commissioners, along with the commitment and knowledge of the employee base with the desire to continuously improve as an organization, makes Cleveland County a resilient government, one that is fiscally responsible and dedicated to improving the community and creating a better life for the residents.”

Chairman Gordon opened the floor to the Board for comments and questions. Commissioners thanked Mr. Carpenter for his leadership and hard work during the budget process.

Chairman Gordon opened the Public Hearing at 9:06 pm for anyone wanting to speak for or against the FY 2023 – 2024 County Manager’s Recommended Budget. (Legal Notice was published in the Shelby Star on Friday, May 19, 2023 and Friday, May 26, 2023). Hearing no comments, Chairman Gordon closed the Public Hearing at 9:07 pm.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Bridges, and passed unanimously by the Board to approve the FY 2023 – 2024 County Manager’s Recommended Budget as presented.
INTRODUCTION
May 16, 2023

The Honorable Members
Cleveland County Board of Commissioners

Dear County Commissioners,

In accordance with the General Statutes of North Carolina I submit to you, for your consideration, the Fiscal Year 2023/2024 Recommended Budget for Cleveland County. This budget maintains the property tax rate of 54.75 cents per $100 of valuation, along with a 14 cent public school tax rate and a 8.75 cent fire tax rate. The proposed budget is balanced and prepared under the guidelines of NC General Statutes Chapter 159: Article 3, the Local Government Budget and Fiscal Control Act. This budget incorporates the County’s current strategic plan and ensures focus on five main areas: Citizen Engagement, Economic Development, Public Safety, Fiscal Sustainability, and Community Wellness. This budget exists to accomplish the goals and policy established by the Board and facilitates long-term strategic planning.

The theme of this budget is Outstanding Service Delivery. The focus of this budget was to accurately and conservatively forecast budgeted revenues and expenditures while maintaining outstanding service delivery to the citizens of Cleveland County. Strategic investments toward the funding of our capital projects, education, public safety, health, and quality of life are included in this budget. The budget includes seven new positions and a five percent cost of living adjustment for our most valued asset – the employees of our organization. Each of these strategic investments contributes to the quality of life enjoyed by our citizens.

Today we are experiencing growth in our population, property tax, sales tax, jobs, housing and industry. We are being diligent in our efforts to bring new business to our community and to encourage new investment from our well-established businesses. It is the Board of Commissioner’s vision to deliver outstanding service to our citizens, hence the theme of this budget. We are using a data-driven approach and ambitious policies to deliver on the vision and implementation of the Commissioner’s strategic plan. Department leaders and employees identify with this vision through a focus on providing a high level of customer service and our organization’s purpose- Making our Community Better.

The leadership of our Board, the commitment and knowledge of our employee base, and the desire to continuously improve as an organization make us a resilient government, one that is fiscally responsible and dedicated to improving our community and creating a better life for the residents of Cleveland County.

In this book, you will find detailed budget documents for your review. In addition, this information is available to the public at www.clevelandcounty.com, in the office of the County Clerk, and in the four libraries throughout Cleveland County.

Sincerely,

[Timestamp]

[Timestamp]

Fiscal Year 23/24 Budget

Cleveland County has used strategic planning for many years to develop policy and financial decision-making. The FY 2023-2024 Strategic Plan is comprised of five focus areas and then further defined with specific goals and objectives under each one.

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

The County’s financial planning projections for the upcoming fiscal year begin with economic forecasts that are required to establish perceived portfolio performance for the upcoming twelve months. The County’s FY 2023 year-end revenues are expected to perform at more than budgeted amounts specifically due to surging sales tax collection and a stimulated construction market. Revenue forecasting was based on three principles: data driven decision making, more precise estimating, and continued diversification of revenues sources.

Total revenue in the General Fund is budgeted at $134,688,653 – approximately a $9 million increase from the prior fiscal year. The majority of this increase is associated with the consolidation of the rescue squads into Cleveland County Government along with increased debt funding for the Justice Center project. All revenue projections were established maintaining a 54.75 cent tax rate.

The chart below outlines the expected revenue increases in the FY 24 budget with the largest two increases being in property tax revenue and EMS billing revenues. Fiscal year 23/24 will recognize the revenue generated from the 2023 consolidation of Cleveland County EMS and the rescue squads.
Property Tax Revenue

As noted, revenue in the 2022-2023 fiscal year is expected to come in higher than the budgeted level. As of April 2023, collections were at 97.67% or approximately $58,317,269.

Total projected tax base for the upcoming budget is $11.279 billion. There continues to be expected growth in motor vehicles by $50M (5.3%). This growth is attributable to supply demand shortage and vehicle cost escalation. Personal property and state boards experienced an increase of $271M which equates to 8.6%. This budget includes a collection rate of 98.0% which translates to a projected net new revenue amount of approximately $3.56M.

Sales Tax & Other NCDOR Collected Revenues

Sales tax continues to be the County’s second largest revenue source. Cleveland County has experienced significant growth in sales tax revenue over the last several budget cycles. Included in this year’s budget is sales tax revenue of $15.5M. This is an increase of approximately fifteen percent compared to 2023 budgeted revenue estimates.

Occupancy Tax

Occupancy tax represents the six percent revenue share that the County receives from our hospitality partners. Over recent years, we have seen a substantial growth in this revenue area. There are many drivers behind this increase including construction of the bypass and travel/tourism growth. Cleveland County continues to look for opportunities to recruit additional hotels to the county. For the 2018-2019 fiscal year, the County received slightly over $430,000. In FY 20 and 21, the county saw a decrease, due to the effect of Covid-19. Occupancy tax has continued to rebound. The forecast for 2023-2024 will be budgeted at $450,000.

Investment Income

Investment income is a barometer of strategic use of un-allocated resources. Staff are constantly evaluating 60, 90, & 120-day cash flow needs to maximize the investment portfolio. As a result of strategic management and increasing rates, investment income grew approximately 1000% between 2014-2021 ($84,000 - $1,000,000).

Last fiscal year, investment revenues shifted down significantly. The projected investment income for the year-end 2023 is expected to be $250,000. With positive changes in the market, we are budgeting the FY 24 investment income at $500,000.

Federal and State Revenues

Federal and State revenues are predominantly located in the health and human services portion of the budget and are often based on prescribed expenditure reimbursement rates. Due to the reimbursement nature of DHHS funding and matching requirements, one component of DHHS funding is the County’s contribution requirement. The county contribution ($10.5M) coupled with the federal and state revenue received ($22.4M) equal to a total budget allocation for Health and Social Services of approximately $32.9M.
**Other Revenues**

Also included in the FY 24 budget are incentive roll-offs in the amount of $500,000. These roll-offs include Greenheck, T5 @KMII, Hampton Inn and Disney. Over the next three years, Cleveland County will continue to see additional revenue from large incentive roll-offs.

Another area we are expecting to see increased revenues is in PILOT (Payment in Lieu of Taxes) payments from the Catawba Indian Nation. In January 2020, Cleveland County entered into an interlocal agreement with the Catawba Indian Nation. In the FY 24 budget, we are budgeting an additional $75,000 in revenue generated from Two Kings Casino.

**FY 2023 Revenue Summary**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-2023</th>
<th>2023-2024</th>
</tr>
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<tbody>
<tr>
<td>Ad Valorem Taxes</td>
<td>5%</td>
<td>67,750,354</td>
<td>71,471,419</td>
<td>72,495,459</td>
<td>76,171,624</td>
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<tr>
<td>Sales Taxes</td>
<td>16%</td>
<td>13,901,250</td>
<td>15,293,750</td>
<td>18,000,000</td>
<td>21,000,000</td>
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<tr>
<td>Restricted Intergovernmental</td>
<td>18%</td>
<td>22,212,353</td>
<td>22,822,790</td>
<td>24,838,197</td>
<td>24,582,752</td>
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<tr>
<td>Permits and Fees</td>
<td>4%</td>
<td>4,730,025</td>
<td>4,006,350</td>
<td>4,555,960</td>
<td>4,726,504</td>
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<tr>
<td>Sales and Services</td>
<td>5%</td>
<td>6,943,906</td>
<td>5,274,592</td>
<td>5,414,942</td>
<td>6,790,500</td>
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<tr>
<td>Other Miscellaneous</td>
<td>1%</td>
<td>1,398,253</td>
<td>1,087,721</td>
<td>1,637,950</td>
<td>1,412,272</td>
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</tbody>
</table>

**EXPENDITURE PORTFOLIO**

**Budgeted Expense & Commissioner Goals**

**Human Capital**

There is and has been a looming government workforce crisis and it has not been on the radar for many organizations. Like the housing market, the great recession created a supply and demand shortage for local government talent. Tenured employees were hesitant to retire, preventing the natural escalation of the generation behind them and further preventing the hiring of newer incoming talents. Many of the services we provide require specialized training and advanced degrees to perform critical services.

Cleveland County strives to be an employer of choice. On average, employees receive a benefit package that represents 25-35% of their total annual salary. The total budgeted salary and wage expense for FY 2024 is $43,934,489 which equates to an average wage of $51,687. We recognize that to compete for and retain a highly talented workforce that our wages must be competitive.

Included in the 2024 fiscal year budget is a recommended approach to employee pay that is inclusive of a 5% COLA. The FY 2024 budget will continue our performance-based pay program. The model replicates the previous year and allows a collective organizational wide performance model. If accomplished, this model creates fiscal savings for the organization that are then re-invested through a performance bonus to the employees – the target for 2024 is three percent (3%). The bonus would be awarded twice during the year on September 15th and March 15th.

Included in the FY 24 budget are also improvements to the county’s dental plan. The improved plan will move from three tiers to two tiers and include an increase in annual reimbursement of $170,000. This increase should cover preventative care 100%. This increase in benefit will have a minimal budgetary impact of $30,000.
**Focus Area – Fiscal Sustainability**

Since 2014, it has been a continued goal of the County Commissioners to increase the County’s fund balance to the 20% level. Due to intentional budget management, service re-design, and expenditure re-engineering, FY 2022 ended with a fund balance of 21.7%. Fund Balance projections for the FY 2023 year-end are still in process, however, we are confident that our fiscal strategies will maintain a greater than 20% per policy level. The FY 2024 budget was built with this policy in mind.

**Capital Planning and Debt Service**

Included below is a chart detailing several major capital projects we are working on. Projects are identified and then aligned with proper funding resources. This type of policy direction and support from the Board of Commissioners is greatly appreciated by staff and recognized as true fiscal sustainability.

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Project Description</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development</td>
<td>Shell Building IV</td>
<td>$164,500 to CCEDP</td>
</tr>
<tr>
<td></td>
<td>Foothills Public Shooting Complex</td>
<td>State Grant</td>
</tr>
<tr>
<td></td>
<td>New Advanced Manufacturing Center</td>
<td>Pay as you go</td>
</tr>
<tr>
<td></td>
<td>Cleveland Community College</td>
<td>Funded by federal and state programs</td>
</tr>
</tbody>
</table>

As recently as 2017, Cleveland County received a bond rating upgrade from S&P/Moody’s and is now AA+. This ranks in the top 15% of all counties in the State. This has proven critically important as we have remained aggressive in economic development with shell building financing and with Master Facility Plan improvements.

Debt service management is another vital part of long-term planning and sustainability. As of June 30, 2023, the County will have approximately $48,643,399 in outstanding debt obligations. Of this $48.6M, due to strategic management and innovative planning, the County General Fund is only responsible for 43.6% of that amount. Cleveland County Schools debt responsibility accounts for $19,766,616, or 40.6% of the total outstanding. The City of Shelby and Cleveland Community College account for the remaining 15.8%. At this time, 99.5% of the County’s debt will be completely liquidated over the next 10 years.

**Focus Area – Economic Development**

Included in the Economic Development Focus Area are:

1. Recruitment and Execution of National Shooting Competition Hosted by Foothills Public Shooting Complex
2. Intentional Support of Agriculturally Based Economic Development
3. Further Product Development for Shell Building Program and Land Acquisition
4. Sustainable Partnership with Cleveland County Fair Association

Cleveland County Commissioners continue to see the importance of Economic Development and the recruitment of industry. Workforce development along with product development continues to be the primary focus for long-range success.

In FY 23, Cleveland Community College opened a new advanced manufacturing center. This new community asset will provide critical job training infrastructure that will continue to promote a business-friendly environment and make Cleveland County an attractive place for industry expansion and location. Included in the FY 24 budget is an additional $250,000 in funding to support the community college. The total funding allocation to Cleveland County Community College in the FY 24 budget is $3,308,872.

The County has budgeted $164,500 to the Cleveland County Economic Development Partnership for recruitment of new and expansion of existing business in Cleveland County. Shell Building IV has been completed and CCEDP has seen increased interest and has hosted several company visits in the last few months.

This year will be the second year Cleveland County Government will partner with the Fair Association through implementation of a performance contract approved in 2022. This budget includes an allocation of $162,500. One Hundred Thousand to be used for capital, with the remaining $62,500 will assist with operations. The Fair Association and Cleveland County have partnered to hire consultants who will complete a finance/operations assessment and a facility needs assessment at the Fairgrounds.

The Foothills Public Shooting Complex continues to see an increase in the number of visitors. This facility is positioned to provide a long-term regional travel/tourism draw for Cleveland County. The Complex hosted several tournaments during this past year and has plans of expanding those efforts.

**Focus Area – Community Education / Customer Service**

During FY 2018, the Board of Commissioners began a community cleanup initiative that was aimed at reducing litter in Cleveland County. The program was highly successful and will be continued in the current budget. It has included the involvement of local partners and a marketing campaign that engages the local school system. The 2024 fiscal year budget includes a budget appropriation of $40,000 to provide resources for this project. The team at the Landfill will be partnering with Soil and Water Conservation to bring education about litter into Cleveland County Schools.
This Board continues to make a commitment to citizen engagement and transparency. Live streaming of commissioner meetings is a newly added service that will continue in the 2024 budget. The County, through the hiring of a Marketing and Communications Director, continues to advance our efforts to keep the citizens educated about the services we provide.

Another exciting customer service enhancement as part of the 2024 fiscal year budget is a multi-year engagement to provide advanced GIS imaging, including street level images. This software also integrates with our tax software to help identify discrepancies between tax details and structural changes. The budget allocation for FY 2024 is $81,933.

**Focus Area – Community Wellness**

The Commissioners have identified several key initiatives specific to promoting and improving community wellness with the top being an intentional focus on actively engaging in the fight against the opioid epidemic. Included under the Community Wellness Focus Area are:

1. Improvement in Community Health Rankings
2. Effective Use of Opioid Settlement Funds
3. Expansion of Existing Trail Systems & Exploration of New Opportunities

Our team is excited about the opportunity to re-engage our focus on community health and re-focus on improving our metrics. Cleveland County remains outside the top 80 in County population health. The primary driver to that ranking remains premature death. Chronic disease such as diabetes, cardiovascular disease, and substance abuse are among the leaders in the premature death category. Almost one-third of our county residents are diabetic or pre-diabetic. Our county’s stroke rate is 80 per 100,000 (which is double the state average) and our overdose rankings are unproportionally high.

One of the biggest obstacles to disease management is access to primary care. On May 15, 2023, through a grant from the State of NC, the County will launch a primary care clinic in Cleveland County. The clinic will accept private insurance, Medicare, and Medicaid, and will offer services to uninsured individuals on a sliding fee scale based on household income and number of people living in the household. The Care for Cleveland Clinic will be impactful in creating access to care for the nearly 14,000 uninsured residents in Cleveland County. The county has also purchased a mobile screening bus that will travel to underserved areas of the county to perform preventive screenings such as blood pressure, A1c (blood sugar), and cholesterol. Individuals who need follow-up care based on their results can be referred to primary care at the Care for Cleveland Clinic. In addition, Atrium recently announced a weekly mobile primary care unit which will be housed at Washington Outreach Ministry, as well as a virtual clinic in the Town of Kingstown.

**Health & Human Services**

The overall appropriation of local funding for the Department of Social Services (DSS) will be $8,305,684 – this represents approximately 37.6% of DSS total $22,078,481 budget, with the remaining budget being state funds. This local allotment is comparable with our LGC peer counties. This represents a moderate increase from the prior year of $429,363. The driver for the 2024 fiscal year increase is almost totally related to personnel costs. There are additional anticipatory costs budgeted associated with full migration to tailored Medicaid plans, the re-engagement of client interaction, back logs of economic services certifications, and the recognition that a growing portion of our community is reliant upon these services.

The overall appropriation of local funding for the Public Health Department will be $2,205,843 – this represents approximately 20.2% of the total $10,915,525 operating budget. This represents a decrease from the prior year of $143,258. The Public Health Department continues to lead the charge on improving the County’s health ranking and educating citizens on the importance of community wellness. The Public Health Department has approximately 104 FTEs.

Potentially the biggest impact on the Human Services for the upcoming fiscal year is not associated with any particular program or policy. The co-location of these two critical departments will be a daily reminder and testament to the cultural change in our organization. This performance based, non-siloed, ODI (Organization/Department/Individual) cultural mindset is the single most important and measurable deliverable that our leadership team is responsible for. The co-location project is founded in capital cost avoidance (+$15MM), reduction of administrative overhead costs (+/- $500k annually), and further leveraging State reimbursement opportunities (+/- $300k annually). Since indirect cost reimbursement from the state is calculated based on a prior year, many of the budget savings will not be recognized until the FY 24/25 budget.

**Focus Area – Public Safety**

The total public safety budget for Cleveland County in the 2023-2024 budget is $34,969,649 and includes the Sheriff’s Department, Detention, EMS, Emergency Management, and E-911 communications. The most significant impact from last fiscal year is the system alignment with the three (3) rescue squads. The increase in expenses is, however, balanced with the increases in revenues budgeted in EMS.
The FY 2024 budget will be the final year of payment for an EMS fleet full replacement of nine ambulances. Ambulances were received in FY 2020-2021. This strategic methodology of full replacement lease is a first for Cleveland County Government and will provide the needed confidence in rolling stock assets. The 2024 capital lease cost is slightly over $500,000.

**Operational Highlights**

The Cleveland County Register of Deeds, Betsy Harnage, is working on her sixth-year processing and administering passport applications with overwhelming success. This is only being done in a few Registers offices across the State and we applaud this office for offering a new service to the citizens of Cleveland County. This service is being offered as a result of the hard work and innovative ideas of that office. This area has seen an increase in revenues in the FY 23 budget. The FY 24 budget in the Register of Deeds includes a (1.5%) decrease in expenditures.

The Human Resources Department continues to work to support an atmosphere that promotes workplace engagement, employee wellness, and a high performing culture. Included in the 2024 budget is continued funding of $75,000 for an organization-wide employee training and development program. This includes $50,000 for a learning management system (LMS) and an additional $25,000 for Co-hort based trainings.

Technology will continue to be a focus for our organization. Our 2025 technology plan captures three primary components: Automation, Data Security, & Customer Interface. Included in the budget for FY 2024 is $825,000 for Information Technology (IT) planning and capital. An IT strategic plan was completed in FY 23. Implementation of the plan will be studied as part of the FY 24 budget.

**County Wellness**

Governments across the State are reporting average health care cost increases of 10-15% for Employee Health Insurance. Included in the 2024 budget, Cleveland County is expecting a 6% employer increase in health care premiums. Employee healthcare is paid by Cleveland County at 100%. Spouse and dependent coverage will remain flat for the 14th consecutive year.

Monthly premiums for employees covered under the plan will increase from $1,030 to $1,100 which has an organizational cost of $714,000. This increase will be absorbed by the County General Fund. Our team is pleased with the continued momentum of managing our health costs with offsetting investments in our workforce. The FY 24 budget includes continuation of disease management programs, YMCA benefits, and improved long-term disability. The low increase in healthcare premiums compared to governments across the state is indicative of our employees’ commitment to wellness.

**Employee Wellness Claims Costs**

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**Recommended Staffing Plan**

The County Executive Leadership team will remain committed to two points of emphasis in managing the staffing plan for the upcoming fiscal year.

A.) Position Justification – A formal and data driven review of each vacant position in the organization as it is vacated. The review includes analyzing the potential for cross departmental sharing, technology savings and attrition.

B.) Position Re-Classification - This represents an intentional effort to maximize each FTE position within County government. Our team recognizes that business and service delivery expectations change and that our team should look for opportunities to align current resources with the most appropriate need.

The recommended budget does include the addition of seven FTEs. As our community is growing, the Commissioner’s strategies change and become more robust. As market conditions change, it is critical to be prepared to make equitable adjustments to our staffing plan. In instances in which position re-classification is not available, we must add additional resources. The additional positions are listed below.

1.) Victim Specialist – Cleveland County has a Victim Specialist who was hired through a grant. Cleveland County has seen the positive impact this position has had on the community and is recommending a full-time position be created.

2.) Sheriff’s Office – 4 Deputy Sheriffs will be added to the patrol division. These Patrol Deputies are needed to add one more officer per shift to assist in decreasing the zone size each Deputy is responsible for and to improve response times to calls.

3.) Shooting Range Office – As the visitor count continues to increase at the shooting range, this position will support the Range Director and existing office staff.
4.) Mechanic – In FY 23, Cleveland County brought EMS vehicle maintenance in-house. This re-engineering has proved to be beneficial in both cost as well as vehicle turnaround time. This position is intended to support this added service.

**Cleveland County Public Schools**

The 2023 county allocation budget totaled $31,537,740. The County allocation for the upcoming 2024 budget will be $32,437,740. This represents an increase of 900K for teacher supplements. As noted, the recommend tax rate for the school system will remain at fourteen cents.

<table>
<thead>
<tr>
<th>Cash Flow Stmt To CCS FY 21-22</th>
<th>Cash Flow Stmt To CCS FY 22-23</th>
<th>Cash Flow Stmt To CCS FY 23-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Revenue $12,797,497</td>
<td>$12,797,497</td>
<td>$12,797,497</td>
</tr>
<tr>
<td>Sales Tax Revenue 4,162,217</td>
<td>4,162,217</td>
<td>4,162,217</td>
</tr>
<tr>
<td>Local Operational Appropriation 10,250,000</td>
<td>10,250,000</td>
<td>10,250,000</td>
</tr>
<tr>
<td>Local Capital Appropriation 1,400,000</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td>State Restricted Capital Appropriation 700,000</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td>Commissioner's/Adv. (Teacher Supplements) 1,740,178</td>
<td>2,640,178</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong> 38,497,662</td>
<td><strong>31,537,740</strong></td>
<td><strong>22,437,740</strong></td>
</tr>
</tbody>
</table>

**Cleveland County VFD**

The County Fire Service Districts tax rate will remain the same with a consistent rate of 8.75 cents per $100 of property valuation for all County Fire Districts. The tax rate provides all funding for personnel, operations, and capital for the 12 fire districts in Cleveland County. The budget team has worked closely with the County Fire Commission to forecast future needs and provide appropriate resources to ensure proper coverage limits for Cleveland County citizens. The total allocation is approximately $5.5M.

**Solid Waste Department**

As mentioned, the FY 24 budget includes the continuation of the litter prevention and cleanup program. This includes allocating $1 per ton of Municipal Solid Waste to litter prevention. This budget also includes a 3% increase in tipping fees, as part of a 10-year rate stabilization metric. Rate stabilization is required to prepare for costs associated with additional cells and post-closure.

In FY 22, the County implemented a pilot Citizen Recognition System program at our manned-site locations. In FY 24, this program will be discontinued.
<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC SAFETY</td>
<td>Police</td>
<td>13,732,727.06</td>
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<tr>
<td></td>
<td>Fire</td>
<td>3,803,624.00</td>
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<tr>
<td></td>
<td>Sheriff</td>
<td>5,562,952.60</td>
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<tr>
<td></td>
<td>Other</td>
<td>15,915,525.00</td>
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<tr>
<td></td>
<td>Less Transfers</td>
<td>21,038,529.99</td>
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<td></td>
<td>Total</td>
<td>17,977,787.07</td>
</tr>
</tbody>
</table>

**Social Services & Public Assistance**

- General Federal and State Grants: $7,700,904.00
- Local Food: $10,321.00
- School Cafeteria Funds: $1,945,056.00
- Less Transfers: $10,321,000.00
- Total: $12,661,904.00

**Parks & Recreation**

- Parks & Recreation: $918,167.00
- Less Transfers: $882,847.00
- Total: $35,320.00

**Health & Human Services**

- Public Health: $1,811,111.00
- Less Transfers: $1,811,111.00
- Total: $0.00

**Other**

- School Cafeteria Funds: $21,038,529.99
- Public Health: $1,918,167.00
- Public Health: $1,811,111.00
- Other: $0.00

**Total**

$175,394,256.00

**Notes**

- All amounts are rounded to the nearest dollar.
- Transfers are calculated based on prior year's budget.
- The budget is approved by the Board of Commissioners of Cleveland County.
B. SPECIAL REVENUE FUND ESTIMATED REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Revenue</th>
<th>Transfer In</th>
<th>Transferred Out</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
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<td>17,616,000</td>
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<tr>
<td>Hotel Tax</td>
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<td>1,950,000</td>
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<tr>
<td>Other Source</td>
<td>1,800,000</td>
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<tr>
<td>Total</td>
<td>19,366,000</td>
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<td>19,366,000</td>
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</table>

C. CAPITAL PROJECT FUND ESTIMATED REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Revenue</th>
<th>Transfer In</th>
<th>Transferred Out</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
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<td>Other Source</td>
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<tr>
<td>Total</td>
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D. GENERAL FUND APPROPRIATIONS

<table>
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<tr>
<th>Description</th>
<th>Appropriation</th>
<th>Transfer In</th>
<th>Transferred Out</th>
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</thead>
<tbody>
<tr>
<td>Salaries</td>
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<td>493,330</td>
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<tr>
<td>Supplies</td>
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<tr>
<td>Rent</td>
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<tr>
<td>Utilities</td>
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<tr>
<td>Legal expenses</td>
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<td>Property tax</td>
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<tr>
<td>Property tax</td>
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<td>Information Technology</td>
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<td>Travel &amp; travel</td>
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<td>358,100</td>
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<tr>
<td>Maintenance</td>
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<tr>
<td>Building maintenance</td>
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<tr>
<td>Facilities maintenance</td>
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<td>173,815</td>
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<tr>
<td>Municipal Elections</td>
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<td>132,773</td>
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<tr>
<td>Maintenance Grants</td>
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<td>147,248</td>
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<td>Grants - third party</td>
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<td>J.D.C.P. Administration</td>
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<td>C.O.P. Grant Program</td>
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<tr>
<td>Community in Schools - County Match</td>
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<td>Community in Schools - County Match</td>
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Public Safety

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<tr>
<th>Description</th>
<th>Appropriation</th>
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<td>Supplies</td>
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<tr>
<td>Property tax</td>
<td>10,442</td>
<td>6,000</td>
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<tr>
<td>Property tax</td>
<td>10,443</td>
<td>3,340,000</td>
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<tr>
<td>Property tax</td>
<td>10,444</td>
<td>64,000</td>
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<tr>
<td>Property tax</td>
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<tr>
<td>Medical Services</td>
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<tr>
<td>Medical Services</td>
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<tr>
<td>Medical Services</td>
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<tr>
<td>Total</td>
<td>10,449</td>
<td>2,932,161</td>
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<td>12,000</td>
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</tbody>
</table>
CLOSED SESSION

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Whetstine and unanimously adopted by the Board, to go into closed session per North Carolina General Statute §143-318.1(a)(4) to discuss economic development matters relating to the location or expansion of industries or other businesses in the area served by the Cleveland County, including an agreement on a tentative list of economic development incentives.
that may be offered by the County in negotiations. (Copy of closed session Minutes are sealed and found in the Closed Session Minute Book).

**RECONVENE IN REGULAR SESSION**

**ACTION:** Commissioner Hardin made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, reconvene in open session.

Chairman Gordon stated, “During the closed session, the Board took action under North Carolina General Statute §143-318.11(a)(4) regarding an economic development matter and gave direction to staff.”

**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 20, 2023 at 6:00 pm** in the Commissioners’ Chambers.

_________________________  __________________________
Kevin Gordon, Chairman  Phyllis Nowlen, CMC, NCCCC
Cleveland County Board of Commissioners  Clerk to the Board
Cleveland County Board of Commissioners