

MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, MAY 18, 2020

The Lincoln County Board of County Commissioners met on May 18, 2020, at the Commissioners Room, Administration Building, 353 N. Generals Blvd, Lincolnton, the regular place of meeting at 6:30 PM.

Commissioners Present:

Carrol Mitchem, Chair
Richard Permenter, Vice Chair
Anita McCall
Milton Sigmon
Bud Cesena

Others Present:

Kelly G. Atkins, County Manager
Wesley Deaton, County Attorney
Josh Grant, Programs Manager
Amy S. Atkins, Clerk to the Board
Deanna Rios, Finance Director
Crystal Watson, Controller

Call to Order: Chairman Mitchem called the May 18, 2020 meeting of the Lincoln County Board of Commissioners to order. He called for a moment of silence and led in the Pledge of Allegiance.

Adoption of Agenda: Chairman Mitchem presented the agenda for the Board's approval.

AGENDA
Lincoln County Board of Commissioners Meeting
Monday, May 18, 2020
6:30 PM

Lincoln County Administration Office
353 N. Generals Blvd
Lincolnton, NC 28092

- Call to Order - Chairman Carrol Mitchem
- Moment of Silence
- Pledge of Allegiance
- 1. Adoption of Agenda

2. Consent Agenda
 1. VTS Refunds
 2. Approval of Minutes - May 4, 2020
 3. 2020 EMS Week Proclamation
 4. Performance Guarantee Extension - Killians Pointe Parcel A Map 3
 5. GPOA #2
 6. CPOA #4
 7. BOA #5
3. Rescue Squad Park Playground Addition – John Davis and Marty Smith
4. Budget Presentation - Kelly Atkins
5. Public Comments
6. Finance Officers Report
7. County Manager’s Report
8. County Commissioners’ Report
9. County Attorney’s Report
10. Vacancies/Appointments
11. Calendar
12. Other Business

Information Only - No Action Needed

- Register of Deeds Report
- Property Tax Collection Report

Adjourn

UPON MOTION by Commissioner McCall, the Board voted unanimously to adopt the agenda as presented.

Consent Agenda: **UPON MOTION** by Commissioner Sigmon, the Board voted unanimously to approve the Consent Agenda.

The following links can be clicked on to view the supporting documents

1. [VTS Refunds](#)
2. Approval of Minutes - May 4, 2020
3. [2020 EMS Week Proclamation](#)
4. [Performance Guarantee Extension - Killians Pointe Parcel A Map 3](#)
5. [GPOA #2](#)
6. [CPOA #4](#)
7. [BOA #5](#)

8. [Waived Fees – Thunder over Carolina](#)

Rescue Squad Park Playground Addition: Josh Grant presented the following:

Denver/Lake Norman Rotary Club has raised funds for the purchase and installation of additional playground equipment for Rescue Squad Park. The cost of these additions will be \$30,203.96. These playground additions will be installed in the open space in the existing playground.

UPON MOTION by Commissioner Cesena, the Board voted unanimously to approve the Rescue Squad Park Playground Addition as presented.

Budget Presentation: Chairman Mitchem said the Commissioners have put in a lot of effort on this budget. He thanked the County Manager for all the hours he has put into preparing the budget for Lincoln County.

Commissioner Sigmon echoed Chairman Mitchem's sentiments and said the budget will be revisited in January.

Commissioner McCall thanked the County Manager and Assistant to the County Manager for their work on this budget.

Mr. Atkins said the budget presentation is tonight, followed by the public hearing at the next meeting. The Board can vote on the budget at any point after the public hearing. He said this was his most challenging budget to date due to COVID 19 and he expects severe reductions in revenues. He said that even though there will not be raises for county employees immediately, it will be reevaluated in January.



FY 21 BUDGET

Lincoln County Board of Commissioners
May 18, 2020

Kelly Atkins, County Manager
Josh Grant, Program Manager
Deanna Rios, Finance Director
Crystal Watson, Finance Controller

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Overview

- Capital
- Capital Reserve Fund
- General Fund
- Education
- Debt Service
- Tax Rate
- Fund Balance
- Enterprise Funds
- Fire Departments

Capital



Crystal Watson presented current capital projects and future projects.

Capital Projects Current and Future

Projects in Process

- Optimist Convenience (Construction 15%)
- EMS/FM/EM/Backup PSAP (Design phase 10%)
- Recreation/Veterans (302 N Academy St. 2%)
- Courthouse Design Complete/Bid Complete/Financing- May/Construction June
- Water Treatment Plant 90% Complete
- Wastewater Treatment Plant Design Complete/Bids May/Financing August/Construction September 2020

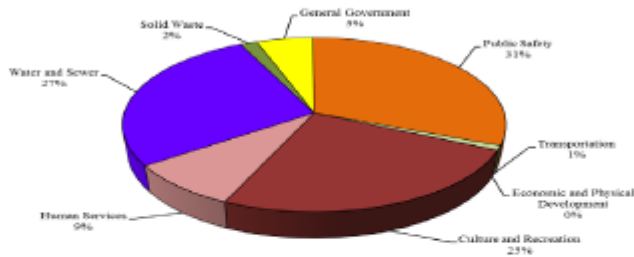
Possible Future Projects

- Detention Center Expansion 2022 (Consulting)
- Animal Services New Facility
- DSS Addition/Renovation
- Riverbend (Discussions)

Current & Future Capital Projects

Project	Projected Budget	Funds in Hand/Grant	Projected Amount to be Financed	Method of Funding	Start Date	Completion Projection
Current						
Courthouse	\$38,800,000	0.00	\$38,500,000	Bank Financing	June 2020	May 2022
EMS/EM/PM/Back up PSAP	\$12,500,000*	\$0.00	\$12,500,000	Installment Financing	February 2020 Design	November 2020 Design Complete Delayed construction due to revenue
Future FY 22 or beyond						
Jail Expansion	\$8,000,000*	0.00	8,000,000	Installment Financing	Unknown	Unknown
Animal Services	\$5,000,000*	0.00	\$5,000,000	Installment Financing	Unknown	Unknown

**Five-Year Capital Improvement Plan
County-wide Summary
2021 - 2025**



Five-Year Total: \$ 125,382,117

	FISCAL YEAR					TOTALS
	2021	2022	2023	2024	2025	
General Government	\$ 3,926,639	\$ 1,298,380	\$ 648,900	\$ 554,900	\$ 369,000	\$ 6,798,819
Public Safety	3,617,465	18,611,361	4,120,088	11,949,456	1,535,455	39,933,825
Transportation	200,350	244,238	200,350	200,350	200,350	1,045,638
Economic and Physical Development	2,000	43,300	-	-	-	45,300
Culture and Recreation	515,303	1,983,220	18,562,171	10,172,500	465,000	31,300,194
Human Services	423,714	9,819,830	176,940	112,690	206,837	10,739,111
Water and Sewer	17,280,000	870,000	3,295,000	6,545,000	6,545,000	34,505,000
Solid Waste	290,000	1,070,000	220,000	220,000	220,000	2,020,000
Total	\$ 26,225,671	\$ 33,542,329	\$ 27,223,549	\$ 28,854,896	\$ 9,535,672	\$ 125,382,117

CAPITAL RESERVE FUND

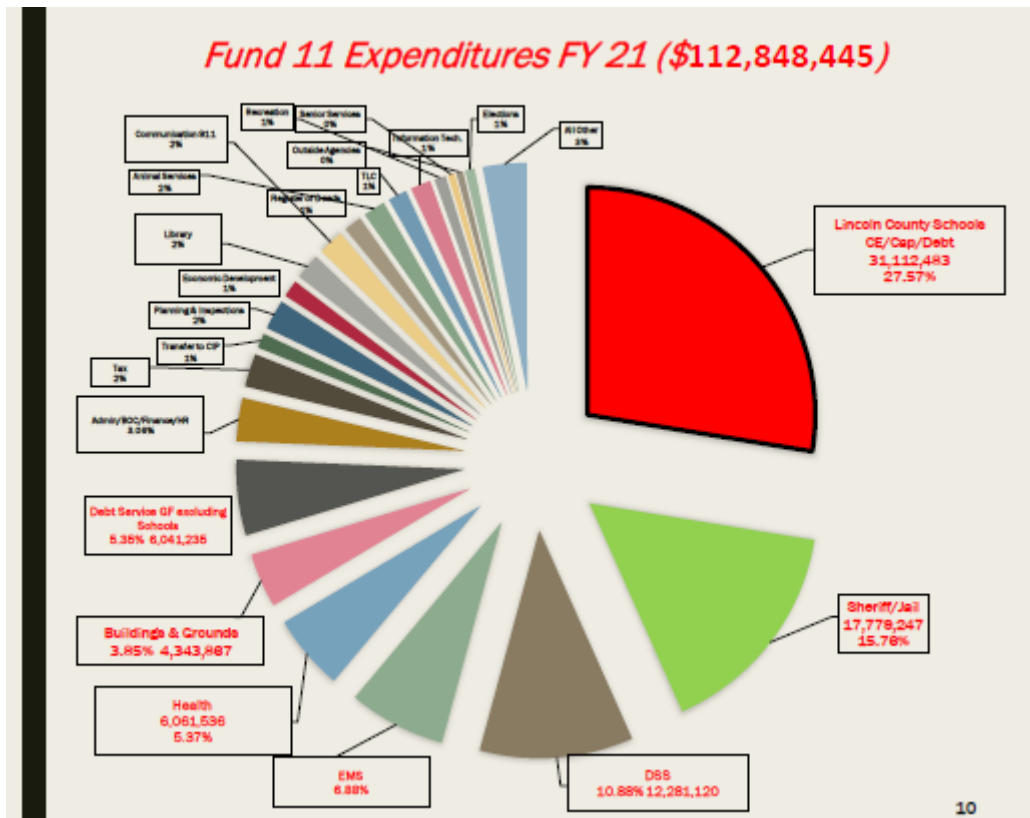
FY 21

Capital Reserve Fund Projections

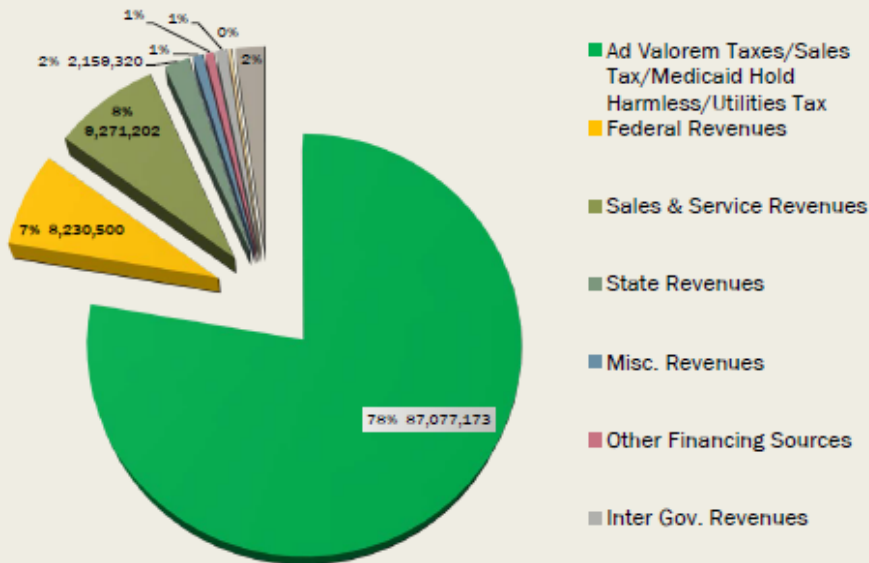
Dedicated Source	1Cent Property Tax <i>projected</i> 4% Growth	Total
FY 20	\$1,065,000	\$1,065,000
FY 21	\$1,103,000	\$1,103,000
FY 22	\$1,147,120	
FY 23	\$1,193,005	
Total	\$4,508,125	<u>\$2,168,000</u>

General Fund

Deanna Rios presented the General Fund Expenditures and revenues.



Fund 11 Revenues FY 2021 (\$112,848,445)



FY 21 Proposed Budget

Expenditures

General Government	\$14,691,212
Public Safety (Animal Services, EMS, Sheriff, Building Inspections, etc...)	\$32,988,009
Transportation	\$1,650,097
Economic Development	\$2,115,250
Human Services	\$19,669,234
Cultural and Recreation	\$3,132,336
Education	\$22,236,922
Debt Service	\$16,365,385
Total	\$112,848,445.00

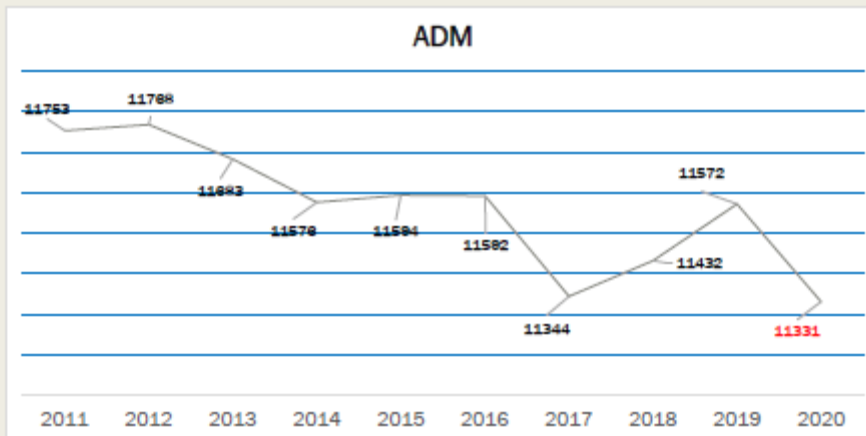
Revenues

Ad Valorem Taxes/VTS/Sales Tax/Utilities Tax/Medicaid Hold Harmless	\$87,077,173
Federal Revenues	\$8,230,500
State Revenues	\$2,159,320
Intergovernmental Revenues	\$923,000
Other Taxes and Licenses	\$800,000
Sales and Services	\$9,271,202
Investment Earnings	\$250,000
Miscellaneous	\$861,688
Other Financing Sources	\$735,000
Fund Balance Appropriated	\$2,540,562
Total	\$112,848,445.00

Lincoln County Schools



Lincoln County Schools Average Daily Membership



School Funding

	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21 Request	FY 21,800 Discussion Decision
Current Expense	\$17,008,805	\$17,818,484	\$18,270,288	\$18,230,861	18,568,705	\$23,135,428	\$17,837,706.12
Supplement 2% Increase for Classroom Teachers							\$880,090.88
Current Expense Total							\$18,717,877
Capital	\$1,728,081	\$1,728,081	\$1,728,081	\$2,883,418	\$1,728,081	\$1,728,081	\$1,728,081
Article 46 (1/4 cent sales tax)				\$1,300,000	\$1,800,000	\$1,800,000	\$1,500,000
Subtotal	\$18,738,696	\$19,547,575	\$19,999,380	\$22,494,379	\$23,097,796	\$26,664,520	\$21,946,968
Percent from Previous Year	+3.5%	+4.2%	+2.3%	+11.1%	+2.7%	+13.4%	-5%
Special	\$450,000 HVAC Unit Emergency	\$850,000 LED Lights	\$50,000 (Science)		\$100,000(School of Technology)	\$800,000 (Additional requested for HVAC/IT)	\$0.00
Three-year Agreement Bond			\$1,221,001	\$1,100,000	\$880,000		
Total	\$18,188,896	\$20,487,575	\$21,270,381	\$23,584,378	\$24,077,796	\$27,484,520	\$21,946,968 15

Deanna Rios presented the recommended school funding, which includes a 2% supplement increase to certified classroom teachers only. The Board has made it clear they want to go from 7% to 9% for certified in-classroom teachers to be competitive.

Commissioner Cesena said part of the reason for the 2% increase was the fact that teachers were promised a 5% raise last year and it didn't come through so they got nothing. This year it appears they will not get anything again. He said this Board did not think that was reasonable at all because they believe in teachers and understand their worth in this county.

Commissioner Sigmon said the 2% when you tally it up, you have to pay social security and retirement on that amount. He said the real cost is a very substantial amount and he feels the teachers will be very appreciative.

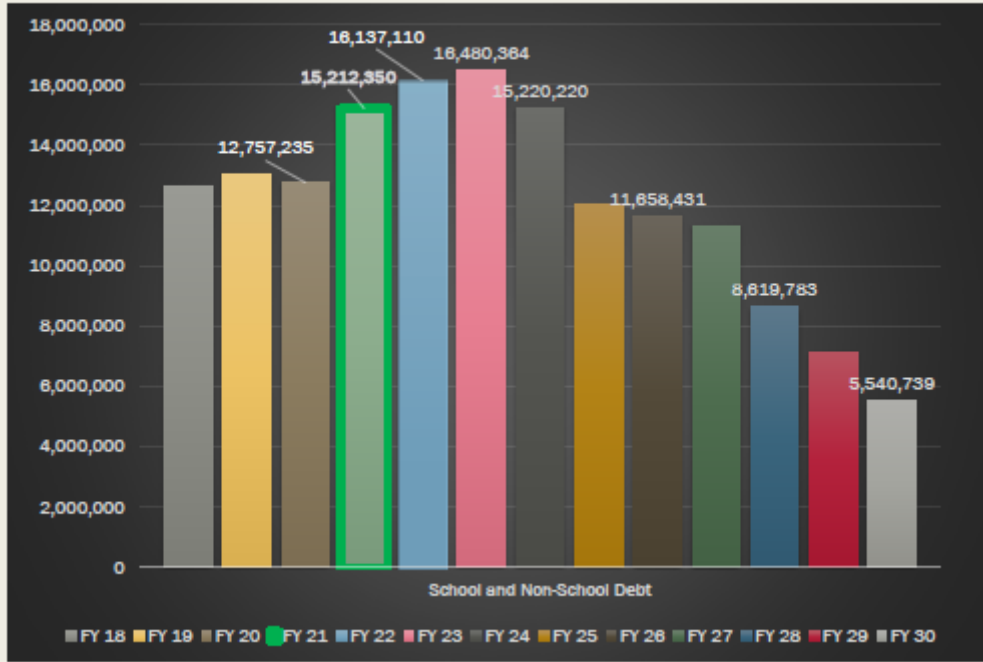
Commissioner Cesena said the Board would be willing to consider giving 2% to additional employees, such as guidance counselors, if it was deemed reasonable.

Debt Service

Estimated Debt Service

	FY 19	FY 20	FY 21 Debt Schedule
Debt - Principal	138,474	138,474	104,411
Debt - Interest	70,030	64,491	70,273
Inst Payment Principal	2,146,202	2,283,821	4,368,153
Inst Payment Interest	321,925	681,353	1,673,082
School Debt Principal	7,927,327	7,842,327	7,723,905
School Debt - Interest	1,919,984	1,636,652	1,441,610
School - Inst Purch Prindpal	-	104,313	104,313
Debt Service Charges	6,392	5,600	5,600
Bond Issuance Costs	327,815	-	-
OFU-Payment to Escrow Agent	11,800,000		-
Total Debt Service	24,658,347	12,757,235	15,491,349

Total Debt Schedule Projected (Jail Expansion/Courthouse/EMS/Animal Service)



Human Resources/Benefits FY 21



Josh Grant presented Employee requests and benefits.

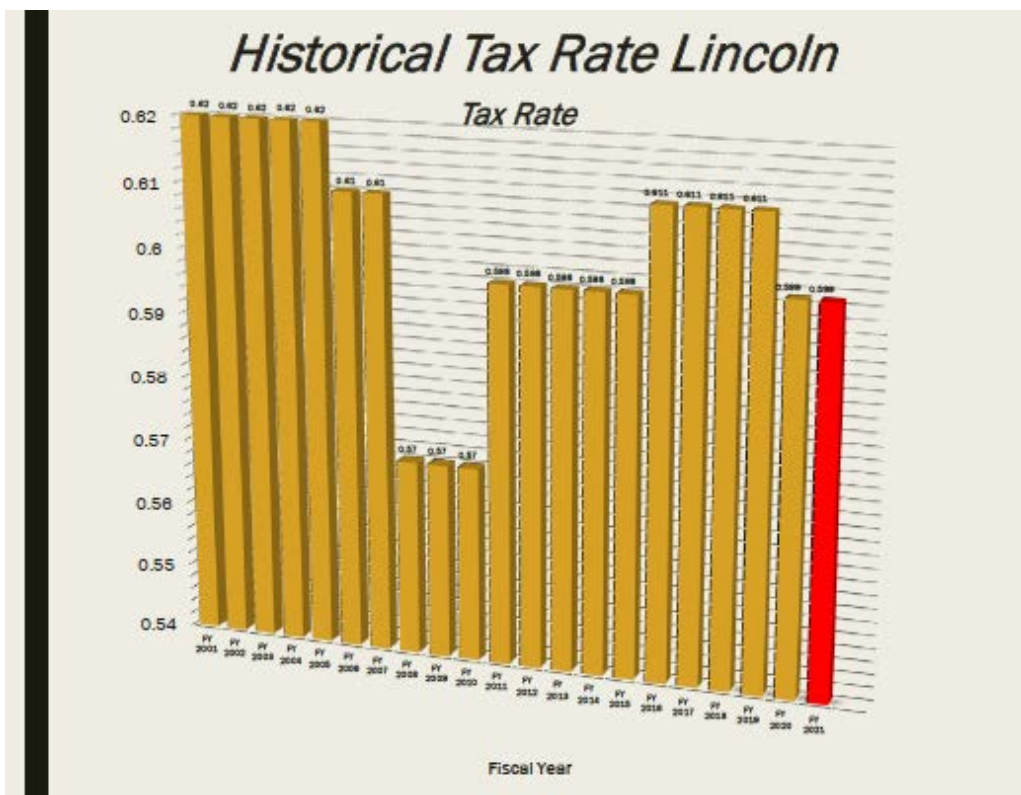
Employee Request/Benefits

- New employee positions considered for FY 21 will be suspended until January 2021.
- Exception: School Nurse positions (3) approved for July 2020.
- Cost of Living Adjustment delayed until January 2021.
- Longevity will be issued in November 2020.
- Pay study conducted during FY 21

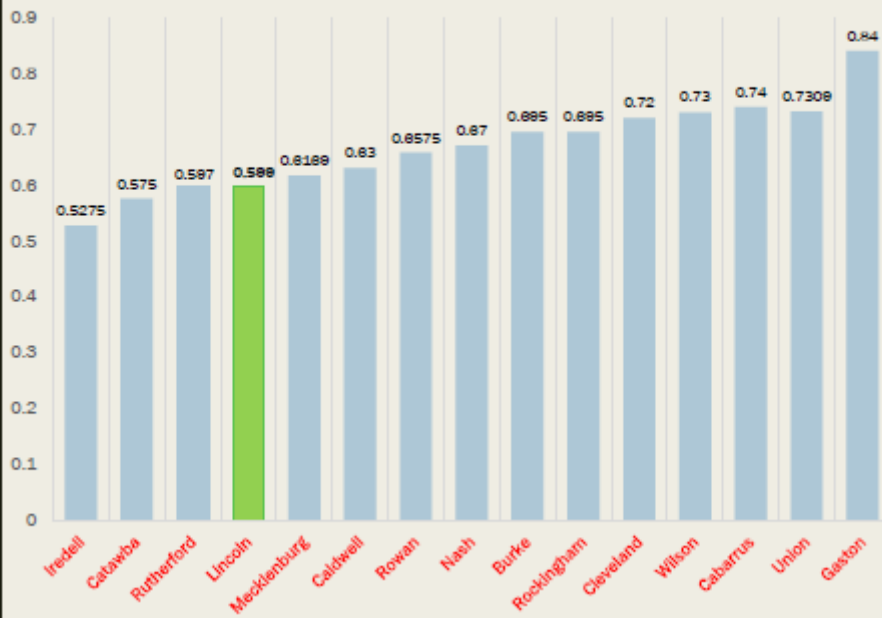
Property Tax Rate

FY 21 Proposed Property Tax Rate

- An ad valorem property tax rate of \$.599 per \$100
- Property tax collection rate of 98.65%



FY 20 Lincoln Tax Rate Compared to Other Counties



Fund Balance



Fund Balance

- ❑ The current policy requires a **20% Fund Balance** of the total General Fund Budget.
- ❑ As the budget fluctuates, the fund balance is expected to remain at 20% or more.
- ❑ The fund balance will likely decrease during FY 21.

Fund Balance

	2014	2015	2016	2017	2018	2019
General Fund						
Non Spendable						
Prepaids	830,872	831,807	258,545	228,548	228,528	227,018
Restricted						
Stabilization State Statute	8,048,523	8,222,898	5,747,089	5,093,410	6,432,887	8,001,582
Restricted, all other	38,044	1,073,458	1,180,740	1,328,743	1,503,833	2,281,857
Committed			1,000,000			840,504
Assigned	2,202,711		5,500,388	3,405,237	3,348,021	
Unassigned	12,887,399 13.4%	20,307,623 20.7%	18,408,808 18.4%	24,512,423 23.8%	26,970,285 25.4%	26,110,745 25.07%
Total General Fund Balance	23,906,549	27,162,136	33,256,233	34,570,359	38,479,554	37,441,707

Enterprise Funds FY 21



Projects in Process

- Water Treatment \$ 14,778,639 (Construction in Progress)
- Waste Water Treatment Plant \$26,304,160+/- (Bids received)
- Highway 73 \$ 8,305,382 (Construction in Progress)
- Reepsville \$ 8,877,000 (Engineering/FY 21 Construction)
- East Lincoln Transmission/Water plant Line \$13,000,000 (FY 21)
- NC 16 Waterline \$ 2,955,507/FY 20



Fund 61 Water and Sewer

- The proposed budget for Water and Sewer is \$13,526,448. The proposed budget is balanced.
- As of July 1, 2020, Water Rates will increase 5% and Sewer Rates will increase 15% as a result of the approved Raftelis revenue plan in 2018.

Solid Waste

- Revenues \$ 4,962,970
- Availability Fee \$ 3,840,000
- Tipping Fees \$626,000
- Other Revenue \$ 496,970

- Expenses \$ 4,962,970
- Operation Expenses \$ 3,786,801
- Equipment, Improvements, and Vehicles \$ 290,000
- Debt Service \$ 886,169

Highlights

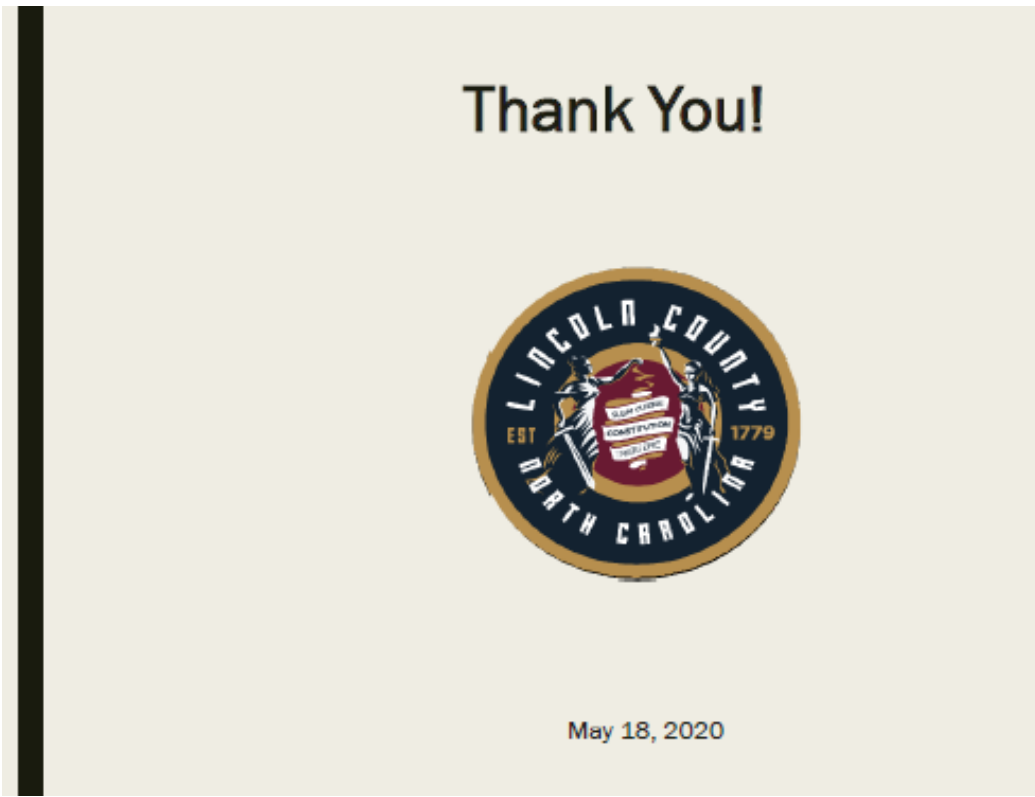
- All Sites Open on Sundays ~ 2017
- C&D on Sundays ~ 2018
- Televisions and Monitors Accepted / Electronics Accepted
- Phased resurfacing at convenience sites
- New convenience site Optimist Club Road

Proposed Fire District Tax Rate



Proposed Fire District Tax Rate FY 21

	<u>Current Tax Rate</u>	<u>FY 21 Proposed Tax Rate</u>
■ Alexis-	11.65	11.65
■ Boger City-	10.50	12.5
■ Crouse-	8.60	8.60
■ Denver-	11.50	11.50
■ East Lincoln-	9.80	9.80
■ Howards Creek-	13.55	13.55
■ North 321-	7.00	7.00
■ North Brook-	10.00	10.00
■ Pumpkin Center-	9.70	12.0
■ South Fork-	12.50	12.50
■ Union-	12.50	12.50



Public Comments: Chairman Mitchem opened Public Comments.

Dr. Lory Morrow spoke concerning the budget and funding for Lincoln County Schools.

Mr. Jonathan Bryant spoke concerning the budget and advocated for public education in Lincoln County.

Debbie Wooten spoke concerning funding for the Hesed House of Hope, asking the Board to reinstate funding.

Linda Ostergaard requested the resignation of Chairman Mitchem for violating the Executive Order and opening his restaurant.

Being no additional speakers, Chairman Mitchem closed Public Comments

Finance Officers Report: Deanna Rios presented the Finance Officer's Report.

County Manager's Report: Kelly Atkins asked the Board to begin the August 3, 2020 meeting at 3:30 PM at the Citizens Center Auditorium to hear the backlog of zoning public hearings that have been delayed due to COVID. Social distancing will be easier to accomplish at the Citizens Center Building.

Other Business: Commissioner Permenter said EMS handled a situation in his neighborhood extremely well and very effectively.

Adjourn: **UPON MOTION** by Commissioner Sigmon, the Board voted unanimously to adjourn.

Amy S. Atkins, Clerk
Board of Commissioners

Carrol Mitchem, Chairman
Board of Commissioners