

The Board of Commissioners for the County of Cabarrus met for a Budget Workshop Meeting in the Multipurpose Room at the Cabarrus County Governmental Center in Concord, North Carolina at 4:00 p.m. on Tuesday, May 21, 2019.

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; Pam Dubois, Senior Deputy County Manager; Jonathan Marshall, Deputy County Manager; Kyle Bilafer, Area Manager of Operations; and Lauren Linker, Clerk to the Board.

**Call to Order**

Chairman Morris called the meeting to order at 4:02 p.m.

**Overview of the FY 2020 Budget Process**

Kristin Jones, Budget and Performance Manager, presented a brief overview of the agendas for the budget workshop meetings. She introduced Susan Fearrington, Finance Director, and Lauren Tayara, Budget Analyst, who were also involved in compiling the budget.

Ms. Jones, Ms. Fearrington and Ms. Tayara presented the following information included in a PowerPoint presentation of the FY20 Manager's Proposed Budget. There was discussion throughout the presentation.

**All Funds Summary**

Funds	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
General	255,602,972	269,805,596	14,202,624	5.26%
Landfill	1,172,571	1,403,508	230,937	16.45%
911 Emergency Telephone System	790,864	760,240	-30,624	-4.03%
Arena and Events Center (Arena and Fair)	1,648,656	1,731,880	83,224	4.81%
Health/Dental Insurance	11,295,475	11,513,515	218,040	1.89%
Workers Compensation/Liability	2,257,715	2,338,502	80,787	3.45%
Fire Districts Fund	4,522,362	4,760,435	238,073	5.00%
Total	277,290,615	292,313,676	15,023,061	5.14%

**Overall Summary**

	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Tax Rate	0.72	0.72	0.00	0.00%
Valuation	22,875,000,000	23,811,500,000	936,500,000	3.93%
Penny	2,261,814	2,351,067	89,253	3.80%
All Funds	277,290,615	292,313,676	15,023,061	5.14%
General Fund	255,602,672	269,805,596	14,202,924	5.26%
FTE	1,150.04	1,171.24		

**General Fund by Revenue Source**

Revenue Source	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Ad Valorem Taxes	164,527,608	170,986,718	6,459,110	3.78%
Other Taxes	48,153,664	52,785,613	4,631,949	8.78%
Intergovernmental Revenues	19,961,943	21,315,255	1,353,312	6.35%
Permits and Fees	6,968,899	7,207,427	238,528	3.31%
Sales and Services	13,003,406	13,724,418	721,012	5.25%
Investment Earnings	500,000	1,000,000	500,000	50.00%
Miscellaneous	487,452	486,165	-1,287	-0.26%
Other Financing Sources	2,000,000	2,300,000	300,000	13.04%

Total	255,602,972	269,805,596	14,202,624	5.26%
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Additional information regarding ad valorem and sales taxes (which were included in the General Fund) was presented.

The presentation continued with a review of the following items:

- Expenditures by Category
  - Personnel Services
  - Operating
  - Capital Outlay
  
- Expenditures by Function
  - Education
  - Public Safety
  - Human Services
  - General Government
  - Other Debt Service
  - Culture and Recreation
  - Economic and Physical Development
  - Environmental Protection
  - Contribution to Other Funds

Commissioner Poole arrived at 4:37 p.m. and was present for the remainder of the meeting.

General Fund by Expenditure Category

Category	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Personnel Services	78,114,611	84,449,642	6,335,031	7.50%
Operating	176,173,230	183,208,742	7,035,512	3.84%
Capital Outlay	1,315,131	2,147,212	832,081	38.75%
Total	255,602,972	269,805,596	14,202,624	5.26%

Personnel and Benefits

New Position Detail

- New Positions (FTE)
  - 1 Business Analyst - assist with customer support Accela (online permitting software)
  - 1 Maintenance Planner - transition from new construction to preventative and planned maintenance efforts
  - 2 Sheriff Deputies - no additional budget impact due to not budgeting 3 detention officer positions due to extended vacancies in Jail Division
  - 1 Sergeant - no additional budget impact due to not budgeting 3 detention officer positions due to extended vacancies in Jail Division
  - Youth Development Division to assist with SRO's
  - 1 Kennel Technician (part-time) - medical testing and weekend coverage
  - 1 Fire Captain and 5 Fire Fighters - 24 hour shift change
  - 2 Park Rangers (part-time) - facility use and set-up
  - 1 Program Assistant (Senior Center) -event coverage and coordination
  
- Department of Human Services - increase in caseload and H.U.B.B.
  - 1 Receptionist - Administration (customer service for front lobby)
  - 1 Receptionist shared funding with Cabarrus Health Alliance for H.U.B.B.
  - 1 Family Support Specialist for ESS
  - 1 Income Maintenance Caseworker II for ESS
  - 1 Income Maintenance Training Supervisor for ES
  - 2 Income Maintenance Caseworker II for ES and H.U.B.B.

Other Position Changes

DEPARTMENT	CHANGE REQUESTED	PROPOSED FTE
	TRANSFERS/CHANGES IN LOCATION	

Sheriff Department-Jail to Administration	Transfer 16 FTE from Jail Division to Sheriff Department: Administration for Governmental Security Division	0.0000
RECLASSIFICATIONS		
Board of Elections	Election Coordinator to a Election Analyst	0.0000
CHANGE IN HOURS		
Library	Change 6 Library Assistants from a .40 FTE to a .50 FTE	0.6000
	Total Position Change	0.6000

Merit increases, COLA benefits, health insurance costs and workers compensation premiums were reviewed.

Debt service changes were presented to include the following:

- With the normal retirement of debt service and the issuance of new debt, the net decrease in debt service is \$1,664,904.
- New debt service (Principal and Interest) payments of \$1,478,700 includes:
  - o Land for a middle school, high school and senior center/library

A summary was presented regarding education and outside agencies.

Public Schools Summary

Funding Category	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Current Expense	71,020,147	74,040,806	3,020,659	4.08%
Capital Outlay	1,120,000	1,120,000	-	-
Debt Service	43,521,744	42,229,320	(1,292,424)	-3.06%
County Technology/Server Backup	45,154	45,156	(2)	-
School Nurses	2,884,387	2,971,719	87,332	2.94%
Charter Schools	4,415,070	4,910,317	495,247	10.09%
Total	123,006,502	125,317,318	2,310,816	1.84%

Community College Summary

Funding Category	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Current Expense	2,930,215	3,402,215	472,000	16.11%
Capital Outlay	-	100,000	100,000	100.00%
Debt	2,012,382	1,949,995	(62,387)	-3.10%
Total	4,942,597	5,452,210	509,613	9.35%

Ms. Tayara presented the following information.

Outside Agencies

Agency	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Arts Council	26,000	26,000	-	-
Juvenile Crime Prevention Council	295,111	295,111	-	-
Medical Examiner	122,500	122,500	-	-
NC Forest Service	94,713	81,864	(12,849)	-15.70%
Obligation to the City of Kannapolis	1,513,429	1,533,437	(20,008)	-1.30%
Carolina Farm Stewardship	40,000	*deferred tax	(40,000)	-100.00%
Economic Development Corporation	400,000	400,000	-	-
Total	2,491,753	2,458,912	(32,841)	-1.34%

Outside Agencies (Continued)

Agency	FY 19 Adopted	FY 20 Proposed	Dollar Change	Percent Change
Cabarrus Health Alliance (includes school nurses)	7,035,312	7,526,369	491,057	6.52%

Veterinarian Services	5,000	5,000	-	-
Mental Health	586,716	586,716	-	-
Special Olympics	68,241	72,644	4,403	6.06%
Concord Downtown Development Corporation	25,000	25,000	-	-
Boys and Girls Club of Cabarrus County	50,000	50,000	-	-
Cannon Memorial YMCA	250,000	250,000	-	-
<b>Total</b>	<b>8,020,269</b>	<b>8,515,729</b>	<b>495,460</b>	<b>5.82%</b>

CIP:

Function/Division	Project	Funding Source	Cost
Cabarrus County Schools	2 Activity Buses	Capital Reserve Fund	200,000
Cabarrus County Schools	Security Cameras - system wide	Capital Reserve Fund	415,246
Cabarrus County Schools	Mount Pleasant Elementary Electrical Service	Capital Reserve Fund	568,700
Rowan Cabarrus Community College	CBTC A/C Unit Replacement	Capital Reserve Fund	125,000
Rowan Cabarrus Community College	South Campus Building 2000 Fire Alarm Replacement	Capital Reserve Fund	112,000
<b>Total</b>			<b>1,420,946</b>

CIP (Continued)

Function/Division	Project	Funding Source	Cost
General Government	Enterprise Physical Security	Capital Reserve Fund	300,000
Culture and Recreation	Arena Kitchen Goods Storage Building Replacement	Capital Reserve Fund	161,000
General Government	Governmental Center Roof and Skylight Replacement	Capital Reserve Fund/Other Funds	2,085,000
General Government	Operations Center	Capital Reserve Fund	850,000
Public Safety	Training and Firing Range Renovations	Capital Reserve Fund	1,700,000
Public Safety	EMS Headquarters Planning and Design	Capital Reserve Fund	120,000
<b>Total</b>			<b>5,216,000</b>

The Deferred Tax Collection Proposal was presented as follows:

- Carolina Farm Stewardship - Lomax Farm - \$80,000
- Camp Spencer vending machine building and overlook - \$225,000
- Frank Liske Park water line replacements - \$360,000
- Eastern Cabarrus Park Land - \$1,000,000
- Total: \$1,665,000

Additional contributions and expenditures included in the Capital Reserve Balance were reviewed.

Capital Reserve Balance

Beginning Balance:	\$14,982,840
Early funding of Courthouse Eng/Arch	6,419,000
Early funding of CCS Mobile Units	2,400,000
Cabarrus County Projects List FY20*	4,742,894
School Projects List FY20	1,420,946

Ending Balance:	\$	0
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It was reported there will be a total of \$1,186,430 in unallocated contingency funds (\$643,230 Board contingency and \$543,200 charter school contingency) for Board discretion and additional funding for charter school if needed based on the updated ADM (Average Daily Membership) count.

There was discussion throughout the presentation. During the presentation, Ms. Jones, Ms. Fearrington, Ms. Tayara, Mike Downs, County Manager and Pam Dubois, Senior Deputy County Manager, responded to questions from the Board.

#### **Break**

The Board took a short break at 5:30 p.m. The meeting resumed at 5:39 p.m.

#### **KCS - Presentation of FY 2020 Budget Request**

Due to time constraints, a small change was made in the agenda.

Dr. Chip Buckwell, Kannapolis City Schools (KCS), Superintendent, shared comments regarding the budget process, collaboration among county agencies and the impact of the annual budget.

Will Crabtree, Kannapolis City Schools (KCS), Director of Business Operations, presented a PowerPoint presentation titled *Kannapolis City Schools 2019-2020 Budget Request Cabarrus County*, which included the following topics:

- Current expense continuation
- Current expense expansion
- Capital outlay (less than \$100,000)
- Capital outlay (greater than \$100,000)

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

#### **EDC - Presentation of FY 2020 Budget Request**

Robert Carney, Jr., Economic Development Corporation (EDC), Executive Director, presented a PowerPoint presentation that addressed the following topics:

- Big changes
  - Team
  - Marketing
  - Regional
- FY19 Highlights
  - Projects (155)
    - New Jobs Announced
    - New Investments Announced
    - New RFIs Received
    - Announced New Industrial Spec Space
    - Business Retention And Expansion Visitation
- Program of Work
  - Website
  - Industry Appreciation Event
  - Product Development
  - Recruitment
  - Business Retention and Expansion
- Request: Continued Investment From Cabarrus County for Continued Economic Development Support - \$400,000

There was discussion throughout the presentation with Mr. Carney and Paige Castrodale, Existing Industry Director, responding to questions from the Board.

#### **CHA - Presentation of FY 2020 Budget Process**

James Mack, Public Health Authority of Cabarrus County, Chairman, provided opening comments.

Sue Yates, Cabarrus Health Alliance (CHA), Chief Financial Officer (CFO), presented a PowerPoint presentation reviewing the following information:

Department	FY19 County Contribution	FY20 Requested Contribution	Requested Increase	Explanation
<i>Aid to Counties: General Admin, Vital Records, Information Technology, Healthy Cabarrus</i>	2,611,943.00	2,693,873.00	81,930.00	Merit & Fringe \$81,930
Clinical Services	-	200,000.00	200,000.00	Personnel Cost; 90% of Maternal Health is personnel.
Communicable Disease	715,479.00	736,846.00	21,367.00	Merit and Fringe \$21,367
Environmental Health	823,503.00	842,223.00	18,720.00	Merit & Fringe \$18,720
School Health	2,884,387.00	3,053,426.00	169,039.00	School Nurse Alternative High Schools \$51,908; Part-time School Nurse for Kannapolis Middle \$29,799; Merit and fringe \$87,332
<b>Total</b>	<b>\$7,035,312</b>	<b>\$7,526,368</b>	<b>\$491,056</b>	

Dr. Russell Suda spoke regarding funding, maternity, prenatal and infant care services provided to include the following information:

- History of Clinical Services Funding and Cabarrus County Contribution
  - Clinical services received funding from the County until FY 2009
  - Clinical services received approximately 24% of County Funding, which equated to approximately \$850,000 a year
- Measures of Quality of Prenatal care in a Community
  - Infant Mortality rate
  - Number of infants born prematurely
  - Number of extreme low birth weight infants
- Number Babies Who Received Quality Prenatal Care from CHA
  - Since FY2008 > 10,000
    - Approximately 50% are ineligible or do not qualify for Medicaid, and do not have other commercial coverage for prenatal care
    - State funding for maternal health services has remained stagnant since ~1978
    - Number of women cared for at CHA from FY08 - FY18 accounts for between 15% and 18% of all women who deliver at Atrium Health-Northeast
- Prenatal Care Value
  - For every \$1 spent on prenatal care, there is up to \$11 saved in neonatal, early childhood, school age and adolescent remedial care
  - At \$11 saved per patient (average), 2018 figures are:
    - 599 patients
    - \$972,448 - total expenditures MH/OB in 2018 at CHA for prenatal care
    - \$10,696,930 - expenditures x \$11/patient
    - \$9,724880 - total savings
- In 2018 CHA's Maternal Health Program saved Cabarrus County taxpayers \$16,235/patient/baby.

A discussion ensued. During discussion, Dr. Suda and Ms. Yates responded to questions from the Board. Dr. William Pilkington, Cabarrus Health Alliance (CHA), CEO, Public Health Director, was also in attendance.

**Break**

The Board took a short break at 6:35 p.m. The meeting resumed at 6:55 p.m.

**CVB - Presentation of FY 2020 Budget Request**

Donna Carpenter, Cabarrus Visitors Bureau (CVB), President/Chief Executive Officer (CEO), presented the FY 2020 Operating budget for the Board of Commissioners review and approval to continue CVB operations. Ms. Carpenter also presented a PowerPoint presentation, which included the following topics:

- Group Sales
- Loss Revenue - Lack Of Meeting space
- Marketing
- Destination Guide
- Commercials

John Mills, Cabarrus Visitors Bureau (CVB), Executive Vice President, continued the presentation related to the following information:

- FY20 Budget
  - Tax Retained by the County
  - Allocations

Ms. Carpenter continued the presentation by reviewing the impact Tourism has on the County.

Pam Dubois, Senior Deputy County Manager, and in her capacity as Chair of the Cabarrus County Tourism Authority, stated the Cabarrus County Tourism Authority has carefully reviewed and approved the Cabarrus County Tourism Authority FY20 Budget. In order to move forward on some of the projects, she requested the Board of Commissioners approve the Cabarrus County Tourism Authority FY20 budget.

There was discussion throughout the presentation with Ms. Carpenter and Mr. Mills responding to questions from the Board.

**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 Commissioner Kiger and unanimously carried, the Board approved the Cabarrus County Tourism Authority's FY 2020 budget totaling \$5,895,007, in accordance with Article IV, Room Occupancy and Tourism Development Tax, Tourism Authority of the Cabarrus County Code of Ordinances.

**CCS - Presentation of FY 2020 Budget Request**

Cindy Fertenbaugh, Cabarrus County Schools Board of Education, Board Chair, provided opening comments regarding the schools' needs and budget request.

Dr. Chris Lowder, Cabarrus County Schools (CCS), Superintendent, presented a PowerPoint presentation titled *Cabarrus County Schools Budget Requests 2019-2020*. Topics included were as follows:

- Budget Development
- Operating Budget Request
  - General Continuation Requests \$2,344,032 (Prior Year \$3,285,337)
    - Match For State Salary Increases, Benefit Increases, Operating Expenses Related to Opening New Schools
  - Expansion Requests \$9,386,663
    - Increase Teacher Supplement, Increase Teacher Allotment, Increase Mental Health Responders
  - Technology Requests \$1,025,996
    - Devices, Break Fix Staff, General Operations, Software
  - Building and Grounds Maintenance Request \$1,781,000
    - General Operations and Repairs, Utility Technicians, Storm Water Technician
  - Charter School Transfer Request
    - Pass-Through Funds for Cabarrus County Students Who Attend Charter Schools Exceeding \$4,000,000

- Capital Outlay Budget Request
  - Capital Outlay Non-FMD \$1,420,000
    - Timekeeper Server
    - Furniture
    - Arts Equipment
    - Buses
    - School Owned Instruments
  - Deferred Maintenance (<\$250,000)
    - 5 Year \$102,437,228
    - 1 Year \$37,233,135
    - Top 36 \$5,765,242
    - Flooring/Abatement at Northwest Cabarrus Middle School
    - Flooring/Abatement at Concord High School
    - Pedestrian Walkway at Central Cabarrus High School
- Capital Improvement Projects >\$500,000
  - 2019 - 2020 Identified Needs of \$92,875,455
    - Remaining funding for West Cabarrus High and Hickory Ridge Elementary
    - Buses for New Schools
    - Mobiles for Growth and Class Size
    - Security Cameras
    - Electrical Service at Mount Pleasant Elementary School
    - Roof replacements
    - HVAC systems
- 10 Year Planning Update

There was discussion throughout the presentation with Dr. Lowder, Kelly Kluttz, CCS, Chief Finance Officer, and Ms. Fertenbaugh responding to questions from the Board.

**Overview of the FY 2019 Budget Process (Continued)**

Kristin Jones, Budget and Performance Manager, continued the presentation from earlier in the meeting. She reviewed the following information relating to the 5-year plan.

Overview of the 5-Year Plan

The 5-year plan provides a one-page summary of the major changes in the budget from FY19 to FY20. It also provides projections into the future for the next four years of projected revenue growth and some of the major projected expenditures. Ms. Jones explained that a 5-year plan was originally prepared and balanced using the 72 cents tax rate of which a copy was provided to the Board. However, the 5-year plan reviewed included the 2-cent tax increase.

The Five-Year Plan is as follows:

FIVE-YEAR FINANCIAL PLAN						
GENERAL FUND						
	For Reference		Revaluation Year			
	2019	2020	2021	2022	2023	2024
Penny on the tax rate	\$ 2,279,060	\$ 2,351,067	\$ 2,587,278	\$ 2,633,407	\$ 2,680,419	\$ 2,728,332
<b>Property Tax Rate</b>	<b>\$0.72/100</b>	<b>\$0.74/100</b>	<b>\$0.74/100</b>	<b>\$0.74/100</b>	<b>\$0.74/100</b>	<b>\$0.74/100</b>
Property Tax increase 2 cent	-	4,702,134	-	-	-	-
<b>Adopted Budget Revenues less one time from prior year</b>	<b>\$ -</b>	<b>\$ 255,183,510</b>	<b>\$ 271,277,759</b>	<b>\$ 290,163,350</b>	<b>\$ 295,035,354</b>	<b>\$ 299,997,247</b>
<b>AD VALOREM</b>						
Property Taxes Budget-FY19 (Real, Personal, DMV)	\$ 162,850,608	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes Budget-FY19 (Delinquent/Interest)	\$ 1,677,000					
Growth for revaluation (10%)	-	-	14,412,931	-	-	-
Over collection in FY19		1,241,739				
Growth in tax revenues (3.9% FY20, 1.8% FY21-FY24)						
Includes Real, Personal, and DMV	-	5,184,471	3,066,724	3,413,480	3,478,890	3,545,587

<b>OTHER TAXES</b>						
Sales Tax Budget- FY19	\$ 46,280,487	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes Budget-FY 19	1,873,177	-	-	-	-	-
Growth in Sales taxes (2% FY20, 2% FY21-FY24)	-	4,478,539	1,015,180	1,025,332	1,035,586	1,045,942
<b>PERMITS AND FEES</b>						
Permits and Fees Budget- FY19	\$ 6,968,899	\$ -	\$ -	\$ -	\$ -	\$ -
Building Inspection Fees (0% FY20, 3% FY21 - FY24)	-	-	115,650	119,120	122,693	126,374
Register of Deeds (8% FY20, 4% FY21 - FY24)	-	220,892	89,461	122,860	127,775	132,886
<b>SALES AND SERVICES</b>						
Sales and Services	13,457,944	-	-	-	-	-
Ambulance Fees (4.5% FY20, 3% FY20-FY24)	-	266,474	185,644	191,213	196,949	202,858
<b>OTHER REVENUE CATEGORY</b>						
Intergovernmental Revenues	19,961,943	-	-	-	-	-
Miscellaneous/Other	2,532,914	-	-	-	-	-
<b>Total Recurring Revenues</b>	<b>\$ 255,602,972</b>	<b>\$ 271,277,759</b>	<b>\$ 290,163,350</b>	<b>\$ 295,035,354</b>	<b>\$ 299,997,247</b>	<b>\$ 305,050,894</b>
<b>OTHER</b>						
Interest on Investments	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Board of Elections - Program Fees	-	90,000	-	-	-	-
Lottery Proceeds	-	300,000	-	-	-	-
Medicaid Hold Harmless Social Services	-	500,000	-	-	-	-
Reimbursement - New	-	189,878	-	-	-	-
Matching Grants - Parks	-	50,000	-	-	-	-
HCCBG Funding	-	50,000	-	-	-	-
Deputy Reimbursement	-	165,101	-	-	-	-
Revenues	-	1,384,992	-	-	-	-
<b>APPROPRIATION OF RESTRICTED FUND BALANCE</b>						
Sinking Fund	\$ -	\$ -	\$ -	\$ -	\$ 7,200,000	\$ -
<b>Total Revenues</b>	<b>\$ 255,602,972</b>	<b>\$ 274,507,730</b>	<b>\$ 290,163,350</b>	<b>\$ 295,035,354</b>	<b>\$ 307,197,247</b>	<b>\$ 305,050,894</b>

<b>FIVE-YEAR FINANCIAL PLAN</b>						
<b>GENERAL FUND</b>						
	For Reference	Revaluation Year				
	2019	2020	2021	2022	2023	2024
<b>Adopted Budget Expenditures</b>						
less one time from prior year	\$ -	\$ 256,183,510	\$ 264,422,676	\$ 284,166,039	\$ 294,938,173	\$ 322,195,263
<b>COUNTY SERVICES (PERSONNEL AND OPERATING)</b>						
Personnel budget - FY 19	\$ 78,114,611	\$ -	\$ -	\$ -	\$ -	\$ -
New Position Request	-	1,343,149	-	-	-	-
Salary Study - General Government	-	225,000	500,000	500,000	500,000	500,000
Salary Adjustments (other pays/vacation payouts)	-	326,537	-	-	-	-
Merit increase - 2% average	-	500,000	1,366,322	1,414,897	1,464,843	1,516,551
Cost of Living Adjustment - 1.5% FY20, 1.5% FY21 - FY 24	-	1,592,142	1,015,647	1,052,278	1,082,396	1,120,605
Retirement - increase 1.2% FY20, 1.2% FY 21 - FY 24 (General - 9.00% and Law - 9.70%) *includes death beneficiary	-	802,000	659,824	667,742	675,755	744,682
Workers Compensation (rates remain stable)	-	73,000	-	-	-	-
Health Insurance increases (includes retirees) 2% increase FY 20, 2% FY 21 - FY 24	-	189,554	193,345	197,212	201,156	205,179
Operating budget - FY 19	39,082,738	-	-	-	-	-
Midland Library Branch - operations	-	21,000	-	-	-	-
Recycling Program Expense	-	165,000	-	-	-	-

<b>DEBT</b>						
Non-School Debt - FY 19	\$ 9,545,768	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Retirement of Debt Service	-	(3,143,604)	(1,829,290)	(3,727,064)	4,383,103	(9,006,711)
Notes Payable-NC DOC	-	-	(91,465)	-	-	-
COPS 2011A Sinking Fund Pymt (Approp of Restricted FB)	-	-	-	-	7,200,000	-
School Debt	45,589,826	-	-	-	-	-
Middle and High School Land and Senior Center/ Library (7 year) - \$8.5 m debt issuance	-	1,478,700	(34,100)	(34,100)	(34,100)	(34,100)
Construction of Middle School 2020 (20 year) - \$43 m	-	-	2,694,896	1,521,354	21,250	(40,000)
Construction of New Courthouse May 2020 - \$90m	-	-	5,697,875	3,181,625	31,250	(86,250)
Courthouse Renovation September 2022- \$15m	-	-	-	-	1,204,208	284,292
Courthouse Operating Costs	-	-	-	1,000,000	3,000,000	-
<b>SCHOOLS</b>						
Current Expense Funding - FY 19 Budget	\$ 75,435,217	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Current Expense Funding - Based on prior year increase (CCS and KCS)	-	2,529,279	4,708,000	5,000,000	5,500,000	6,000,000
CCS Supplement from 8.00% to 8.25% (add 1.25)	-	343,230	443,230	543,230	643,230	743,230
Additional Current Expense- RCCC	-	472,000	-	-	-	-
RCCC- Capital Outlay	-	100,000	-	-	-	-
Additional Current Expense Funding -High School and Elementary School (Aug 20) and Middle School (FY 23)	-	-	4,500,000	-	2,000,000	-

<b>FIVE-YEAR FINANCIAL PLAN</b>						
<b>GENERAL FUND</b>						
	For Reference	Revaluation Year				
	2019	2020	2021	2022	2023	2024
<b>OTHER ENTITIES</b>						
Cabarrus Health Alliance - FY19 Budget	\$ 7,035,312	\$ -	\$ -	\$ -	\$ -	\$ -
Cabarrus Health Alliance Contribution to the Arena - FY 19 Budget	759,500	-	-	-	-	-
Contribution to the Arena	-	(13,887)	-	-	-	-
Incentive Payments	941,000	745,000	(380,920)	(845,040)	(916,000)	(133,000)
<b>Total Recurring Expenditures</b>	\$ -	\$ 264,422,676	\$ 284,166,039	\$ 294,938,173	\$ 322,195,263	\$ 324,309,742
<b>OTHER</b>						
ALPS-Matching Grants	-	100,000	-	-	-	-
Building and Grounds Maintenance Projects	-	475,400	-	-	-	-
Replacement Equipment and Vehicles	-	758,381	-	-	-	-
Elections Expense	-	316,896	-	-	-	-
Increase (Decrease) in Expenditures	\$ -	\$ 3,732,243	\$ -	\$ -	\$ -	\$ -
Contribution to Capital Reserve Fund	\$ -	\$ 4,702,134	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ -	\$ 274,507,730	\$ 284,166,039	\$ 294,938,173	\$ 322,195,263	\$ 324,309,742
<b>Revenues more (less) Expenditures</b>	\$ -	\$ 0	\$ 5,997,310	\$ 97,181	\$ (14,998,016)	\$ (19,258,848)
<b>Estimated Unassigned Fund Balance</b>						
As of June 30, 2018 *	\$ -	\$ 51,601,102	\$ 57,598,412	\$ 57,695,593	\$ 42,697,577	\$ 23,438,730
Total Debt Service Payments	\$ -	\$ 51,991,990	\$ 58,464,006	\$ 59,439,921	\$ 72,279,732	\$ 63,431,063
% of Current Budget	-	19.66%	20.57%	20.15%	22.43%	19.56%

Proposed Tax Increases

Additionally, the proposed tax increases were reviewed as follows:

- 2 cent tax increase would result in an additional \$4,702,134 in property tax revenue
- Based on the most recent assessed valuation update would result in an additional \$1,277,038
  - o Assessed valuation update adds a value of \$174,600,000
- For FY20: \$5,979,172 in available funds
- For FY20 this will address the growing capital and deferred maintenance needs for school systems and county operations
- For FY21 the additional revenue will be recurring revenues to address current expense costs for projected school openings

Proposed One Time Capital and Deferred Maintenance Needs

Below is a list of potential one-time capital and deferred maintenance projects:

- Available funds: \$5,979,172

**School Requests:**

<b>Capital Projects for Cabarrus County Schools:</b>	
Activity bus (funding 2 in FY 20 CRF) originally requested 3	100,000
Security Camera Upgrades - System Wide (partial funding already in FY 20 CRF)	400,000
Roof Replacement at CC Griffin Middle School	1,364,880
<b>Subtotal</b>	<b>1,864,880</b>
<b>Capital Projects for Kannapolis City Schools:</b>	
A L Brown Cannon Gymnasium	200,000
<b>Subtotal</b>	<b>200,000</b>
<b>Deferred Maintenance (Non-FMD) for Cabarrus County Schools (by rank)</b>	
New Timekeeper Server	30,000
<b>Subtotal</b>	<b>30,000</b>
<b>Capital Outlay (FMD) for Cabarrus County Schools (by rank)</b>	
Flooring replacement and abatement at Northwest Cabarrus Middle School	227,480
Flooring replacement and abatement at Concord High School	164,406
Carpet replacement at Concord High School	62,040
Pedestrian walkway from Hwy 49 to existing sidewalk at Central Cabarrus	79,618
<b>Subtotal</b>	<b>533,544</b>
<b>County Capital Improvement Projects</b>	
Land banking	2,000,000
Operations Center - Fleet Portion (partial funding in FY 20 CRF)	815,000
Sheriff radio communications tower	160,000
Camp Spencer vending machine building and overlook (partial funding in FY 20 CRF)	200,000
<b>Subtotal</b>	<b>3,175,000</b>

There was discussion throughout the presentation with Ms. Jones, Mike Downs, County Manager, Pam Dubois, Senior Deputy County Manager, Dr. Chris Lowder, CCS Superintendent, and Lauren Tayara, Budget Analyst, responding to questions from the Board.

Recess

Chairman Morris recessed the meeting at 8:23 p.m. until Thursday, May 23, 2019 at 4:00 p.m. in the Multipurpose Room.

  
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 Lauren Linker, Clerk to the Board