

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 Friday, February 21, 2025.

Present - Chairman: Christopher A. Measmer
Vice Chair: Laura B. Lindsey
Commissioners: Larry G. Pittman
Kenneth M. Wortman

Absent: Lynn W. Shue

Staff present were Kelly Sifford, Deputy County Manager; Aalece Pugh, Assistant County Manager; Lauren Linker, 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

Chairman Measmer welcomed staff and participants to the meeting and provided an overview of the agenda.

Employee Survey

Ashley Dobbins, Interim Human Resources Director, provided a brief overview of the employee survey. She then introduced Leisha DeHart Davis, University of North Carolina School of Government, who presented a PowerPoint presentation. Information included:

- About Local Government Workplace Initiative (LGWI) at the UNC School of Government
 - UNC SOG Program since 2012 (KU prior to 2004)
 - Help local governments
 - Surveys, interviews, focus groups, analysis of HR data
 - 40 local government organizations, nearly 21k employees surveyed
- Trends Across the NC Local Government
 - Pay and benefits
 - 87% of NC local government survey respondents are planning pay and benefit increases in 2025 to remain competitive (NCLM and NCACC)
 - LGWI partners:
 - Guilford County
 - Catawba County
 - City of Concord
 - City of Thomasville
 - Burnout
 - Citizen Incivility
- 2024 Survey Overview and Results
 - Response rate 87% (up 1% from 2022)
 - Conducted last two weeks of October 2024
 - All departments participated
- Response Rates by Department
- Top 10 Survey Improvements from 2022 (Summary)
 - 11 highlights
 - High number of highlights
 - Strong communication, respect, and teamwork
 - 4 Hotspots
 - Low number of hotspots
 - Silence, citizen incivility, and emotional exhaustion common hotspots in local government
 - 5 Mixed Results
 - Mostly positive
- Conclusion
 - Cabarrus County acted in response to employees after 2022 workplace climate survey
 - 2024 survey results indicate measurable progress in employee morale and satisfaction

A discussion ensued. During discussion, Ms. Davis and Ms. Dobbins responded to questions from the Board.

Community Survey

Kasia Thompson, Strategy Director, presented a PowerPoint presentation titled "COMMUNITY SURVEY Customer Service Findings". Items included:

- COMMUNITY SURVEY: Customer Service Findings
 - Accuracy of information and assistance given
 - How easy they (staff) were to contact
 - How quickly County staff responded
 - How well your issue was handled
- About the COMMUNITY SURVEY
 - ETC Institute is a National Leader in Market Research
 - Purpose
 - To objectively assess resident satisfaction with the delivery of services and to measure trends from previous surveys
 - To compare the County's performance with residents regionally and nationally
 - To help determine priorities for the community using Importance-Satisfaction Analysis
 - Methodology
 - Survey Description
 - 7th Survey conducted for the county by ETC
 - 6-page survey
 - Included many of the same questions and NEW questions to address current priorities
 - Method of Administration
 - By mail and online to a random sample of households in the county (2,000 households)
 - Each survey took approximately 15-20 minutes to complete
 - Sample Size
 - 465 completed surveys (400 responses meets scientific need)
 - Margin of error is at least +/- 4.5% at the 95% level of confidence (will decrease with a larger sample size)
 - Location of Survey Respondents
 - 2022 Survey: Needs Question
 - Survey Considerations
 - Administration
 - We listened
 - Opportunities
 - Skip the survey this year
 - Administer the community survey this fiscal year, using a format similar to past versions
 - Administer the community survey this fiscal year, using a shorter survey focused on areas the County Government has direct control of
 - Explore ongoing, non-scientific surveys and feedback loops

There was discussion throughout the presentation. During the discussion, Ms. Thompson, Kelly Sifford, Deputy County Manager; Lauren Linker, Clerk to the Board; and Todd Shanley, Chief Information Officer, responded to questions from the Board.

FY25 Budget Update

Mitzi Odell, Deputy Finance Director, presented a PowerPoint presentation titled "FY24 Financial Update". Information included:

- Fiscal Year - As of January 31, 2025
 - Current Budget: \$396.2 million
 - Current revenues: \$314.7 million
 - Current expenses: \$223.5 million
- FY25 Revenues: Current Property Taxes
 - Budget for FY2025: \$268.7 million
 - Collections FY2025 (As of 12/31/24): \$258.3 million
 - Estimating a 98.5% collection rate for the year
 - Estimated property taxes for FY2025: \$268 million
- FY25 Revenues: Sales Taxes
 - Budget for FY25: \$74.3 million

- o Projection of total collections for FY25: \$77 million (based on the first five months of collection data)
 - o Estimated revenues for FY25: \$2.7 million over budget
 - o Growth rate is flat to a slight increase over last year
- FY25 Revenues: Major Fees
 - o Ambulance Fees - \$8.3 million budget
 - As of January 2025 - \$4.8 million. Projection \$8.3 million
 - o Register of Deeds - \$3.2 million budget
 - As of January 2025 - \$2.4 million. Projection \$4.1 million
 - o Construction Standards - \$5.4 million budget
 - As of January 2025 - \$3.4 million. Projection \$5.8 million
- FY25 Personnel Expenditures Summary
 - o Capital purchases (vehicles, equipment, technology)
 - As of January 2025 - 73.9% of budget is spent or encumbered
 - o All debt, transfers to other funds and education expenditures are anticipated to equal budget
 - o Salaries and benefits expenditures are currently at \$78.4 million
 - o Estimated to be \$9.9 million under the \$151.2 million budget.
 - Lapsed salaries, timing of new hires account for most of the unexpended budget
- FY25 Expenditures Summary
 - o In FY22, and FY23 and FY24 we've spent 92%, 90%, and 93% respectively of each budget
 - o Estimated to be around 95% of FY25 budget

A discussion ensued throughout the presentation. During discussion, Ms. Odell, and Jimmy Lentz, Emergency Medical Services Chief, responded to questions from the Board.

Dinner Break

The Board and staff took a dinner break at 6:00 p.m. The meeting resumed at 6:45 p.m.

FY26 Budget Forecast and Board Priorities

Rosh Khatri, Budget Director, presented a PowerPoint presentation titled "FY26 Budget Forecast". Information included:

- Revenue Forecast - As of January 31, 2025

Revenue	FY25 Adopted	FY26 Projected	Difference
Property Tax	\$269,281,057	\$275,094,132	\$5,813,075
Sales & Other Taxes	48,589,000	49,039,740	450,740
Intergovernmental	30,850,528	31,648,493	797,965
Permits & Fees	8,897,350	9,548,350	651,000
Sales & Services	17,202,857	18,978,848	1,775,991
Investment	4,500,000	4,500,000	-
Miscellaneous	793,444	1,020,737	227,293
TOTAL	380,114,236	389,830,300	9,716,064

- Expenses
 - o Expenditures 91/92 Salary & Benefits Summary

Expense Category	FY25 Adopted	FY26 Proposed	Difference
Salaries (Full Time, Part Time, Other)	102,785,445	107,236,674	4,451,229
Overtime	2,028,980	2,607,253	578,273
Insurance (Health, Vision, Life)	15,395,205	19,403,231	4,008,026
Social Security	6,228,452	6,533,009	304,557
Medicare	1,460,032	1,533,741	73,709
Retirement	13,520,235	14,993,689	1,473,454
401k Contribution	4,851,907	5,093,111	241,204
Workers' Compensation	2,311,649	2,419,842	108,193
Other Benefits	1,177,852	1,614,566	436,714
TOTAL	149,759,757	161,435,116	11,675,359

- Salary & Benefits Adjustments
 - Annual cost of living adjustment (COLA) based on 1% for FY26 for all employees
 - Merit pay based on performance of 0-4% on service date
 - Annualized cost of recent market study adjustments
 - Additional cost of \$5.6 million
- Healthcare
 - Maintain same benefits as prior year
 - Additional cost of \$4 million
 - FY 2025 Estimated Shortfall \$2 million
 - FY 2026 Cost Increase \$2 million
- Retirement Rate Adjustments
 - Employer contribution for each employee is controlled by the State
 - Contribution rates going from 13.60% to 14.39% for non-law enforcement (estimate)
 - Contribution rate going from 15.1% to 16.04% for law enforcement (estimate)
 - Additional cost of \$1.5 million
- Continuation - General Costs (93-Supplies)
 - Increase/(Decrease) in costs include:
 - Circulation stock (Library) \$148,000
 - Food (Detention Center etc.) \$123,500
 - Minor Technology & Equipment \$85,168
 - Net additional cost of \$356,665
- Continuation - General Costs (96-Other services & charges)
 - Increase/(Decrease) in costs include:
 - Insurance & Bonds (Restore FY 25 one-time deferral) \$1,966,677
 - Election Expense \$224,935
 - Medical Consultants \$76,000
 - Net increase in costs of \$2,240,608
- Continuation - General Costs (97-Contributions to other funds or activities)
 - Increase/(Decrease) in costs include:
 - Education Partners (Estimated at 4.5%) \$5,121,119
 - Cabarrus County Schools
 - Kannapolis City Schools
 - Rowan-Cabarrus Community College
 - Cabarrus Health Alliance (Continuation Request) \$609,219
 - Economic Incentive Grants \$530,000
 - Contribution to Community Investment Fund (\$1,856,242)
 - WeBuild Concord (FY25 one-time allocation) (\$2,000,000)
 - Net increase in costs of \$2,588,727
- Continuation - General Costs (98-Capital Outlay)
 - Increase/(Decrease) in costs include:
 - Matching Grants (\$283,816)
 - Equipment & Furniture (\$609,219)
 - Motor Vehicles (\$716,467)
 - Net decrease in costs of (\$1,269,402)
- Summary Recap
 - Revenues - FY26 Projected - \$389,830,300
 - Expenditures - FY26 Projected - \$395,646,218
 - Surplus/(Deficit) - FY26 Projected - (\$5,815,918)
- Pending Requests

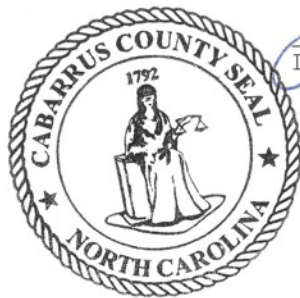
- o Cabarrus County Schools - Continuation and Expansion
- o Kannapolis City Schools - Continuation and Expansion
- o Rowan-Cabarrus Community College - Continuation and Expansion
- General Fund Forecast - Continuation at 57.6 cents - Five-Year Outlook
- Expansion Request Summary
- Expansion Requests - Other
- Expansion Requests - New Positions
- Expansion Requests - Reclassifications
- Closing the Gap
- Remaining Budget Calendar

There was discussion throughout the presentation. During discussion, Mr. Khatri; Sheriff Van Shaw; David Thrift, Tax Administrator; Kelly Sifford, Deputy County Manager; Londa Strong, Active Living and Parks Director; Jason Burnette, Emergency Management Director; Susie Morris, Planning and Zoning Director; and Suzanne Moose, Health and Human Services Business Director; responded to questions.

Chairman Measmer expressed appreciation to Kelly Sifford, Deputy County Manager, for all her efforts and dedication.

Recess

The meeting recessed at 8:30 p.m. until 8:00 a.m. Saturday, February 22, 2025, in the Multipurpose Room at the Cabarrus County Governmental Center, Concord, North Carolina.




Lauren Linker, Clerk to the Board