

The Board of Commissioners for the County of Cabarrus met for a Board Retreat at the Cabarrus Arena and Events Center located at 4751 State Highway 49 in Concord, North Carolina at 8:00 a.m. on Saturday, February 25, 2023.

Present - Chairman:	Stephen M. Morris
Vice Chairman:	Lynn W. Shue
Commissioners:	Christopher A. Measmer
	Barbara C. Strang
	Kenneth M. Wortman

Also present were: Mike Downs, County Manager; Rodney Harris, Deputy County Manager; Kyle Bilafer, Assistant County Manager; Kelly Sifford, Assistant County Manager; Lauren Linker, Clerk to the Board; Evan Lee, Cabarrus County General Counsel; Todd Shanley, Information and Technology Director; Jimmy Lentz, Emergency Medical Services Director; Jon Bradley, Risk and Safety Director; Melanie Hollis, Library Director; Yesenia Pineda, Management Analyst; David Thrift, Tax Administrator; Rosh Khatri, Budget Director; Justin Brines, Emergency Medical Services Deputy Chief of Administration; Byron Haigler, Active Living and Parks Assistant Director; Richard Stancil, Infrastructure and Asset Management Director; Jason Burnett, Emergency Management Interim Director; Tracy LeCompte, Cooperative Extension Director; Tony Miller, Veterans Services Director; Londa Strong, Active Living and Parks Director; Michael Miller, Design and Construction Director; Jim Howden, Finance Director; Kevin Grant, Environmental Management Director; Kasia Thompson, Strategy Manager; Elizabeth Landrum, Management Analyst; Jonathan Mauldin, Emergency Medical Services Deputy Chief of Operations; Kenny Robinson, Cabarrus Arena and Events Center General Manager; Susie Morris, Community Development Director; Jonathan Weaver, Communications and Outreach Director; Karen Calhoun, Human Services Director; Letecia Loadholt, Human Services Deputy Director; Carol Soles, Board of Elections Director; Matt Love, Construction Standards Director; Lundee Covington, Human Resources Director; Tom Nunn, Chief Procurement Officer; and Van Shaw, Sheriff.

The meeting was called to order at 8:00 a.m.

Strategic Planning Recap

Geraldine Gardner, Centralina Regional Council, Executive Director, reviewed the work from the previous day. She noticed two themes stood out, (1) how can we be more adaptive and agile to be responsive to the work we do and (2) employees - how to attract, retain and support them. She provided staff with a work activity to further explore and address these themes as well as how they relate to the vision, mission, and values.

Commissioner Shue arrived at 8:24 a.m. and was present for the remainder of the meeting.

Break

The Board and staff took a short break at 8:37 a.m. The meeting resumed at 8:41 p.m.

Revaluation Update

David Thrift, Tax Administrator, presented a PowerPoint presentation titled "Revaluation Update". Items included:

- Revaluation
 - What is it
 - Why
- 6 Aspects of a Successful Revaluation Project
 - Data Collection
 - Sales Analysis
 - Schedule of Values
 - Neighborhood Review
 - Notice to Property Owners
 - Appeal Process
- What has been done so far
- What do we plan to do now
- 2024 Revaluation Project Timeline
- Marketing - Transparency
- Planned BOC Updates
- Tax Year 2023 Value Projections

There was discussion throughout the presentation. During discussion, Mr. Thrift responded to questions.

FY23 Budget Update

Jim Howden, Finance Director, presented a PowerPoint presentation, "FY23 Financial Update" that included the following topics:

- FY23 Revenues: Current Property Taxes
 - Budget for FY2023: \$225 million
 - Projection of total collections for FY2023: \$229 million
 - Estimating a 99% collection rate for the year
 - Estimated property taxes for FY2023: \$4.0 million over budget
- FY23 Revenues: Sales Taxes
 - Budget for Fy23: \$64.9 million
 - Projection of total collections for FY23: \$74.8 million (based on the first six months of collection data)
 - Estimate revenues for Fy23: \$9.9 million over budget
 - We have received \$3.7 million more this year than last year for the first six months
 - Growth rate over last year is 10.6%
- FY23 Revenues: Major Fees
 - Ambulance Fees - \$6.9 million budget
 - 23% over budget, estimated collections \$1,600,000 over budget
 - Register of Deeds - \$4.3 million budget
 - 23% under budget, estimated \$990,000 under budget
 - Construction Standards - \$5.2 million budget
 - Estimating \$300,000 under budget
- FY23 Revenues: Estimation of Major Revenue Sources at Year End
 - Property taxes - \$4.0 million over budget
 - Sales taxes - \$9.6 million over budget
 - Register of Deeds - \$1.0 million under budget
 - Ambulance - \$1.6 million over budget
 - Construction standards - \$300,000 under budget
 - Anticipated major revenues totaling \$13.9 million over budget based on data at the 7-month mark
- FY23 Personnel Expenditures Summary
 - Salaries and benefits expenditures are estimated to be \$8.9 million under budget
 - FY23 Budget for S&B is \$114 million, a 20% increase from FY22, which was \$95 million
 - Lapsed salaries account for the majority of the unexpended budget
- FY23 Expenditures Summary
 - IN FY22 and FY21, we spent 92% and 95% of budget. We estimate to be at 96% in FY23
 - All debt and education expenditures are anticipated to equal budget
 - Utility cost and fuel cost anticipated to be slightly under budget

There was discussion throughout the presentation. During discussion, Mr. Howden and Kelly Sifford, Assistant County Manager, responded to questions.

FY24 Budget Forecast

Rosh Khatri, Budget Director, presented a PowerPoint presentation titled "FY24 Budget Forecast". Topics included:

- Revenue Outlook
 - Property tax trend
 - Sales tax trend
- Expense Outlook
 - Components of Continuation Budget
 - Pay Adjustments - Current
 - Retirement

Break

The Board and staff took a short break at 9:48 a.m. The meeting resumed at 10:06 p.m.

Cabarrus County Schools

Dr. John Kopicki, Cabarrus County Schools (CCS) Superintendent, and Carol Herndon, CCS Chief Financial Officer, presented a PowerPoint presentation discussing the following matters:

- Strategic Plan (2022-2025)
- Facts and Figures
 - Student Demographics
 - Total Number of Students
 - School Nutrition
 - Free and Reduced-Price Lunches
 - Employees
- Points of Pride
- Strategic Priorities
 - Student Wellness
 - Teaching and Learning
 - Diverse Talent Pipeline
 - Early Learning
 - Technology-Enhanced Learning
 - Community Alignment
- Key Initiatives - Student Wellness
- Current and Past Performance
- Academics
 - Teaching and Learning
 - Growing all Students
 - Career and Tech Opportunities
 - Program Choice
- Local Funds - Use and Impact
- 2022-2023 Budget
 - Expenditure Type
 - Locally Funded Positions
 - Certified = 136
 - Classified = 255
 - Total = 391
 - Local Certified Supplement (included in salaries and benefits)
 - 2022-2023 Budget = \$15.1 million at 12%
- Fund Balance Analysis

A discussion ensued. During discussion, Dr. Kopicki and Ms. Herndon responded to questions.

Kannapolis City Schools

Kevin Garay, Kannapolis City Schools (KCS), Superintendent, presented a PowerPoint presentation that included the following topics:

- Vision
- Mission
- KCS Four Pillars
 - Culture
 - Core Instruction
 - Support and Interventions
 - Multiple Measures of Success
- Who Are We
- 2020-2025 Strategic Plan
- 2022-23 Areas of focus
- Background on Funding Categories
- Background on Cabarrus County Funding
- KCS Priorities to Address
 - Instructional Services
 - Maintenance and Grounds
 - Capital Improvements

Chris Triolo, Kannapolis City Schools Assistant Superintendent; Daryle Adams, Director of CTE, ESL and STEM; Scott Rogers, Transportation; and Dr. Chip Buckwell, Kannapolis City Schools, Interim Manager of Operations; were present.

A discussion ensued. During discussion, Mr. Garay, Mike Downs, County Manager, and Dr. Chip Buckwell, Interim Manager of Operations, responded to questions from the Board.

Rowan-Cabarrus Community College

Dr. Carol Spalding, Rowan-Cabarrus Community College (RCCC) President, and Kelly Kluttz, RCCC Chief Financial Officer, presented a PowerPoint presentation titled "Cabarrus County Update". Topics discussed included:

- Mission
- Vision
- 2018-2023 Strategic Plan Themes
 - Learn
 - Engage
 - Innovate
 - Lead
- In 2022, drive-thru graduation - 1,389 graduates
- Rowan-Cabarrus Community College is a solid investment
- Cabarrus County Enrollment (2016-2021)
- Rowan-Cabarrus is a partner for Cabarrus County's future
- Key Cabarrus County programs
- Current local funds allocation
- Strategic priority
 - Land acquisition
 - Renovating current South Campus buildings
 - Constructing a new Workforce Innovation Center
- Leveraging Cabarrus economic development and college growth
 - Renovate
 - Restore
 - Reinvent

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

Lunch Break

The Board and staff took a lunch break at 12:22 p.m. The meeting resumed at 12:39 p.m.

Capital Improvement Plan

Rosh Khatri, Budget Director, Rodney Harris, Deputy County Manager, and Kyle Bilafer, Assistant County Manager, opened with a discussion on the following topics:

- Expansion Requests
- Sales Tax
- Property Reevaluation
- General Government Expenses

The following PowerPoint presentation was provided and discussed:

- Community Investment Fund (CIF)
 - Created July 1, 2020
 - Pays for debt service expenses and transfers to Capital Projects Funds
 - Dedicated sales and property tax revenues
 - Carries own restricted fund balance
- FY24 estimated CIF revenues
- Debt service payments by year
- FY24-FY28 CIF estimated draw program
- 2024 capital priorities
- 2024 debt issuance
- FY24 Pay-As-You-Go (PAYGO) estimated cash availability
- 2024 PAYGO projects
- Culture and Recreation
 - Library and Active Living Center at Afton Ridge
 - Library and Active Living Center and Foil Park at Mt. Pleasant
 - Library and Active Living Center at Harrisburg
 - Library and Active Living Center at Midland
 - Concord Library renovation

- o Camp Spencer renovations
- o Rob Wallace Park phase III and IV
- o St. Stephens Regional Park phase I
- o Turf fields at Frank Liske Park
- Education
 - o A.L. Brown High School renovations
 - o Central services and auxiliary relocation
 - o Coltrane Webb Elementary School replacement
 - o Mary Frances Wall relocation
 - o Northwest Cabarrus High School replacement
 - o Northwest Cabarrus High School upfit to middle school
 - o Northwest Cabarrus Middle School upfit to elementary school
 - o Opportunity school
 - o R. Brown McAllister Elementary School replacement
 - o South Campus Building 4000 (RCCC)
 - o Southeast High School
- General government
 - o Human Services facility
 - o Information Technology relocation
- Public Safety
 - o Animal shelter replacement
 - o Courthouse
 - o Emergency equipment warehouse
 - o EMS headquarters
 - o Public safety training facility

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

Break

The Board and staff took a short break at 1:45 p.m. The meeting resumed at 2:04 p.m.

Human Resources - Compensation/Health Insurance

Lundee Covington, Human Resources Director, started the PowerPoint presentation regarding compensation and health insurance. Matters covered were as follows:

- Metrics
 - o Turnover rate rising
 - o Days to fill vacancies rising
 - o Key department vacancies rising
- Employee survey
 - o Survey implemented in Qualtrics
 - o Administered by UNC-SOG
 - o Survey dates - October 17 through November 4, 2022
 - o 84% final participation / goal 80%
 - o Data includes "highlights, hotspots and mixed" results

Larry Reece, USI Insurance Services, Senior Vice President continued the presentation covering the following:

- Health insurance
 - o 2023 benefit renewal
 - o 2023 renewal calendar
 - o 2022 review (executive summary highlights)
 - o Health plan key highlights from CY22
 - o Large claimants as a percent of total claims for 2023 YTD through December
 - o 2023 renewal key highlights (July 1, 2023)
 - o 2023/24 Medical/Rx plan change option open up OAP plan for enrollment; true dual choice
 - o 2023/24 Medical/Rx plan change option open up OAP plan for enrollment; true dual choice
 - o Considerations, recommendations, and next steps for 2023

Ms. Covington continued the presentation discussing the following topics:

- Compensation topics
 - o FY24 priorities
 - COLA all positions
 - Compensation study

- Miscellaneous "all other" departments
- Hot jobs
 - Compensation review cycle
 - Structure review
- Compensation studies
 - All department except Sheriff and DHS currently under review
 - Results to be shared March/April BOC work session
 - Approved adjustments July/August 2023
 - Requests/need for additional positions to be studied ahead of normal review cycle
- Review cycle

There was discussion throughout the presentation. During discussion, Ms. Covington and Rodney Harris, Deputy County Manager, responded to questions from the Board.

Break

The Board and staff took a short break at 2:56 p.m. The meeting resumed at 3:04 p.m.

Volunteer Fire Department Discussion

Jason Burnett, Interim Emergency Management Director, and Jacob Thompson, Fire Marshal, along with the local fire chiefs assisted with the information contained in the following PowerPoint presentation. Mr. Burnett discussed the challenges of staffing and volunteerism, the cost of equipment and tax rates. Topics presented and further discussed included the following:

- Service provision options
 - Option #1 - Implement an overlay service district
 - Option #2 - Combine both rural fire protection districts and service districts
 - Option #3 - Remain as-is for funding methods using rural fire protection districts
- Recommended provision option - Option #1 Implement an overlay service district
- Fire commission
 - Staff recommends the board of Commissioners establish a fire commission comprised of elected leaders, fire service leaders and citizens to make recommendations to the Board of Commissioners on funding distribution related to the recommended service district
 - Could be implemented along with the service district
 - The purpose of a fire commission would be to oversee the funding district and make recommendations to the Board of Commissioners for an increase or decrease in the tax rate as well as decisions related to the funding of the departments
 - No set requirement for position makeup
 - Members set by county commissioners through application
- Other provision options
 - Combine both rural fire protection districts and an overlay fire service district
 - Rural fire protection districts could remain in place at individual rural district rates with a service district overlaid for funding of special projects
 - A fire commission would be implemented to make recommendations on the fire service district portion of funding
 - Rural fire funds and service district funds must have separate purposes
 - Remain as-is for funding methods using rural fire protection districts
 - No additional changes would be made, and departments would continue incremental increases as needed to their rural fire district tax rate until meeting the \$.15 cent cap

A lengthy discussion ensued. During discussion, Mr. Burnett and Mr. Thompson responded to comments and questions from the Board.

Break

Staff concluded their portion of the meeting and was dismissed. The Board took a short break at 3:50 p.m. The meeting resumed at 3:56 p.m.

Board Discussion

Chairman Morris led a discussion regarding the Rules of Procedure for the Cabarrus County Board of Commissioners.

The Board of Commissioners also reviewed and discussed the Code of Ethics for the Board of Commissioners of Cabarrus County, North Carolina regarding updates.

Adjourn

UPON CONSENSUS, the meeting adjourned at 4:28 p.m.





Lauren Linker, Clerk to the Board