

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 5:00 p.m. on Tuesday, April 14, 2026.

Present - Chair:

Vice Chair:

Commissioners:

Laura B. Lindsey

Ian Patrick

Larry G. Pittman

Kenneth M. Wortman

Jeff Jones

Staff present were Kelly Sifford, Interim County Manager; Aalece Pugh, Assistant County Manager; Kyle Bilafer, Assistant County Manager; Doug Hall, County Attorney/General Counsel; Ariadne Olvera, Clerk to the board department heads and other county staff.

The meeting was called to order at 5:00 p.m.

Welcome, Introductions and Overview

Chair Lindsey welcomed staff and participants to the meeting.

Vice Chair Patrick stated that, following the Cabarrus County Schools Board of Education meeting held the previous evening, the Board of Commissioners wished to discuss several items related to the Cabarrus County Schools budget request. He noted that the Board of Commissioners had previously communicated its intent to limit the County's funding increase for Cabarrus County Schools to no more than 4.5% over the prior fiscal year's funding level. He further noted that Cabarrus County Schools' budget request reflected an 8.5% increase.

Vice Chair Patrick stated that the \$5 million included in the County's proposed budget was intended to support teacher compensation if State funding was not provided. He noted that, should the State budget include funding for teacher compensation, those funds would remain with the County.

UPON MOTION of Vice Chair Patrick, seconded by Commissioner Wortman and unanimously carried, the Board removed the Cabarrus County Schools budget discussion from the agenda and directed County staff to maintain school funding at the previous fiscal year's level until further notice.

Budget Update

Rosh Khatri, Budget Director, presented a PowerPoint presentation titled "Budget Update - Fiscal Year 2027, April 14, 2026," which provided an update on projected revenues and expenditures and highlighted changes since the February 2026 Budget Retreat.

- Disclaimers
 - All figures presented are preliminary/tentative and are still being vetted
 - Figures will change until a recommended budget is submitted in May
- Revenue Forecast

Revenues

Revenues	FY26 Adopted	FY27 Projected	Difference
Property Tax	\$280,066,034	\$286,649,423	\$6,583,389
Sales & Other Taxes	49,039,740	50,745,000	1,705,260
Intergovernmental	31,450,692	30,559,864	(890,828)
Permits & Fees	9,652,880	9,498,270	(154,610)
Sales & Services	19,219,193	22,765,929	3,546,736
Investment	4,500,000	7,000,000	2,500,000
Miscellaneous	377,700	750,375	372,675
Other Financing Sources	5,205,008	4,845,731	(359,277)
TOTAL	399,511,247	412,814,592	13,303,345

- Expenditure
- Forecast

Expenditures

Expenditures	FY26 Adopted	FY27 Projected	Difference
91 - Personnel Services	\$107,759,641	\$111,553,057	\$3,793,416
92 - Employee Benefits	51,643,030	55,719,508	4,076,478
93 - Supplies	10,966,761	11,277,455	310,694
94 - Other Operation Costs	23,859,430	23,625,980	(233,450)
95 - Maintenance & Repair	2,165,435	2,161,400	(4,035)
96 - Other Services & Charges	10,158,007	7,971,577	(2,186,430)
97 - Contributions to Other Funds or Activities	189,651,283	197,138,415	7,487,132
98 - Capital Outlay	3,307,660	3,367,200	59,540
TOTAL	399,511,247	412,814,592	13,303,345

- Summary Recap

Summary Recap

Account Type	FY27 Projected
Revenues	\$412,814,592
Expenditures	412,814,592
Surplus / (Deficit)	-

- Pending / Known Items - Slide From Retreat

Summary Recap	Revenues	Expenditures	Balance
			Surplus/ (Deficit)
	412,374,507	409,296,093	3,078,414
Pending / Known Items:	Revenues	Expenditures	Balance
Health Insurance Cost Increase (Estimated)	-	2,500,000	(2,500,000)
Education Partner Funding Request Pending (CCS, KCS, RCCC) 4.5% included	-	TBD	TBD
New Pod for Detention Center (16 New Positions + Utility Costs) FY27 (Cost Based on staggered Hire Date)	-	1,217,269	(1,217,269)
Sheriff's Office Governmental Unit Needs 24/7 Coverage (5 New Positions +1 Reclass)	195,373	589,965	(394,592)
Additional Social Services Admin Reimbursement (Based on latest data received from State and review of current trends/ updated projections)	573,204	-	573,204
Additional Revenues (Soccer Field Revenues & Revenue from Lease)	117,500	-	117,500
Economic Development Incentive Grants Revised Estimates	(1,474,000)	(1,474,000)	-
Fire Districts- Expansion of Staffing Grant (Request to double current Staffing Grant allocation) Removed per consensus	-	-	-
Total Pending / Known Items	(587,923)	2,833,234	(3,421,157)
Surplus / (Deficit)	411,786,584	412,129,327	(342,743)

- Reconciliation

Surplus / (Deficit) Retreat	412,374,507	409,296,093	3,078,414
Reconciling Items	Revenues	Expenditures	Balance
Health Insurance	-	1,799,520	(1,799,520)
Detention Center New Pod (16 FTE + Utilities)	-	1,230,551	(1,230,551)
Governmental Unit - Security (24/7 Coverage)	195,373	596,187	(400,814)
Emergency Medical Services - Fee Adjustment	1,400,000	-	1,400,000
Medicaid Hold Harmless (Reduce back to FY26 level based on March 2026 Actuals)	(1,000,000)	-	(1,000,000)
Department Budget Conferences (Net)	312,675	(373,021)	685,696
Budget Development /Vetting Process (Net)	1,006,037	(1,207,056)	2,213,093
Economic Incentive Grants	(1,474,000)	(1,474,000)	-
EDC Funding	-	(100,000)	100,000
Use Non- Recurring Revenue for One-Time Deferred Maintenance Projects	-	2,500,000	(2,500,000)
Fuel Adjustment (Gasoline & Diesel)	-	500,000	(500,000)
Other Adjustments - Balance	-	46,318	(46,318)
Total Reconciling Items	440,085	3,518,499	(3,078,414)
Revised Totals Surplus / (Deficit)	412,814,592	412,814,592	-

Board input was requested on the following proposed budget adjustments:

- o Reduce the Board contingency - \$300,000.
- o Reduce the Lobby Services budget - \$48,000.
- o Increasing annual funding for the Carolina Farm Stewardship Association's Elma C. Lomax Incubator Farm from \$80,000 to \$120,000. Staff noted that the additional \$40,000 would be funded through deferred taxes and not from funds included in the County's annual adopted budget.

Mr. Khatri requested clarification from the Board regarding the proposed fire district tax rate increases previously presented. The proposed increases included:

- o Midland Fire District: 1-cent increase.
- o Mount Pleasant Fire District: 2-cent increase.
- o Flowes Store Fire District: 2-cent increase.
- o Odell Fire District: 2.1-cent increase.

The Board expressed its support for the proposed fire district tax rate increases.

Mr. Khatri also requested clarification regarding education funding. The Board provided direction to maintain education funding at 4.5%.

Mr. Khatri concluded the presentation by reviewing the remaining steps in the Fiscal Year 2027 budget process and current/projected status of the five-year plan.

There was discussion throughout the presentation, during which Mr. Khatri and Kelly Sifford, Interim County Manager, responded to questions from the Board.

GO BONDS

Kelly Sifford, Interim County Manager, provided an update regarding ongoing efforts to conduct a survey to gather information for use by the County's financial advisors. She noted that staff had been making inquiries regarding potential polling options.

Ms. Sifford requested Jim Howden, Finance Director, and Todd Shanley, Chief of Staff, provide additional information regarding potential polling methods.

Mr. Shanley explained the County could conduct a push poll targeting approximately 50,000 likely voters at an estimated cost of approximately \$0.04 per text message, for a total estimated cost of \$2,500. He noted that response rates vary depending on the number and type of questions included, with a potential response rate as high as 20%; however, a 5% response rate would be a more conservative estimate for planning purposes.

Ms. Sifford reviewed preliminary debt capacity estimates and potential impacts to the tax rate. She noted the following approximate impacts:

- \$200 million: approximately 2.1 cents on the current tax rate.
- \$300 million: approximately 3.4 cents on the current tax rate.
- \$400 million: approximately 5.2 cents on the current tax rate.
- \$500 million: approximately 5.9 cents on the current tax rate.
- \$600 million: approximately 7.25 cents on the current tax rate.

Ms. Sifford advised these figures were preliminary estimates and staff had received guidance that the County could maintain its AAA bond rating with debt issuance up to approximately \$400 million. She further advised that the County's financial advisors recommended a four-year issuance strategy with draws occurring approximately every two years. The financial advisors indicated that while the Board may authorize the full amount at one time, the County would have up to seven years to utilize the approved bond proceeds.

The Board compared Limited Obligation Bonds (LOBs) and General Obligation (GO) Bonds.

Mr. Howden advised that he would present the preliminary GO Bond resolution at the May 18, 2026 Regular Meeting. He further advised the Board would need to establish maximum amounts for both bond referendum questions.

There was discussion throughout the presentation during which Ms. Sifford, Mr. Shanley and Mr. Howden responded to questions from the Board.

Kannapolis City Schools (KCS)

Dr. Sara Newell, Superintendent, Kannapolis City Schools; Scott Rodgers, Director of Operations, Kannapolis City Schools; Ashley Forrest, Chief Finance Officer, Kannapolis City Schools; and Todd Adams, Board Chair, Kannapolis Board of Education, were present.

Dr. Newell presented a PowerPoint presentation titled "Creating the Future: Kannapolis City Schools Cabarrus County Commissioners Budget Requests." The presentation included the following:

- Who We Are
 - Enrollment by school
 - Demographics
- District development map
- Fiscal Year 2027 priorities
- Reductions and efficiencies
- Challenges for Fiscal Year 2027
- Themes for Fiscal Year 2027
- Budget Requests which reflected an overall 8.02% increase in current expenses compared to the prior fiscal year. The requested current expense increase totals \$932,329.

Major current expense increases included:

- Utilities: Increased by 6%, from \$1,716,281 to \$1,819,258.
- Insurance: Increased by 6%, from \$497,778 to \$522,345.
- Locally Paid Personnel: Increased by 12%, from \$5,015,443 to \$5,617,296. This increase includes:
 - The anticipated increase in the 24.67% retirement matching contribution (63% funded).
 - The anticipated increase is associated with the \$50,000 STEP matching program, estimated at \$405,000.
 - The impact of a 4.5% wage increases for all staff.
 - Reductions in locally paid personnel as outlined in the budget materials.
- Supplies and Materials: Increased by 9%, from \$1,402,793 to \$1,529,044.
- Other Expenses: Increased by 4.5%, from \$759,050 to \$793,207, including local transportation, professional development, software, and equipment.
- Technology Support Services: Increased by 4.5%, from \$833,868 to \$871,392.
- Ground Maintenance: No increase requested; remains at \$141,600.
- Building Maintenance: No increase requested; remains at \$1,260,567.

Additional FY 2026-2027 budget requests totaling \$2,031,407, included:

- Instructional Resource Update: \$307,362
- School Resource Officer: \$58,667
- Low Wealth Funding Reduction: \$731,23
- Capital requests:
 - PayGo Projects (Slide 11): \$8,619,000
 - Capital Payment for Energy Savings Project (Yearly Payment Cabarrus %): \$197,000
 - Activity Bus (Quote): \$71,000
 - CIP - Deferred Maintenance Projects: \$20,100,000
 - Capital Outlay (Unrestricted): \$100,000

- o Major Capital (Jackson Park - Cabarrus Percentage of \$26,500,000): \$13,515,000
 - o Major Capital (ALB - Cabarrus Percentage of \$31,500,000): \$24,255,000
- PayGo projects
 - o Life Safety Improvements
 - o Building Improvements
 - o Floor/Paint/Concrete/Parking Lots
 - o Technology Infrastructure

Ms. Sifford provided an overview of the PayGo projects included in the proposed budget. The projects included the following:

- o Deferred maintenance projects: \$1,044,000.
- o McKnight kitchen repairs: \$575,000.
- o Activity bus replacement (partially funded in the prior year): \$71,000.
- o Carver repaving project: \$750,000.
- o Forest Park repaving project: \$750,000.
- o Energy savings payment: \$197,000.
- o ADA accessibility improvements for baseball, band, and chorus rooms: \$1.5 million.
- o A.L. Brown roof replacement: \$4 million.

Rowan-Cabarrus Community College (RCCC)

Tara Trexler, Chief Financial Officer, Rowan-Cabarrus Community College (RCCC), and Jonathan Chamberlain, Chief Officer of College Environment, Rowan-Cabarrus Community College (RCCC), presented a PowerPoint presentation titled "Building Capacity for a Growing County: FY 2026-2027 Cabarrus County Commission Budget Request." The presentation included the following:

- Institutional profile
- Population growth
- Cabarrus County campus headcounts
- Fiscal Year 2026-2027 capital budget requests (totaling \$58,485,200) included the following:
- Strategic Priorities including construction of a new Workforce Innovations Center, renovation of existing South Campus buildings, and remaining land acquisition needs
- FY2026-27 Capital Budget Requests
 - o Workforce Innovation Center: \$49,350,000
 - Requested since 2024, this project includes a new building on the South Campus to support existing industry workforce needs through state-of-the-art educational opportunities.
 - *Approved but unfunded in FY 2024-2025.*
 - o South Campus Building S201 Phased Renovations: \$7,500,000
 - o Annual Capital Allocation: \$500,000
 - o South Campus Building S203 Re-Roof: \$480,000
 - o Information Technology System Replacements: \$450,000
 - o Security Systems Emergent Improvements and Expansion: \$205,200
- The FY 2026-2027 Operating Budget Request totals \$5,198,500, reflecting a 6% increase (\$295,000) compared to the previous fiscal year. The request includes the following:
 - o Administration: \$45,000
 - Increase in insurance fees and legal services
 - o Security: \$13,000
 - Increase for radio and AED replacements.
 - o Utilities: \$75,000
 - Based on a three-year average
 - o Operations and Maintenance: \$130,000
 - Estimated janitorial and landscaping contract escalations
 - o Information Systems: \$32,000
 - Increase for network services
- Five-year capital budget forecast included the following:
All estimates reflect escalated dollars to the anticipated year.

- o Trinity Church Road Property Acquisition (Ongoing Request) - \$650,000
- o College Station Classrooms Build-Out (FY 2027-28 Request) - \$1,200,000
- o Building S203 Renovations (FY 2027-28 Request) - \$7,500,000
- o Public Safety Training Program Facility (FY 2028-29 Request) - \$37,500,000
- o South Campus S202 Parking Lot Re-Pave (FY 2029-30 Request) - \$2,200,000
- o NCRC Building Renovation (FY 2029-30 Request) - \$17,250,000
- o Building S205 Trades Building (FY 2030-31 Request) - \$77,200,000

Total 5-Year Capital Budget Requests: \$143,500,000

- Fiscal Year 2026-2027 budget request summary
 - o Current Operating Budget Request: \$5,198,500
 - o Capital Budget Request: \$58,485,200

Total FY 2026-27 Budget Request: \$63,683,700

- Pay Go Projects

Ms. Sifford provided an overview of RCCC's PayGo projects included in the proposed budget. The projects included the following:

- o Roof replacement: \$480,000
- o Hardscape and rear emergency repairs: \$43,200
- o Deferred maintenance opportunities: \$867,500
- o S211 renovation: \$256,200
- o Security system improvements: \$205,200
- o Technology replacements: \$480,000

Dr. Spalding, President, Rowan-Cabarrus Community College (RCCC), sent her regrets that she could not attend. She was attending the American Association of Community Colleges Annual Conference where RCCC was being nationally recognized as one of the top three institutions for Board and CEO relationship and first place in Outstanding College and Corporate Relationship.

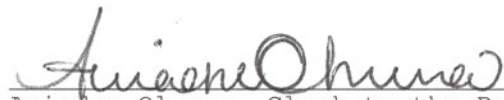
Kelly Sifford, Interim County Manager, reviewed PAYGO projects for RCCC.

A brief discussion ensued during which Ms. Sifford and Rosh Khatri, Budget Director, responded to questions from the Board.

Adjourn

UPON MOTION of Commissioner Jones, seconded by Commissioner Pittman, the meeting adjourned at 6:43 p.m.




Ariadne Olvera, Clerk to the Board