

The Board of Commissioners for the County of Cabarrus met for a Board Retreat in the Multipurpose Room at the Cabarrus County Governmental Center in Concord, North Carolina at 8:00 a.m. on Saturday, February 29, 2020.

Present - Chairman:	Stephen M. Morris
Vice Chairman:	Diane R. Honeycutt
Commissioners:	F. Blake Kiger
	Elizabeth F. Poole
	Lynn W. Shue

Also present were Mike Downs, County Manager; Jonathan Marshall, Deputy County Manager; Rodney Harris, Deputy County Manager; Kyle Bilafer, Area Manager of Operations; Debbie Brannan, Area Manager of Innovation; Lauren Tayara, Budget Analyst; Susan Fearrington, Finance Director; David Thrift, Tax Administrator; Elizabeth Landrum, Management Analyst; Todd Shanley, Chief Information Officer; Kasia Thompson, Communications and Outreach Director; Emery Ortiz, Library Director; Lundee Covington, Human Resource Director; Johanna Ray, Health and Wellness Management Coordinator; Lauren Linker, Clerk to the Board; and Jonathan Weaver, Multi Media Journalist.

The following persons were also present:

David Nicholson, Outreach Associate, North Carolina Association of County Commissioners (NCACC)

Cabarrus County Schools: Dr. Chris Lowder, Superintendent; Tim Lowder, Executive Director of Operations; Kelly Kluttz, Chief Finance Officer; and Cabarrus County Schools Board of Education Members: Rob Walters, Board Chair; and Cindy Fertenbaugh.

Kannapolis City Schools: Will Crabtree, Director of Business Operations; and Kannapolis City Schools Board of Education members Brenda McCombs and Anita Parker.

Rowan-Cabarrus Community College: Dr. Carol Spalding, President, Rowan-Cabarrus Community College (RCCC); Jonathan Chamberlain, RCCC, Chief Officer, Division of College Environment; Michael Quillen, RCCC, Vice President, Division of Academic Programs; David Cannon, RCCC, Chief Officer of Finance and Administration, Finance and Business Services; and Kizzy Lea, Rowan-Cabarrus Community College, Interim Chief Financial Officer.

Mike Downs, County Manager, called the meeting to order at 8:03 a.m.

#### **Welcome, Introductions and Overview**

Mike Downs, County Manager, welcomed board members, staff and guests to day two of the annual Board of Commissioners' retreat.

#### **Revaluation Update**

David Thrift, Tax Administrator, presented an update of the 2020 Revaluation via a PowerPoint presentation titled "Cabarrus County Revaluation 2020 Update." The following topics were discussed:

- Stages in a Revaluation
  - Data Collection
  - Sales Analysis
  - Develop Schedule of Values
  - Neighborhood Review
  - Notice to Property Owners
  - Appeal Process
- Statistical Analysis
- Sales Ratio Results - July 1, 2019 through December 31, 2019
- Average % Change by Property Type
- Average % Change by Jurisdiction
- Projected Valuation Change by Jurisdiction
- Real Property Estimate
- FY21 Estimated Valuations

There was discussion throughout the presentation. During discussion, Mr. Thrift and Mike Downs, County Manager, responded to a variety of questions from the Board.

#### **Legislative Update**

David Nicholson, North Carolina Association of County Commissioners (NCACC), Outreach Associate, provided a Legislative update.

There was discussion throughout the presentation. During discussion, Mike Downs, County Manager, and Mr. Nicholson responded to questions from the Board.

Following the Legislative update, a discussion ensued regarding distribution of sales tax revenue. Additionally, Mr. Downs presented a resolution supporting the proposed FY 2019-2021 Biennium budget for the Boards' consideration.

Chairman Morris expressed support for the resolution.

Vice Chairman Honeycutt also expressed support for the resolution. She recommended the Board consider the resolution later in the day, after Board members have had time to review the resolution.

#### **FY20 Budget Update**

Susan Fearrington, Finance Director, presented an update on the FY20 Budget via a PowerPoint presentation titled "FY20 Budget Update." The following topics were addressed:

- FY 20 Revenues: Current Property Taxes and Fees
- FY 20 Revenues: Property Values
- FY 20 Revenues: Sales Taxes
- FY 20 Revenues: Major Fees
- FY 20 Revenues: Estimation of Major Revenue Sources at Year End

There was discussion throughout the presentation. During discussion, Ms. Fearrington, David Thrift, Tax Administrator, Mike Downs, County Manager, and Rodney Harris, Deputy County Manager, responded to a variety of questions from the Board.

Following the budget update, the following topics were discussed: law enforcement in municipalities within the County; early childhood development; library branches and their needs; etc.

#### **Break**

The Board took a short break around 10:05 a.m. The meeting resumed at 10:34 a.m.

#### **School Reports**

##### **Cabarrus County Schools**

Rob Walter, Cabarrus County Schools (CCS) Board Chair, introduced staff and Board of Education members in attendance.

Dr. Chris Lowder, Superintendent presented an update on growth in Cabarrus County schools from 2017-2019. Dr. Lowder also discussed teacher supplements, hiring of additional/new teachers based on student population growth, and teacher salaries.

A discussion ensued. During discussion, Dr. Lowder responded to questions from the Board.

##### **Kannapolis City Schools**

Will Crabtree, Kannapolis City Schools (KCS), Director of Business Operations, presented an update on the revitalization of the Town of Kannapolis and Kannapolis City Schools. The presentation included accomplishments, goals, current expenses, and the school's Capital Improvement Plan. Mr. Crabtree also discussed a company partnership through the technical education provided to KCS students.

There was discussion throughout the presentation. During discussion, Mr. Crabtree and Kannapolis City Schools Board of Education members Brenda McCombs and Anita Parker responded to questions from the Board.

#### **Break**

The Board took a short break around 11:13 a.m. The meeting resumed at 11:23 a.m.

**Rowan-Cabarrus Community College**

Dr. Carol Spalding, Rowan-Cabarrus Community College (RCCC), President, presented a PowerPoint presentation covering the following information:

- Mission and Vision
- The 2018-2023 Strategic Plan Themes
  - Learn
  - Engage
  - Innovate
  - Lead
- Community and Economic Impact
- Rowan-Cabarrus Community College is a Solid Investment
- Enrollment Growth
- Statewide Corporate and Continuing Education Enrollment Growth Leader
- Student Retention
- Student Population by County
  - Cabarrus County Enrollment Growth Exceeds County Population Growth
- Early Colleges
- Received 2019 North Carolina Community College System President of the Year
- Received 2019 North Carolina Community College System Distinguished Partners in Excellence
- Top Leadership at College
- ATC Phase I Grand Opening
- New South Campus Land Acquisition
- South Campus Tactical Training Facility
- 650 Concord Parkway Location

Craig Lamb, RCCC, Vice President, Division of Corporate and Continuing Education, provided information regarding Corporate and Continuing Education programs, statewide growth, and new initiatives for continuing education enrollment growth.

There was discussion throughout the presentation with Dr. Spalding and Mr. Lamb responding to questions from the Board.

**Break**

The Board took a short lunch break at 12:21 p.m. The meeting resumed at 12:47 p.m.

**FY21 Budget Forecast**

Rodney Harris, Deputy County Manager, presented an update on the FY21 budget forecast via a PowerPoint presentation titled "FY21 Budget Forecast." Topics included:

- Revenue Outlook
  - Property Tax Trend
  - Sales Tax Trend
  - Revenue Outlook
  - Assessed Value Trend
  - Revenue Outlook - Current Tax Rate
- Expenses
  - Components of Continuation Budget
    - Pay adjustments
      - Cost of Living (COLA) and Merit increases
    - Healthcare (presented by Lundee Covington, Human Resource Director and Johanna Ray, Health and Wellness Manager)
      - Cost History
      - Health Insurance Cost History Per Employee Per Month
      - Why the Increase
      - Biggest Challenge
        - AIM Measurements
        - How to Improve
        - Cost Saving Programs

- FY21 Renewal Proposal
  - o Continue with Cigna
  - o Both Plan Designs will Remain the Same
  - o Dependent Premiums will Remain the Same on Plans
  - o Cost Increase to County
- Retirement
- Education Funding
- Courthouse Operations
- General Fund Expense Summary Continuation Budget
  - Expansion: Position Needs
  - Expansion: Library
  - Expansion: Operating Needs
  - Expansion: Outside Agencies
  - Expansion: Other Initiatives
- Five-Year Outlook Current Tax Rate
- Remaining Budget Calendar

There was discussion throughout the presentation. During discussion, Mr. Harris, Mike Downs, County Manager, Susan Fearrington, Finance Director, Ms. Covington, Ms. Ray and Kyle Bilafer, Area Manager of Operations responded to a variety of questions from the Board.

Mr. Harris requested board guidance regarding the tax rate and COLA versus merit. He also presented an overview of upcoming budget discussions.

Chairman Morris commented on the budget public hearing scheduled for early June, to allow the public to provide comments earlier in the budget process.

#### **FY21-24 Capital Improvement Plan**

Rodney Harris, Deputy County Manager, presented the FY21-24 Capital Improvement Plan (CIP) via a PowerPoint presentation titled "FY21-24 Capital Update." Topics discussed were as follows:

- Prioritization Criteria
  - o Mandated
  - o Quality of Life Impact
  - o Urgency
  - o Operating Impact
  - o Service Impact
  - o Strategic Alignment
- Investment Capacity
- PAYGO
  - o Scenarios
  - o Options
- CIP Scenarios
  - o FY22 Debt Scenario
  - o FY24 Debt Scenario
  - o FY26 Debt Scenario

There was discussion throughout and following the presentation. During discussion, Mr. Harris, Mike Downs, County Manager, Kyle Bilafer, Area Manager of Operations and Jonathan Marshall, Deputy County Manager, responded to questions from the Board.

Rick Burleyson, Mount Pleasant representative on the Library Board of Trustees, spoke briefly regarding options for the Mount Pleasant Library.

Mr. Harris, Deputy County Manager, concluded with additional information that funds for the libraries did not include municipalities.

#### **Intergovernmental Relations**

Note: This item was moved to the March work session.

#### **Strategic Plan Implementation**

Note: This item was moved to the March work session.

#### **Resolution Supporting the State of North Carolina's Proposed FY 2019-2021 Biennium Budget**

The Board revisited the resolution that was discussed earlier in the meeting regarding the State's FY2019-2021 Biennium Budget.

A discussion ensued. During discussion, Mike Downs, County Manager, responded to questions from the Board. Discussion included changes to the draft resolution.

**UPON MOTION** of Vice Chairman Honeycutt, seconded by Commissioner Shue and unanimously carried, the Board suspended its Rules of Procedure in order to take action on this item due to time constraints.

**UPON MOTION** of Commissioner Shue, seconded by Vice Chairman Honeycutt and unanimously carried, the Board adopted the Resolution Supporting the State of North Carolina's Proposed FY 2019-2021 Biennium Budget with the discussed changes.

Resolution No. 2020-06

RESOLUTION SUPPORTING THE STATE OF NORTH CAROLINA'S  
PROPOSED FY 2019-2021 BIENNIUM BUDGET

WHEREAS, Cabarrus County recognizes that strong partnerships in the community create lasting, positive impact for the residents of Cabarrus County and surrounding areas; and,

WHEREAS, the current proposed state budget for the FY 2019-2021 biennium, H966 Appropriations Act, includes \$37.15 million in critical funding for educational, community health and safety, and economic development initiatives for several Cabarrus County organizations and municipalities to include:

- \$17.2 Million from State Construction Infrastructure Fund for Cabarrus County Schools (Pg. 330 of budget).
- \$3 Million from State Construction Infrastructure Fund for Kannapolis City Schools (Pg. 331 of budget).
- \$12.6 Million from State Construction Infrastructure Fund for Rowan-Cabarrus Community College (Pg. 334 of budget)
- Matching grant of up to \$2 million, for remediation activities at the Charlotte Motor Speedway landfill (Pg. 244 of budget).
- \$1.6 Million for ecosystem restoration of Stricker Branch in Concord (Pg. 337 of budget).
- \$500,000 water and sewer infrastructure grant to the Town of Midland (Pg. 230 of budget).
- \$150,000 grant to Amazing Grace Advocacy of Concord (Pg. C74 of money report).
- \$100,000 grant to Mt. Pleasant Fire Department (Pg. F39 of money report).

NOW, THEREFORE, BE IT RESOLVED that the Cabarrus County Board of Commissioners strongly encourages the Governor and all members of the General Assembly to act in accordance with the needs of the State and support Cabarrus County by taking measures to ensure these important programs, included in the proposed state budget, are funded for the communities that they will so clearly benefit.

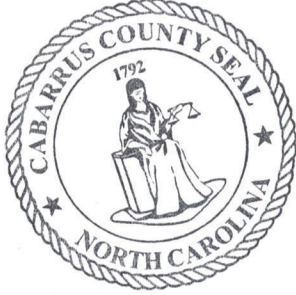
Adopted this 29th day of February, 2020.

/s/ Stephen M. Morris  
Stephen M. Morris, Chairman  
Cabarrus County Board of Commissioners

ATTEST:  
/s/ Lauren Linker  
Lauren Linker, Clerk to the Board

Adjourn

**UPON MOTION** of Commissioner Kiger, seconded by Commissioner Shue, and unanimously carried, the meeting adjourned at 2:54 p.m.



*Lauren Linker*  
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Lauren Linker, Clerk to the Board