

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 Thursday, May 23, 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 4:08 p.m.

**Carolina Farm Stewardship/Lomax Farm - Presentation of FY2020 Budget Request**

Aaron Newton, Lomax Farm Manager, introduced Karen McSwain, Farm Services and Food Systems Director, Gena Moore, Organic Research Coordinator, and Dylan Alexander, Lomax Farm Coordinator.

Ms. McSwain presented a PowerPoint presentation that included the following information:

- Mission
- Vision
- Programs
  - o Lomax
  - o FiTs (Five Farmers in Training)
  - o SOILL (Students Outside Immersive Learning at Lomax)
  - o On-Farm Research
  - o Community Engagement
- Infrastructure
- Publicity
- Lomax Budget
- Contacts

There was discussion following the presentation. During discussion, Ms. McSwain, Mike Downs, County Manager, Mr. Newton, Jonathan Marshall, Deputy County Manager, and Pam Dubois, Senior Deputy County Manager, responded to questions from the Board. There was consensus from the Board to fund the Farm's request through the use of deferred tax collections.

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

Dr. Carol Spalding, Rowan-Cabarrus Community College (RCCC) President, presented a PowerPoint presentation of RCCC's FY 2020 budget request. The following topics were included in the presentation.

- Mission and Vision
- 2018-2023 Strategic Plan Themes
- North Carolina's Community Colleges are Solid Investment
- Tuition-Free Courses for High School Students
- New and Expanded Courses
- Advanced Technology Center

Jonathan Chamberlain, RCCC Chief Officer of College Environment, presented the Fiscal 2020 budget request.

Fiscal 2020 Budget Request Summary	
Current Operating Budget Request	3,402,000
Capital Budget Request	3,961,000
<b>Total Fiscal 2020 Budget Request</b>	<b>\$ 7,363,000</b>

Mr. Chamberlain then reviewed the following information:

- Current Operating Expansion Requests
- Capital Budget requests
  - 1) Cabarrus Business and Technology Center AC Unit Replacement (CBTC)

- 2) South Campus Building 2000 Fire Alarm Replacement and Mass Notification System
- 3) South Campus Building 2000 Re-Roof
- 4) CBTC Annex Motorsports Program
- 5) South Campus Building 1000 Renovation
- 6) South Campus Energy Efficiency Upgrades
- 7) South Campus Trinity Church Road Property Acquisition
- 8) South Campus Building 2000 Learning Resource Center Renovation

Dr. Spalding commented on the possibility of a bond in the future.

Mr. Chamberlain continued the presentation by reviewing anticipated needs.

Dr. Spalding concluded their request by reviewing the programs currently presented at the college and preparing for the future.

There was discussion throughout and following the presentation with Dr. Spalding and Mr. Chamberlain responding to questions and comments from the Board. Carol Lewis, RCCC Interim Chief Financial Officer, was also in attendance.

#### **Break**

The Board took a short break at 5:34 p.m. The meeting resumed at 5:56 p.m.

#### **Fire Districts - Presentations of FY 2020 Budget Request**

Steve Langer, Fire Marshal, provided an overview of the fire departments' current tax rates, proposed rate increases and revenue from proposed increases. He advised those fire departments requesting an increase were present and would be speaking in that regard.

##### Flowe's Store Fire Department

Ken Nichols, Flowe's Store Fire Department Board President, provided opening comments.

Joey Houston, Flowe's Store Fire Department, Fire Chief, presented a PowerPoint presentation that included the following topics:

- Increase Staffing
- Completion of ISO Inspection
- Fire Department has Become a Medium Rescue Provider
- Response Times
- Addition of an Eight Hour Per Day/5 Days a Week Fire Fighter

Mr. Nichols reviewed the request of a one-cent fire district tax increase. He stated the money will be used to increase and improve staffing.

A discussion ensued. During discussion, Mr. Houston and Steve Langer, Fire Marshal, responded to questions from the Board and county management.

##### Midland Fire Department

Jody Eudy, Midland Fire Department Board President, presented a request for a two-cent fire district tax increase.

Alan Burnett, Midland Fire Department, Fire Chief, reported the Midland Fire Department provides coverage of two fire stations within its district. Each station has one person at each station providing 24-hour coverage. The two cent fire district tax would allow the addition of a third person for 24-hour coverage at both stations. The additional funds would also allow equipment upgrades. He advised the fire department is working on lowering its ISO rating.

Jason Cook, Midland Fire Department, Deputy Fire Chief, provided additional comments regarding the need for the additional manpower.

A discussion ensued. During discussion, Chief Burnett and Mr. Eudy responded to questions from the Board.

##### Mount Pleasant Rural Fire Department

Randy Holloway, Mount Pleasant Town Manager, provided opening comments and reported the fire department has completed requirements and has lowered their ISO ratings.

Deputy Chief Jeff Watts presented a request for a 1.5 cent rural district fire tax increase. The increase would be used to purchase a new company engine and salary increases.

A history of the Fire District Tax Rate including the proposed increases is as follows:

Volunteer Fire Districts	Tax Rates									Proposed Rate Increase
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	
Allen	0.0400	0.0450	0.0450	0.0450	0.0550	0.0550	0.0550	0.0750	0.0750	
Cold Water	0.0500	0.0500	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	
Concord Rural	0.0350	0.0410	0.0410	0.0410	0.0410	0.0410	0.1000	0.1400	0.1400	
Flowe's Store	0.0400	0.0460	0.0460	0.0460	0.0500	0.0500	0.0600	0.0600	0.0700	0.0100
Georgeville	0.0600	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	
Gold Hill	0.0600	0.0600	0.0600	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800	
Harrisburg	0.0750	0.1115	0.1115	0.1115	0.1315	0.1315	0.1315	0.1500	0.1500	
Jackson Park Kannapolis Rural	0.0500	0.0580	0.0580	0.0580	0.0580	0.0580	0.1000	0.1400	0.1400	
Midland	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0800	0.1000	0.1000	
Midland	0.0550	0.0640	0.0640	0.0640	0.0640	0.0800	0.0800	0.0800	0.1000	0.0200
Mt. Mitchell	0.0500	0.0570	0.0826	0.0826	0.0826	0.0826	0.0826	0.0826	0.0826	
Mt. Pleasant Rural	0.0500	0.0570	0.0826	0.0826	0.0826	0.0826	0.0826	0.0826	0.0826	
Mt. Pleasant Rural	0.5500	0.6300	0.8300	0.8300	0.1030	0.1030	0.1030	0.1030	0.1180	0.0150
Northeast	0.0600	0.0670	0.0670	0.0670	0.1070	0.1270	0.1270	0.1270	0.1270	
Odell	0.0500	0.0580	0.0580	0.0580	0.0580	0.0680	0.0680	0.0680	0.0680	
Richfield-Misenheimer	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	
Rimer	0.0600	0.0680	0.0680	0.0680	0.0680	0.0680	0.0680	0.0880	0.0880	

**General Board Discussion**

Kristin Jones, Budget and Performance Manager, provided proposed budget updates and changes from the prior budget meeting on May 21, 2019. The new proposed FY20 budget would be \$275,784,768. The following information was reviewed:

FY 2019-20 Budget Changes					
Department	Description	Effect on Expenditures	Effect on Revenues	Explanation	Account
	General Fund Proposed Budget	\$ 269,805,596	\$ 269,805,596		
Tax Collection	Ad Valorem- Personal Property		4,284,402	2 cent property tax increase added	00161310-6011
Tax Collection	Ad Valorem- Vehicle		417,732		00161310-6015
Contributions to other funds	Contribution to the Capital Reserve Fund	4,702,134		one-time projects and deferred maintenance	00191960-9707
Tax Collection	Ad Valorem- Personal Property		1,321,611	Increase in valuation (with 2 cent tax increase factored in)	00161310-6011
Tax Collection	Ad Valorem- Vehicle		(44,573)	Decrease in valuation (with 2 cent tax increase factored in)	00161310-6015
Non-Departmental	Contribution to the Capital Reserve Fund	1,277,038		one-time projects and deferred maintenance	00191960-9707
Contributions to other funds	Contribution to the Capital Reserve Fund	(44,000)		Reduced due to incentive payment increase	00191960-9707
Economic Development Incentives	Flyright		1,000	Incentive payment increase due to 2 cent tax rate increase	00193320-971011

Economic Development Incentives	Sea Life Charlotte LLC	1,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971032
Economic Development Incentives	4540 Fortune Ave LLC	1,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971037
Economic Development Incentives	Silverman Group	7,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971040
Economic Development Incentives	SunCap2	5,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971044
Economic Development Incentives	Fed Ex Ground	4,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971045
Economic Development Incentives	Intertape Polymer Group	7,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971046
Economic Development Incentives	J Haines and Co.	1,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971048
Economic Development Incentives	Amazon	11,000		Incentive payment increase due to 2 cent tax rate increase	00193320-971050
Economic Development Incentives	Pepsi	2,000		Incentive payment increase due to 2 cent tax rate increase	00193320-976501
Economic Development Incentives	S&D Coffee and Tea	4,000		Incentive payment increase due to 2 cent tax rate increase	00193320-9765
Other Public Safety	JCPC-unallocated		(295,111)	Move from unallocated to the awarded agencies	00162910-6222-UNAL
Other Public Safety	JCPC- Boys and Girls Club		25,000	Move from unallocated to the awarded agency	00162910-6241
Other Public Safety	JCPC-Shift Mentoring (Transforming Youth)		49,112	Move from unallocated to the awarded agency	00162910-6242
Other Public Safety	JCPC-Sex Offender Specific Evaluation		11,871	Move from unallocated to the awarded agency	00162910-6243
Other Public Safety	JCPC-Teen Court/Resolve Program		35,040	Move from unallocated to the awarded agency	00162910-6267
Other Public Safety	JCPC-Community Service/Restitution		68,339	Move from unallocated to the awarded agency	00162910-6267-REST
Other Public Safety	JCPC-Fostering Solutions Crisis Bed		49,337	Move from unallocated to the awarded agency	00162910-6248
Other Public Safety	JCPC-Thompson Rise		25,032	Move from unallocated to the awarded agency	00162910-6268
Other Public Safety	JCPC-YDI Family Life Skills Academy		31,380	Move from unallocated to the awarded agency	00162910-6275
Other Public Safety	JCPC-unallocated	(295,111)		Move from unallocated to the awarded agencies	00192910-9713-UNAL
Other Public Safety	JCPC-Teen Court/Resolve Program	35,040		Move from unallocated to the awarded agency	00192910-9344
Other Public Safety	JCPC-Community Service/Restitution	68,339		Move from unallocated to the awarded agency	00192910-9344-REST
Other Public Safety	JCPC-Boys and Girls Club	25,000		Move from unallocated to the awarded agency	00192910-974902
Other Public Safety	JCPC-Shift Mentoring (Transforming Youth)	49,112		Move from unallocated to the awarded agency	00192910-974903
Other Public Safety	JCPC-Sex Offender Specific Evaluation	11,871		Move from unallocated to the awarded agency	00192910-974904
Other Public Safety	JCPC-Fostering Solutions Crisis Bed	49,337		Move from unallocated to the awarded agency	00192910-974906
Other Public Safety	JCPC-Thompson Rise	25,032		Move from unallocated to the awarded agency	00192910-974908

Other Public Safety	JCPC-YDI Family Life Skills Academy	31,380		Move from unallocated to the awarded agency	00192910-974909
Cabarrus Health Alliance	Public Health Authority	(81,707)		Move 2 school nurse positions to correct account. PT Nurse at Kannapolis Middle and FT at Alternative Schools	00195910-9705
Cabarrus Health Alliance	Public Health Authority-School Nurse	81,707		Move 2 school nurse positions to correct account. PT Nurse at Kannapolis Middle and FT at Alternative Schools	00195910-9705-NURSE
Fleet Maintenance	Motor Vehicles	(43,275)		Weatherization Truck funded through Board contingency in FY 19	00191955-9863
Communications and Outreach	Marketing Activities	25,000		Community survey	00191220-9695
Communications and Outreach	Minor Office Equipment	3,600		Live equipment: ability to go live from different locations in the county with the broadcast production unit/serve	00191220-9331
Contribution to the Arena Fund	Contribution to Arena/SMG	(21,903)		Due to CVB increase in occupancy tax revenue, we are reducing County contribution	00191960-9741
Recycling	Recycling Expense	65,000		Increase in recycling expense	00194620-9370
Sheriff's Office-Jail	Raise the Age: the juvenile age from under 16 to include 16 and 17 year olds for class A-G offenses	44,642		Based on estimates from the NC Department of Public Safety effective December 1, 2019 (1/2 year's cost). Partial costs already funded in FY 20.	00192130-9445
Contribution to other funds	Contribution to the Capital Reserve Fund	(74,878)		Reduction in available balance from Capital Reserve to cover other final changes	00191960-9707
Non-Departmental	Salary adjustments throughout the year	1,814		salary adjustments throughout the year	00191910-9110
	Total Fund Changes	5,979,172	5,979,172		
	New Fund Total	275,784,768	275,784,768		
	Revenue over/(under) expenses		-		

**Proposed one-time funding:**

<b>Ranked</b>		
Proposed 2 cent tax increase:		4,702,134
Updated assessed value projections:		1,277,038
Reduction due to incentive payment increases		-44,000
	<b>Sub total</b>	<b>5,935,172</b>
<b>School Requests:</b>		
<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>Sub total</b>	<b>1,864,880</b>
<b>Capital Projects for Kannapolis City Schools:</b>		
A L Brown Cannon Gymnasium		200,000
	<b>Sub total</b>	<b>200,000</b>
<b>Deferred Maintenance (Non-FMD) for Cabarrus County Schools (by rank)</b>		
New Timekeeper Server		30,000
	<b>Sub total</b>	<b>30,000</b>

<b>Capital Outlay (FMD) for Cabarrus County Schools (by rank)</b>	
1 Flooring replacement and abatement at Northwest Cabarrus Middle School	227,480
2 Flooring replacement and abatement at Concord High School	164,406
3 Carpet replacement at Concord High School	62,040
4 Pedestrian walkway from Hwy 49 to existing sidewalk at Central Cabarrus	79,618
Security vestibule at Mount Pleasant High School	56,870
<b>Subtotal</b>	<b>590,414</b>
<b>County Capital Improvement Projects</b>	
1 Land banking	2,000,000
2 Operations Center - Fleet Portion (partial funding in FY 20 CRF)	815,000
3 Sheriff radio communications tower	160,000
4 Camp Spencer vending machine building and overlook (partial funding in FY 20 CRF)	200,000
<b>Subtotal</b>	<b>3,175,000</b>
<b>Property Tax Revenue</b>	<b>5,935,172</b>
<b>Potential Projects</b>	<b>5,860,294</b>
<b>Available Balance moved to contingency</b>	<b>74,878</b>

Cabarrus County Schools has over \$131 million in deferred maintenance/capital needs  
 Kannapolis City has over \$19 million in deferred maintenance/capital needs  
 County has over \$11 million in projects that were slated for FY 20 that we pushed out

**Summary of Projects (includes School and County)**

Roof replacements or repair	5,798,135
HVAC/Electrical repairs or upgrades	9,581,720
Paving projects	3,982,200
Stadium or gym renovations	4,511,000

A lengthy discussion ensued. During discussion, Ms. Jones, Mike Downs, County Manager, and Pam Dubois, Senior Deputy County Manager, responded to questions from the Board. Items addressed included mandated versus un-mandated services and teacher supplements.

Commissioner Poole left the meeting at approximately 6:37 p.m. and did not return to the meeting.

**Infrastructure and Asset Management - Recycling**

Mike Downs, County Manager, reviewed the projected \$300,000 cost increase for recycling for the upcoming fiscal year.

Kevin Grant, Sustainability Manager, provided additional detailed information. Mr. Grant additionally reported on negotiations taking place with Republic Services. He stated he will provide the outcome of negotiations to the Board for their review and consideration in adoption of the FY 2020 budget.

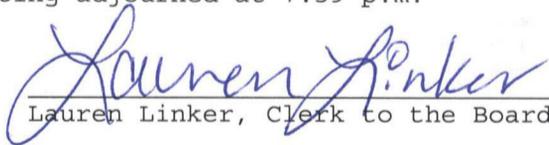
A lengthy discussion ensued. During discussion, Mr. Grant, Mr. Downs, and Jonathan Marshall, Deputy County Manager, responded to questions.

**General Discussion**

Mike Downs, County Manager, initiated a review and discussion with the Board regarding requests from various departments.

**Adjourn**

**UPON MOTION** of Vice Chairman Honeycutt, seconded by Commissioner Shue and unanimously carried, the meeting adjourned at 7:59 p.m.

  
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 Lauren Linker, Clerk to the Board