

The Board of Commissioners for the County of Cabarrus met for a Board Retreat at the EMS Headquarters located at 793 Cabarrus Ave W., Concord, North Carolina at 4:00 p.m. on Friday, February 23, 2024.

Present - Chairman:	Stephen M. Morris
Vice Chairman:	Lynn W. Shue
Commissioners:	Timothy A. Furr
	Christopher A. Measmer
	Kenneth M. Wortman

Staff present were Mike Downs, County Manager; Rodney Harris, Deputy County Manager; Aalece Pugh, Assistant County Manager; Kelly Sifford, Assistant County Manager; Lauren Linker, Clerk to the Board; department heads and other county staff.

The meeting was called to order at 4:00 p.m.

### Welcome, Introductions and Overview

Mike Downs, County Manager, welcomed staff and participants to the meeting and provided an overview of the agenda.

### FY24 Budget Update

Jim Howden, Finance Director, presented a PowerPoint presentation titled "FY24 Financial Update". Information included:

- Fiscal Year - As of January 31, 2024
  - Current Budget FY2024: 391.6 million
  - Current revenues: 276.2 million
  - Current expenses: \$236.3 million
- FY24 Revenues: Current Property Taxes
  - Budget for FY2024: \$234.5 million
  - Collections FY2024: \$221.6 million
  - Estimating a 99% collection rate for the year
  - Estimated property taxes for FY2024: \$235 million
- FY24 Revenues: Sales Taxes
  - Budget for FY24: \$73 million
  - Projection of total collections for FY24: \$75 million (based on the first six months of collection data)
  - Estimated revenues for FY24: \$2 million over budget
  - Growth rate is flat to a slight decrease over last year
  - Last year at this time we were 10% higher than FY2022
- FY24 Revenues: Major Fees
  - Ambulance Fees - \$7.5 million budget
    - As of January 2024 - \$5.6 million. Projection \$9.5 million
  - Register of Deeds - \$3.2 million budget
    - As of January 2024 - \$2 million. Projection \$3.4 million
  - Construction Standards - \$4.8 million budget
    - As of January 2024 - \$3.5 million. Projection \$6 million
- FY24 Revenues: Estimation of Major Revenue Sources at Year End
  - Property taxes - \$0.5 million over budget
  - Sales taxes - \$2 million over budget
  - Register of Deeds - \$0.2 million under budget
  - Ambulance - \$2 million over budget
  - Construction standards - \$1.2 million over budget
  - Anticipated major revenues totaling \$5.9 million over budget based on data at the 7-month mark
- FY24 Personnel Expenditures Summary
  - Capital purchases (vehicles, equipment, technology)
    - As of January 2024 - 76.3% of budget is spent or encumbered
  - All debt, transfers to other funds and education expenditures are anticipated to equal budget
  - Salaries and benefits expenditures are currently at \$62.2 million
  - Estimated to be \$8 million under the \$126.7 million budget.
    - Lapsed salaries, timing of new hires account for most of the unexpended budget
- FY24 Expenditures Summary
  - In FY21, FY22, and FY23 we've spent 95%, 92%, and 90% respectively of each budget
  - Estimated to be around 95% of FY24 budget

A discussion ensued. During discussion, Mr. Howden responded to questions.

### Revaluation Update

David Thrift, Tax Administrator, presented a PowerPoint presentation titled "Revaluation 2024". Items included:

- Revaluation 2024
  - Progress Update - Sales Analysis
  - Appeals Process
  - Assessed Valuation Projections
- Sales Analysis
  - Number of Sales
  - Average Sales Ratio
  - Median Sales Ratio
  - Coefficient of Dispersion
  - Price Related Differential
- Levels of Appeal
  - Informal
  - Formal Board of E&R
  - Property Tax Commission
  - NC Court of Appeals
  - NC Supreme Court
- Real Estate Value Estimate FY2025
- Total Property Value Estimate FY2025

There was discussion throughout the presentation. During discussion, Mr. Thrift and Rodney Harris, Deputy County Manager, responded to questions.

### Employee Compensation & Benefits

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

- Wage growth
- Salary studies
- Inflationary impact
- Buying power
- Employee numbers - 2,711 total employees and a total of 1,237 full time employees impacted

Ashley Dobbins, Human Resources Strategy Manager, continued the presentation covering the following topics:

- Age demographics
- Total Rewards survey respondents
- Floating holidays, Vacation Proposal, Sick Leave, New Hire Advanced Sick Time, Bereavement, Paid Parental Leave and FMLA Eligible Paternity/Maternity Leave

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

- Health insurance
  - 2025 benefit renewal
  - Medical/Rx renewal, plan design and options
  - Plan design value - plan richness
  - Plan modeling - current benchmark comparison OAP Plan
  - Plan modeling - Current plans vs. Alternative Plan Overview
  - Total funding medical/Rx for current and alternative
  - Dental funding Rates
  - Considerations, recommendations, and next steps for 2025

### Dinner Break

The Board and staff took a dinner break at 6:00 p.m. The meeting resumed at 6:15 p.m.

**Employee Compensation & Benefits, Continued**

Ms. Covington introduced Victoria McGrath, CEO, McGrath Human Resource Group. Dr. McGrath resumed the presentation covering the public safety personnel:

- Study objectives
- Methodology
- Public comparable organizations
- Market analysis
- Minimum rate analysis - Public Safety
- Midpoint to market analysis - Public Safety
- Incumbent analysis - Public Safety
- Identified issues - County
- Employee demographics
- Compensation philosophy
- Recommended salary schedule
- Placement of positions - Methodology
- Public Safety market study
- Further steps

There was discussion throughout all the presentations. Ms. Covington; Ms. Dobbins; Mr. Reece; Johanna Ray, Health and Wellness Manager; and Dr. McGrath responded to questions.

**FY25 Budget Forecast and Board Priorities**

Rodney Harris, Deputy County Manager, presented a PowerPoint presentation titled "FY25 Budget Forecast". Topics included:

- Revenue Outlook
  - Revenue Neutral
  - Revenue Neutral Impact
  - Estimated Tax Value with Future Grant Liability
  - Revenue Forecast
- Expense Outlook
  - Components of Continuation Budget
  - Salary/Benefit Adjustments
  - Healthcare
  - Retirement Rate Adjustment
    - Personnel
    - General Costs
    - Outside Agencies
    - Education Partners
- Expansion Options
  - Local Supplements
  - Cabarrus County Schools Capital
  - Personnel and Benefit Adjustments
  - New Position Requests
  - Expansion Requests: Non-Personnel - One-Time Funding and Ongoing Funding
  - Expansion - Outside Agencies
  - Pending Requests/Issues
- Next Steps
  - Remaining Budget Calendar

There was discussion throughout the presentation. During discussion, Mr. Harris responded to questions from the Board.

Mike Downs, County Manager, provided a brief review of the agenda for Day 2 of the Budget Retreat.

**Recess**

The meeting was recessed at 8:00 p.m. until 8:00 a.m. Saturday, February 24, 2024, at the EMS Headquarters located at 793 Cabarrus Ave W., Concord, North Carolina.



*Lauren Linker*  
 Lauren Linker, Clerk to the Board