MINUTES
BURKE COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING

The Burke County Board of Commissioners held a special meeting on Thursday, March 3, 2023, at 10:00 a.m. at the Lake James State Park Visitors Center, 7321 NC 126, in Nebo, N.C. The purpose of the special meeting was to discuss a wide range of strategic planning topics, including but not limited to priorities and values, economic development strategies, capital improvement projects, employment challenges and opportunities, organizational performance and budget analytics, revaluation, and budget pro forma. Chairman Mulwee executed the special meeting notice, and it was published on February 26, 2023. The agenda, in its entirety, was posted to the County's website, www.burkenc.org, several days prior to the meeting. Those present were:

COMMISSIONERS: Scott Mulwee, Chairman
Jeffrey C. Brittain, Vice Chairman
Randy Burns
Johnnie W. Carswell
Phil Smith

STAFF: Brian Epley, County Manager
Margaret Pierce, Deputy County Manager/Finance Director
J.R. Simpson, II, County Attorney
Kay Honeycutt Draughn, Clerk to the Board
Various Department Heads

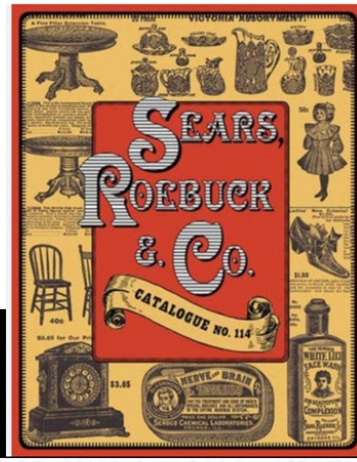
CALL TO ORDER
Chairman Mulwee called the meeting to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE
J.R. Simpson, County Attorney, delivered the Pledge of Allegiance to the American flag.

APPROVAL OF THE AGENDA
Motion: To approve the agenda.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Randy Burns, Commissioner
AYES:	Scott Mulwee, Jeffrey C. Brittain, Randy Burns, Johnnie W. Carswell, and Phil Smith

BURKE COUNTY EMPLOYER OF CHOICE
County Manager Epley presented information on the current work force and labor market trends as well as the need for successful companies to position themselves as an employer of choice. Highlights from the presentation are as follows:



Western Union

Employer of Choice

BURKE COUNTY
ALL ABOUT ADVANCING

Culture is how we make decisions

Our Culture Is:

A. Purpose Focused
B. Teams Based
C. Performance & Data Driven

Our Culture is Developed Through Investing In Systems:

A. People
B. Physical Environment
C. Technology

HOW	WHY
Strategy	Culture
Goals	Values
Objectives	Practices
Activities	Behaviors

High Performance

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BURKE COUNTY
ALL ABOUT ADVANCING

Rainer Strack: The surprising workforce crisis of 2030 — and how to start solving it now - Bing video

What is an Employer of Choice

BURKE COUNTY
ALL ABOUT ADVANCING

An **employer of choice** is one that delivers a superior employee experience and whom workers choose to work for when presented with other employment choices.

Being an employer of choice is creates:

1. **Better productivity**: Studies show that happy employees are far more productive in general. Employers are beginning to adopt an employee-first approach to business.
2. **Healthier workplace culture**: When employees are happy, there's a high overall level of morale in the workplace, creating an environment where collaboration and productivity thrive. It helps improve retention levels and develop a healthy workplace culture.
3. **Ability to attract top talent:** The best organizations use strong employer branding to attract talent. Great salaries and benefits, as well as happy staff, don't go unnoticed by top-performing professionals.

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Why is it important……

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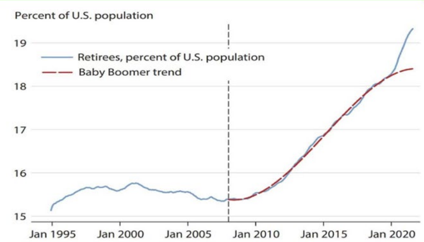
ALL ABOUT ADVANCING



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Why is it important……

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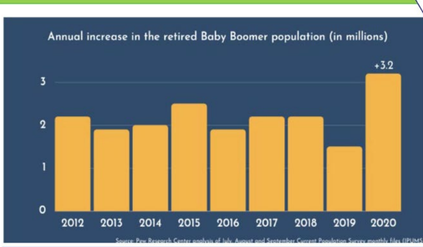
ALL ABOUT ADVANCING



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Employer of Choice

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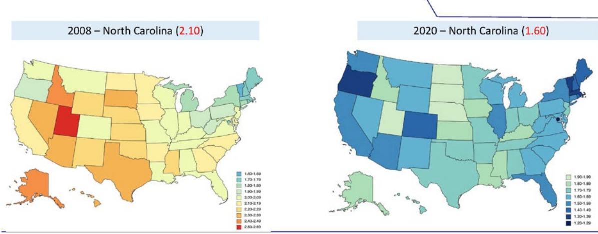

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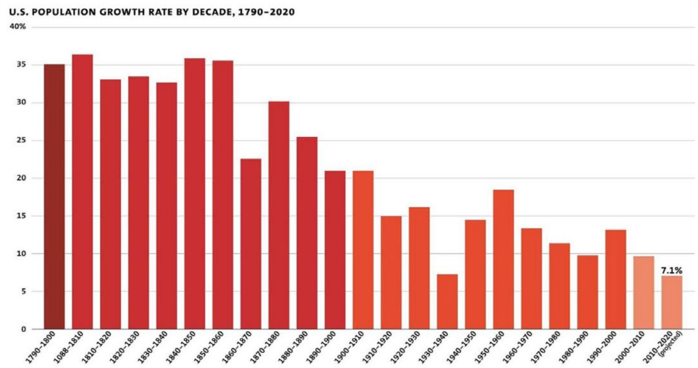
Employer of Choice

BURKE COUNTY
ALL ABOUT ADVANCING



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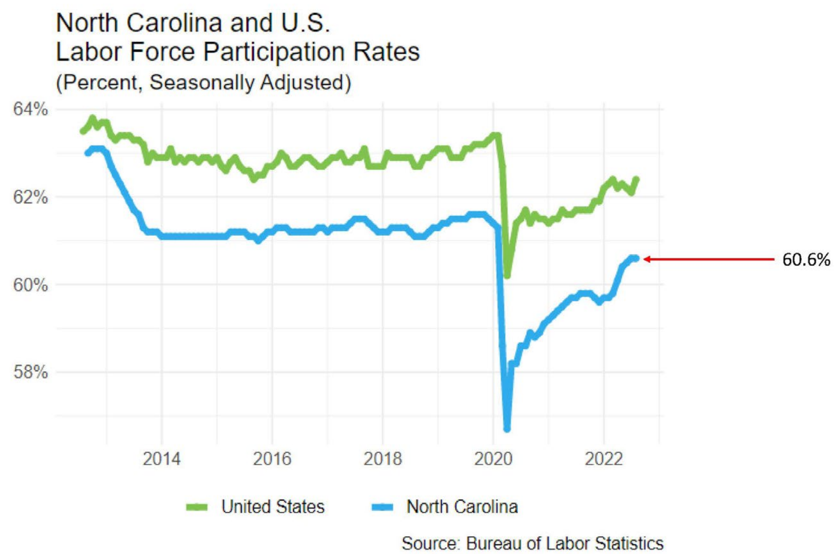

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Employer of Choice

BURKE COUNTY
ALL ABOUT ADVANCING

Summary and Observations

1. Higher than normal COVID retirements – primarily baby boomers
2. Diminishing birthrates limiting future workforce supply
3. Fewer proportional willing and active workforce participants

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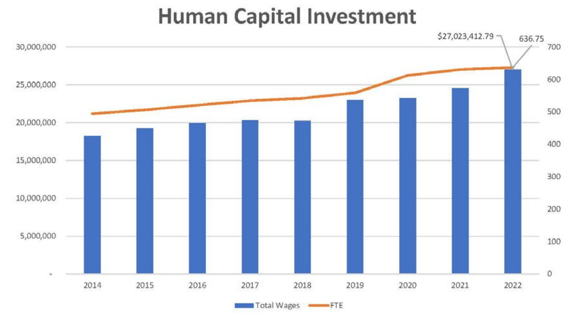
ORGANIZATIONAL WORKFORCE ANALYSIS

BURKE COUNTY
ALL ABOUT ADVANCING

Employer of Choice

BURKECOUNTY
ALL ABOUT ADVANCING



- 14.8% Average Employee Wage Increase since 2014
- 27.9% Inflationary Increase since 2014

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Employer of Choice

BURKECOUNTY
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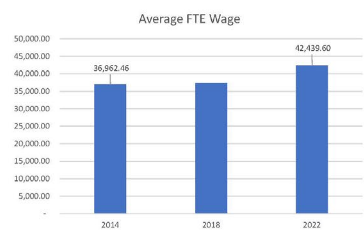

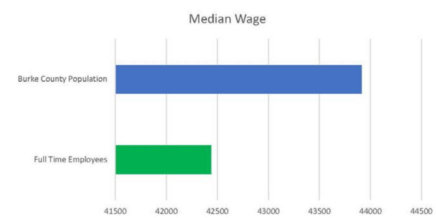

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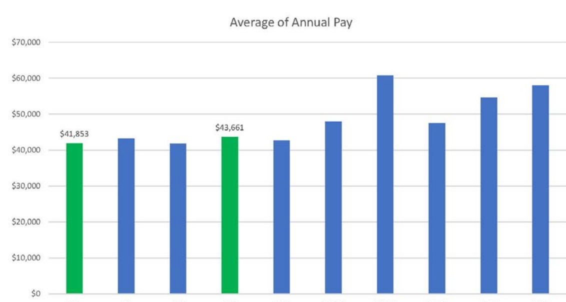
Employer of Choice

BURKECOUNTY
ALL ABOUT ADVANCING



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Employer of Choice

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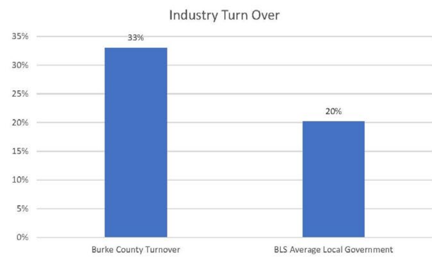

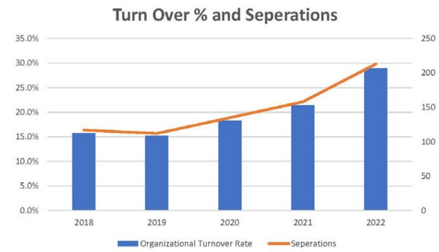

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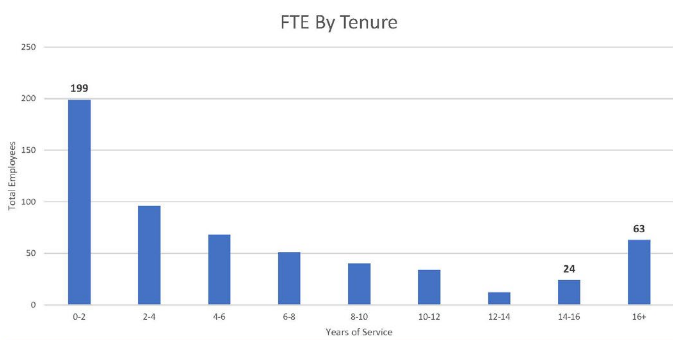
Employer of Choice

BURKE COUNTY
ALL ABOUT ADVANCING



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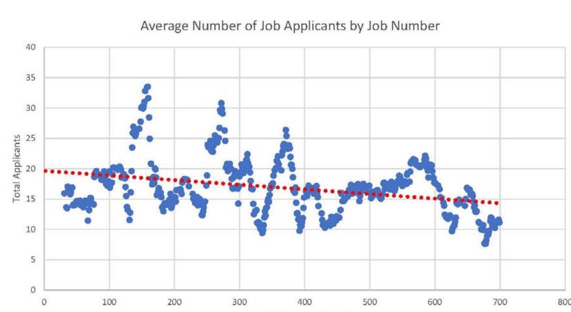
Labor Market Response

- Since 2019, average applicants per position has decreased from 25%



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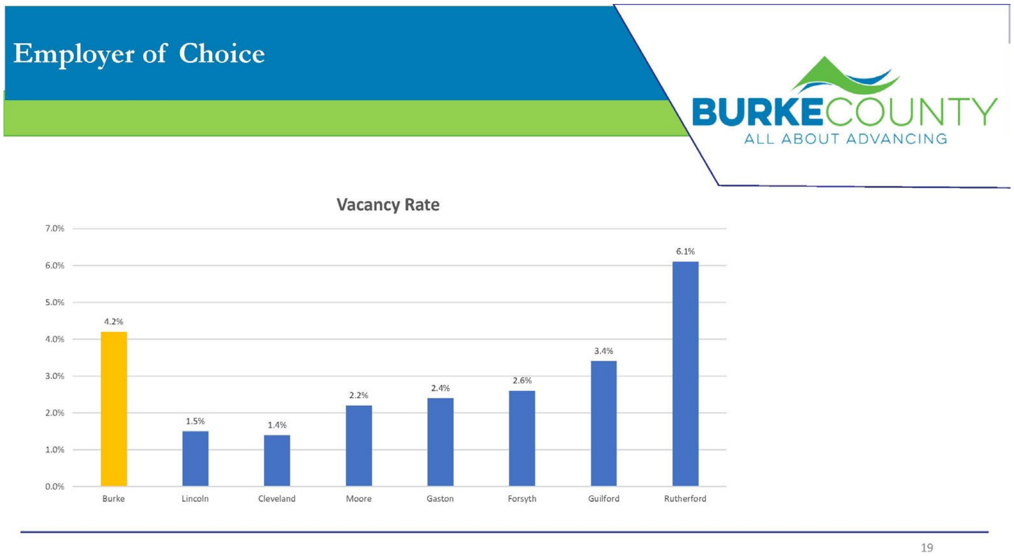
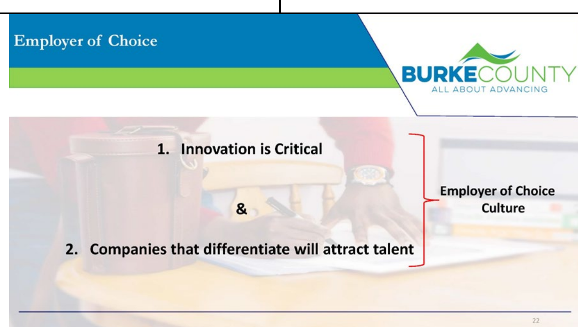


Human Resources Key Data Metrics

- Head Count
- Turn Over
  - **Predicted resignation**—an approximate number of people that will leave the company in the near future.
  - **Resignation trends**—are more or fewer people quitting now than in the past quarter? Can you spot any patterns?
  - **Estimated replacement costs—**how much will it cost to replace those who leave the compan
  - **Resignation drivers**—why do people leave the organization?
- Compensation
  - Total Cost of Workforce
- Employee Engagement
- Productivity and Performance

Employer of Choice Commitment

1. Competitive & Market Measured Wages
2. Investment into Training & Career Paths
3. Performance Driven Workplace Culture
4. Innovative Value Add Propositions - Differentiation

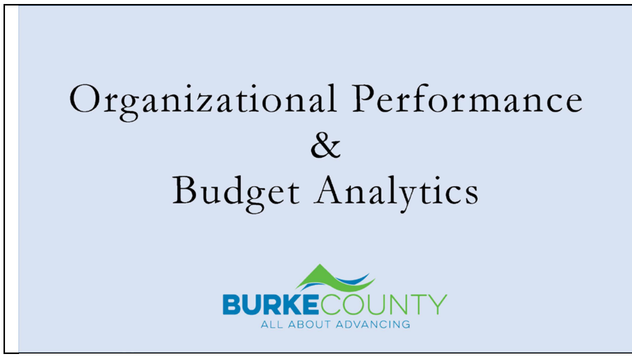


Chairman Mulwee opened the floor for questions or comments. Mr. Epley informed the Board that there are many organizations both private and public that face these very same challenges, so diagnostics, awareness, and intentionality are critical to solving the problem. Pay should be offered at a competitive rate and then from there, pay should be impacted by performance. Every job needs an updated and accurate description and a market measured wage. To accomplish all of this could take three (3) to five (5) years to achieve, he said. Chairman Mulwee commented on the County's past practice of evaluating the salaries of one-third of the workforce every three (3) years which no longer works in the current labor market. Commissioner Carswell stated that it is not possible to do more with less and that people need to be adequately compensated for the labor provided. After commenting on inflation and the large number of vacant positions for state correctional officers, he said, Burke County is "all about advancing" and change has to occur so that Burke County is not living in the past.

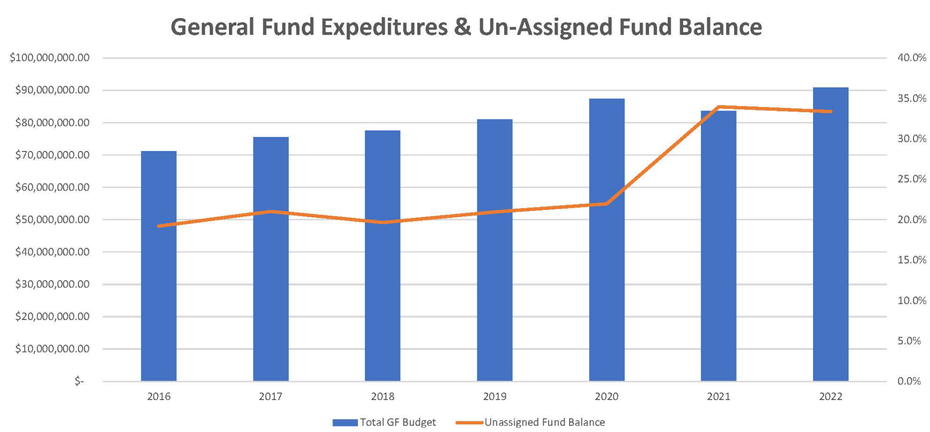
Commissioner Burns commented that there is not a "pause button" on life.

RESULT:	**NO ACTION TAKEN.**

ORGANIZATIONAL PERFORMANCE & BUDGET ANALYTICS
County Manager Epley covered high level budget performance, peer benchmarking, and analytics - noting areas of consideration for the Board of County Commissioners during their strategic planning processes. Highlights of his presentation are as follows:



Total General Fund Budget and Fund Balance



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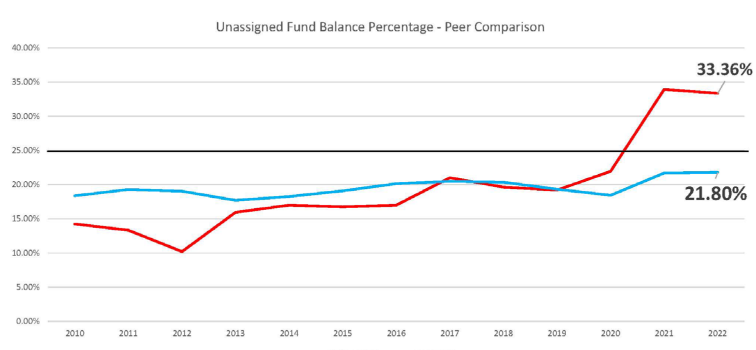

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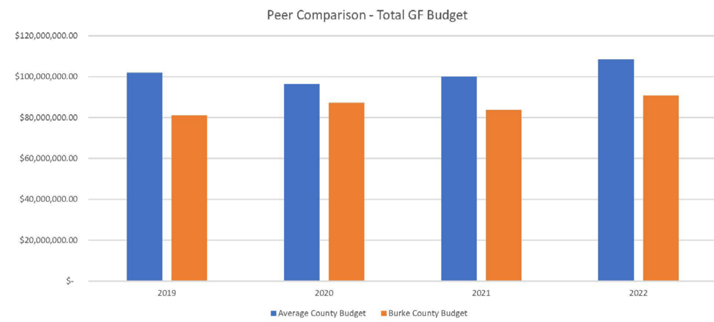
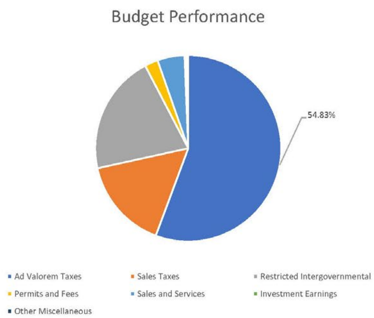
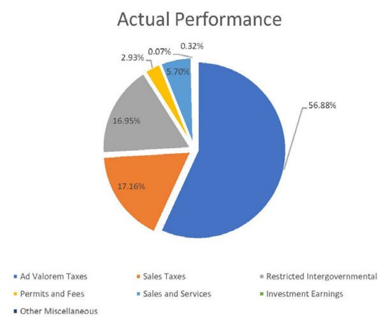


Revenue Portfolio





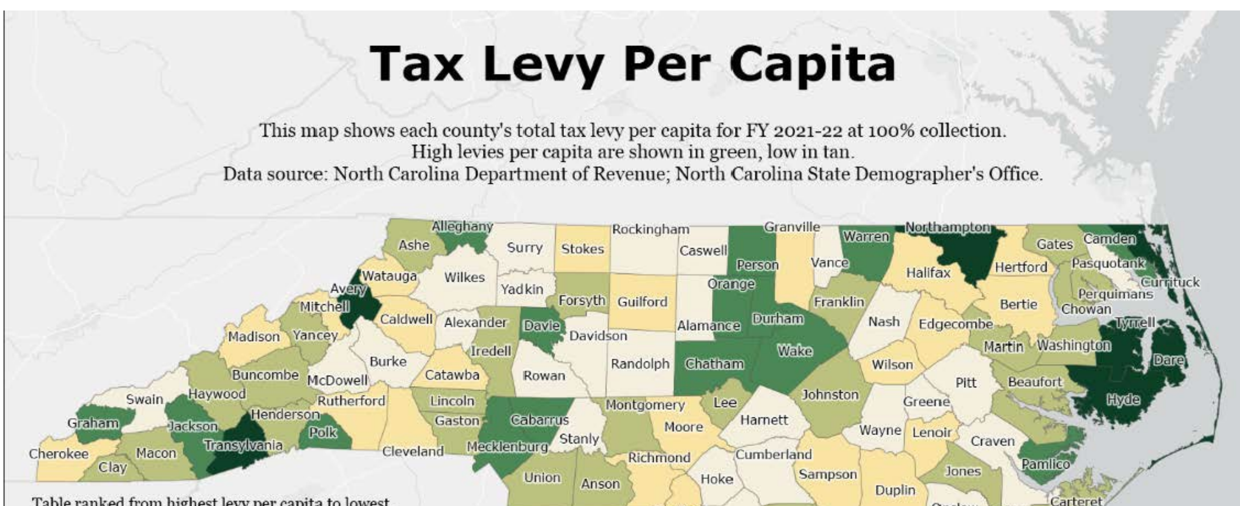


Table ranked from highest levy per capita to lowest.

Rank	County	Rank	County	Rank	County	Rank	County	Rank	County
1	Dare	21	Polk	41	Iredell	61	Sampson	81	Vance
2	Hyde	22	Person	42	Lee	62	Granville	82	Rockingham
3	Tyrrell	23	Cabarrus	43	Johnston	63	Cleveland	83	Burke
4	Avery	24	Davie	44	Yancey	64	Richmond	84	Alamance
5	Transylvania	25	Macon	45	Anson	65	Columbus	85	Stanly
6	Currituck	26	Union	46	Martin	66	Stokes	86	Nash
7	Northampton	27	Pender	47	Gaston	67	Bertie	87	Cumberland
8	Orange	28	Bladen	48	Forsyth	68	Edgecombe	88	Hoke
9	Chatham	29	Beaufort	49	Gates	69	Catawba	89	Craven
10	Warren	30	Buncombe	50	Franklin	70	Cherokee	90	Caswell

Tax Levy Per Capita

This table shows each county's total tax levy per capita at a 100% collection rate for FY 2021-22 and FY 2020-21. It also shows each county's rank among the 100 counties; a rank of 1 indicates the highest tax levy per capita. Source: North Carolina Department of Revenue; North Carolina State Demographer's Office.

	FY 2021-22		FY 2020-21	
	$	Rank	$	Rank
Alamance	594	84	586	84
Alexander	614	79	590	82
Alleghany	1,078	12	973	15
Anson	768	45	753	42
Ashe	814	37	703	58
Avery	1,326	4	1,286	4
Beaufort	864	29	899	19
Bertie	696	67	701	59
Bladen	880	28	850	24
Brunswick	1,084	11	1,061	10
Buncombe	861	30	800	33
Burke	606	83	586	83
Cabarrus	950	23	932	18
Caldwell	659	72	603	76
Camden	1,018	15	839	28
Carteret	822	35	802	32
Caswell	572	90	554	90
Catawba	690	69	676	64
Chatham	1,184	9	1,050	11
Cherokee	667	70	596	78
Chowan	856	32	830	30
Clay	804	38	783	35
Cleveland	719	63	693	61
Columbus	701	65	614	74
Craven	573	89	541	91
Cumberland	581	87	574	85
Currituck	1,272	6	1,140	7
Dare	1,828	1	1,821	1
Davidson	557	93	488	98
Davie	901	24	836	29
Duplin	736	54	704	57
Durham	1,030	14	994	14
Edgecombe	693	68	663	66
Forsyth	758	48	740	47
Franklin	754	50	732	50
Gaston	761	47	737	48
Gates	757	49	723	53

	FY 2021-22		FY 2020-21	
	$	Rank	$	Rank
Graham	979	19	961	16
Granville	719	62	630	70
Greene	491	100	452	99
Guilford	736	53	723	52
Halifax	653	74	629	71
Harnett	540	95	521	93
Haywood	827	34	733	49
Henderson	816	36	795	34
Hertford	729	58	664	65
Hoke	573	88	555	89
Hyde	1,665	2	1,617	2
Iredell	784	41	772	39
Jackson	957	20	872	22
Johnston	781	43	771	40
Jones	793	40	751	43
Lee	782	42	749	45
Lenoir	657	73	639	68
Lincoln	838	33	783	36
Macon	895	25	829	31
Madison	659	71	636	69
Martin	765	46	748	46
McDowell	620	78	605	75
Mecklenburg	1,063	13	1,049	12
Mitchell	732	56	721	54
Montgomery	859	31	839	27
Moore	735	55	721	55
Nash	584	86	566	86
New Hanover	1,003	16	883	21
Northampton	1,235	7	1,190	5
Onslow	528	97	512	95
Orange	1,198	8	1,124	8
Pamlico	993	18	958	17
Pasquotank	644	75	642	67
Pender	884	27	844	26
Perquimans	750	51	749	44
Person	951	22	850	23
Pitt	624	77	599	77

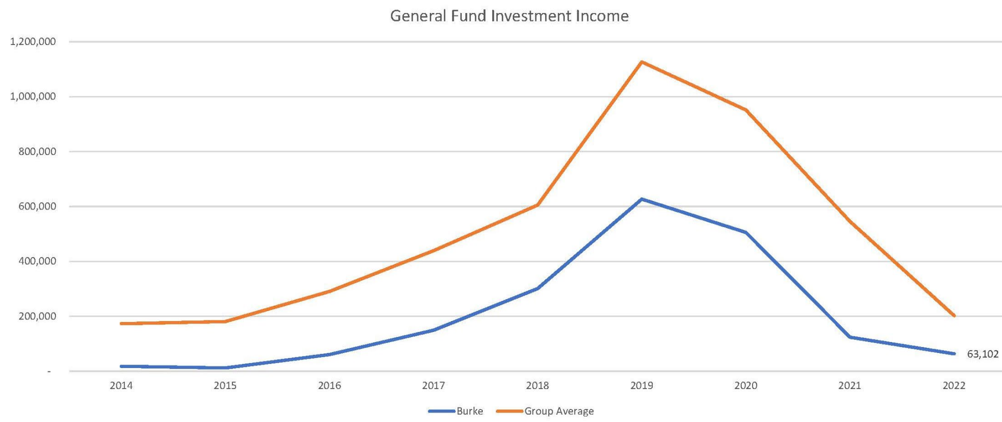
	FY 2021-22		FY 2020-21	
	$	Rank	$	Rank
Polk	957	21	890	20
Randolph	536	96	527	92
Richmond	704	64	773	38
Robeson	518	98	491	97
Rockingham	611	82	596	79
Rowan	633	76	622	73
Rutherford	744	52	724	51
Sampson	720	61	699	60
Scotland	721	60	689	63
Stanly	588	85	556	87
Stokes	696	66	625	72
Surry	542	94	519	94
Swain	511	99	439	100
Transylvania	1,281	5	1,166	6
Tyrrell	1,381	3	1,300	3
Union	887	26	847	25
Vance	612	81	592	81
Wake	1,003	17	996	13
Warren	1,123	10	1,083	9
Washington	799	39	780	37
Watauga	730	57	710	56
Wayne	565	92	510	96
Wilkes	612	80	593	80
Wilson	728	59	693	62
Yadkin	569	91	555	88
Yancey	775	44	764	41
Statewide	$822		$794	

North Carolina Association of County Commissioners

NCACC County Map Book, 2022. | 55

Sales Tax Performance

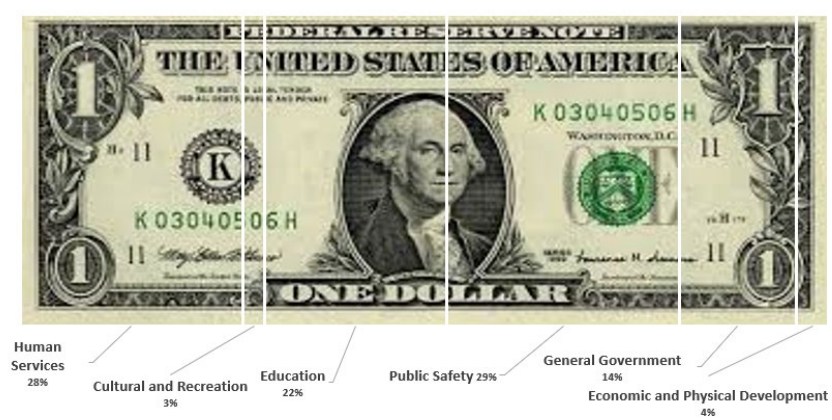
Investment Income



Revenue Performance & Diversification

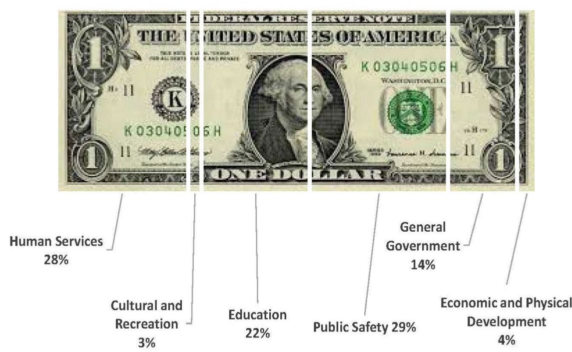
	Operating Ratios	Revenues Per Capita	Surplus (Deficit) per Capita	Property Tax Dependency	Sales Tax Dependency
Burke	96.87%	1,054.01	17.05	56.88%	10.77%
Gaston	99.54%	942.00	51.19	75.28%	14.67%
Rutherford	106.27%	981.72	21.09	65.80%	10.77%
Henderson	100.47%	1,136.19	(106.76)	60.21%	18.11%
Moore	106.60%	1,071.25	81.86	57.98%	19.24%
Lincoln	105.16%	1,305.29	64.07	55.15%	21.85%
Cleveland	106.30%	$ 1,278	$ 10	54.34%	13.32%
Nash	102.20%	997.63	29.53	53.97%	16.98%

Expenditures by Function

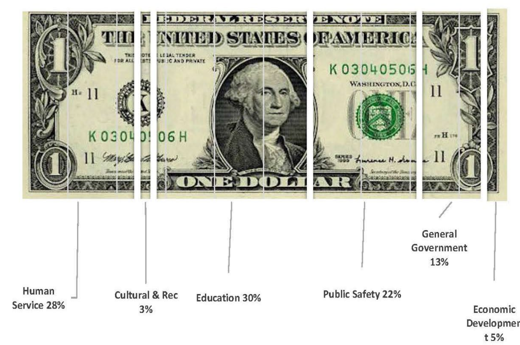


Expenditure by Function – Peer Comparison

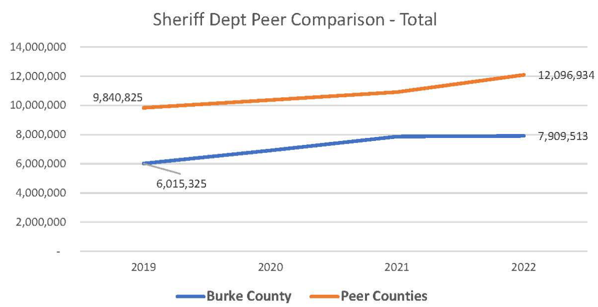
BURKE COUNTY GOVERNMENT

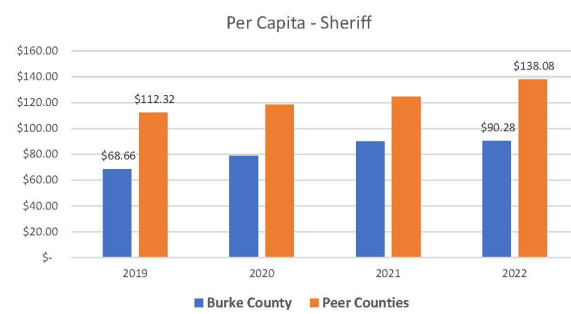


PEER COUNTY BENCHMARK

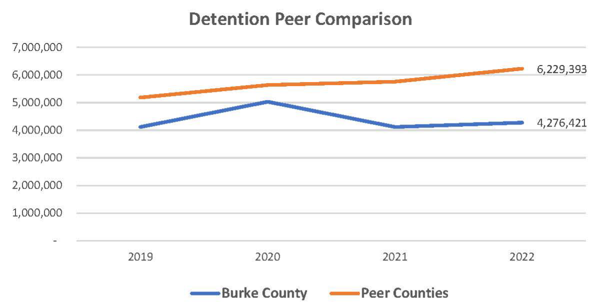


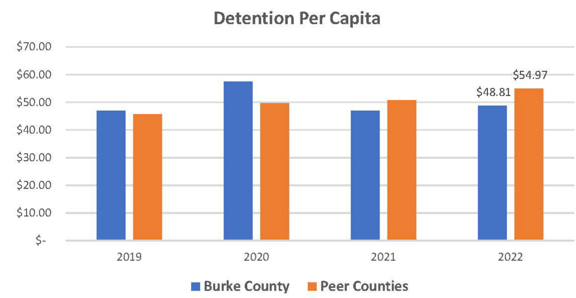
Expenditures by Function - Sheriff



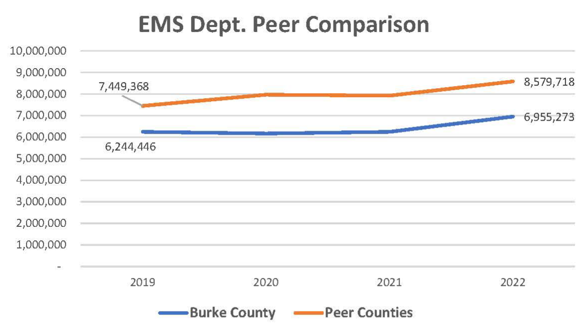


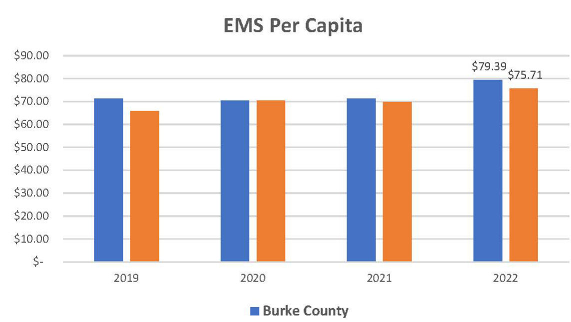
Expenditure by Function – Detention





Expenditure by Function – EMS





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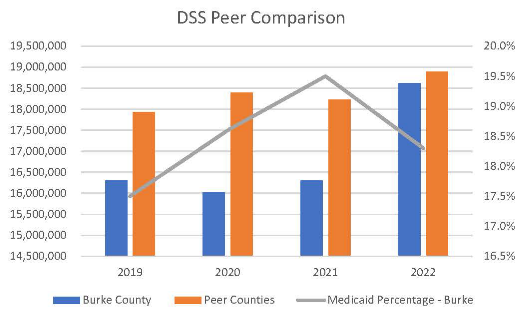
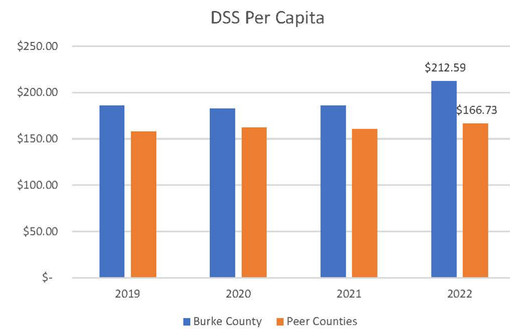
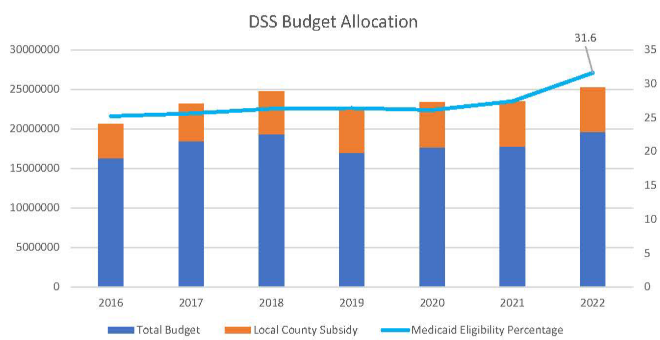
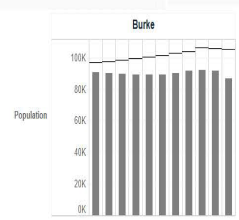
Expenditure by Function – Social Services

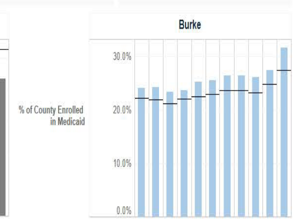




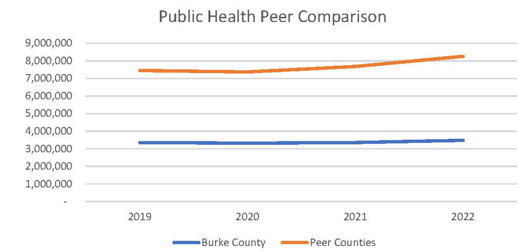
Expenditure by Function – Social Services

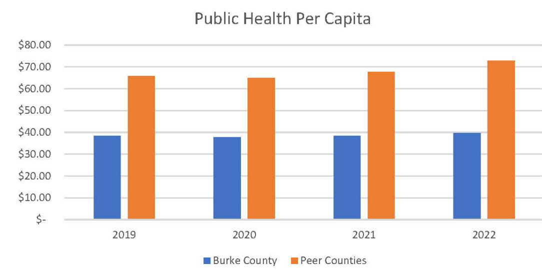




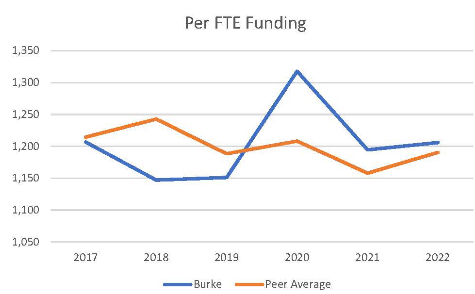


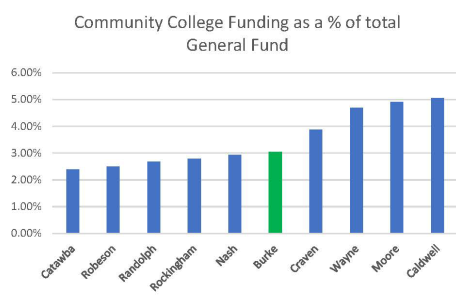
Expenditure by Function – Public Health

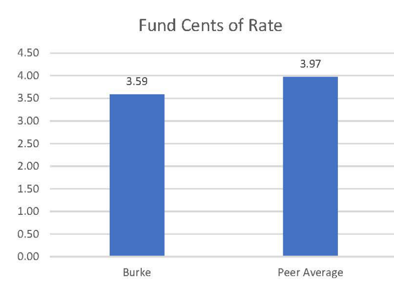




Expenditure by Function – Community College







Chairman Mulwee opened the floor to questions or comments and then asked if there was a trend of 33% of staff having worked at a company for two (2) years or less. Vice Chairman Brittain stated the trends in the private sector have shifted but that Burke County falls outside of the norms.

RECESS OF MEETING
The Board took an 18-minute break at 11:09 a.m. The meeting was resumed at 11:27 a.m.

ORGANIZATIONAL PERFORMANCE & BUDGET ANALYTICS - CONTINUED

Mr. Epley resumed his presentation as follows:

Enterprise Funds

Enterprise Funds – How are they used?

- In NC, most common enterprise fund is Water and Sewer
  - Others include Electric Funds, Solid Waste, Airports, Public Hospitals, School Food Service, Public Transportation, and a few recreation facilities
- Intended to be self-supporting
  - Not intended to be subsidized by tax revenues; this includes transfers from the General Fund
- Enterprise Fund accounting helps measure **full cost** of providing the service
- Very similar to accounting for private business

Enterprise Funds

Enterprise Funds – How are they used?

- Required Financial Statements
  - Economic Resources Measurement Focus, Accrual Basis of Reporting
    - Statement of Net Position
    - Statement of Revenues, Expenses, and Changes in Net Position
    - Statement of Cash Flows

Enterprise Funds – Solid Waste

Fees:
Solid Waste – User Fee ....$ 82.00 Per Year (MSW)
Transfer Station ....$ 79.00 Per Ton
C & D ....$ 43.25

Financial Performance:
Negative Net Position......................................$ (423,559)
Negative Cash Flow from Operations............$ (875,000)
Subsidized by General Fund............................$ (821.830)

Financial Performance:
Post Closure Liability..$ (5.5MM)

Enterprise Funds – Water / Sewer

Fees:
Monthly– User Fee ....$ 25.00 per month
Consumption ....$ 6.00 per 1,000 gallons

Financial Performance:
Charges for Service..$ 1.9MM
Operating Loss..$ (248,153)
Available Cash on Hand..................................$ 820,000
Loan Payable...$ 1.1 MM
Subsidy from General Fund...........................$ 275,000

Chairman Mulwee opened the floor for question or comments and then asked about the cost and efficiency of moving the Jonas Ridge Convenience site to Avery County. Mark Delehant, General Services Director, informed the Board that the idea was not well received at the time it was presented, but it could be pursued further. Vice Chairman Brittain asked about Republic Services, to which Mr. Delehant informed him that there was a notification of a rate increase recently. A discussion ensued on how to handle the rate change, including possible competitors, and rebidding the service. Commissioner Carswell expressed his concern over the budget that has been spent on enterprise expenditures for equipment, maintenance, and upkeep. Mr. Epley stated it is a balancing game in managing the revenue and the post closure liabilities. Currently, as it stands, general funds are bolstering the enterprise funds, which is less than ideal. The plan would be to adjust the fee structure so that it can become self-sustaining in the next five (5) years. Commissioner Carswell mentioned that there would need to be a different way to handle trash in the long term within the limited space available. A conversation ensued on how that process could change in the future. He also suggested the Chairman discuss landfill waste at a future fireside chat.

RESULT: NO ACTION TAKEN.

LUNCH

The Board took a break for lunch at 11:49 a.m. and the meeting resumed at 12:33 p.m.

REVALUATION ANALYSIS & FY 24 BUDGET PROFORMA

County Manager Epley presented information on the FY 23 revaluation and forecast current known budget requirements. Highlights of his presentation were as follows:

Burke County, North Carolina

2023 REVALUATION

Revaluation Analysis

Quick Review:

1. Revaluation Definition & Purpose
2. Revaluation Timing
3. Revaluation Methodology

For Discussion:

1. Evaluation of Current Funding
   - Personnel
   - Operations
   - Capital
2. What is our vision & future focused plan
   - Identifying un-met needs – tied to long term strategic plan
   - Identifying cost of un-met needs
3. Cost of un-met needs versus projected revaluation funding

Revaluation Analysis

What is Revaluation…..and Why Now?

- The primary purpose of the revaluation is **to arrive at a fair market value of all real property for use in deriving property taxes**. The idea is for tax value and sale value to equal. This is called 100% true market value. The County Assessor's Office or the Commissioners do not "create" the value of your property.

Revaluation Analysis….. **§ 105-286 : Timing**

(1) Every county in North Carolina must reappraise all real property at least once every eight years.

(2) Optional Advancement – a county may, at the discretion of the Board of County Commissioners, conduct an earlier reappraisal.

- NC DOR - Recommends that counties adopt, if possible, a four-year schedule.
- Burke County has opted to use the four-year schedule.
  - The last county-wide reappraisal was 2019.
  - The next scheduled reappraisal is 2023.

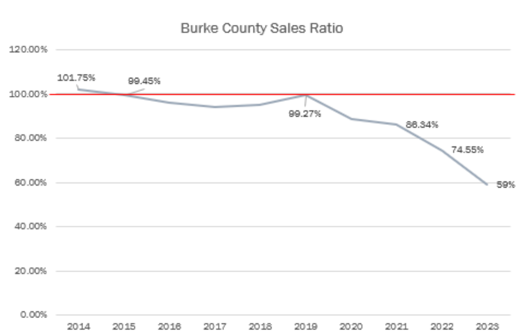
Revaluation Analysis

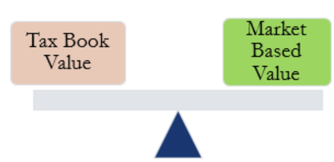
What is Revaluation.....and Why Now?

Levy Type	Valuation	% of Values	Valuation Schedule
Real	$ 5,858,291,347	75%	Revaluation
Personal	$ 758,013,251	10%	Annually
Motor Vehicles	$ 832,802,302	11%	Annually
State Boards	$ 302,619,649	4%	Annually

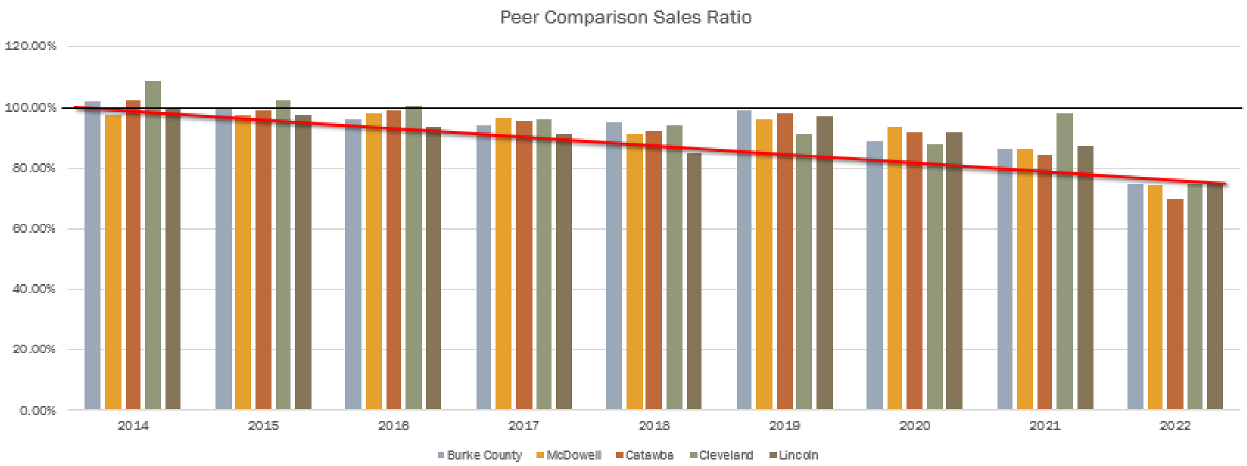
N.C.G.S. 105-286
- Conducted at least every eight (8) years
- Or – when sales ratio (< .85%) or (>1.15%)

Revaluation Analysis

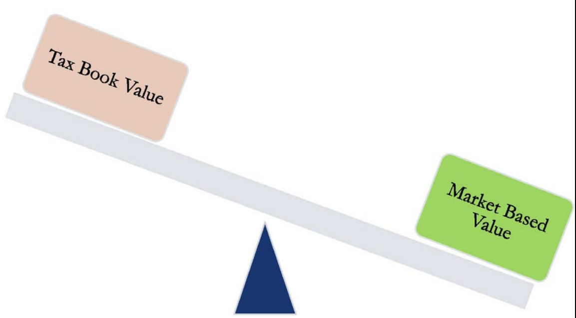




Revaluation Analysis



Revaluation Analysis



Revaluation Analysis….. § 105-286 : **Methodology**

Market Value is:

1. The price estimated in terms of money
2. At which the property would change hands
3. Between a willing buyer - And a willing seller.

Also known as an "arm's-length transaction."

A sale between family members is not likely to be an arm's-length transaction and does not give a true picture of the market value of the property.

Revaluation Analysis….. § 105-286 : **Methodology**

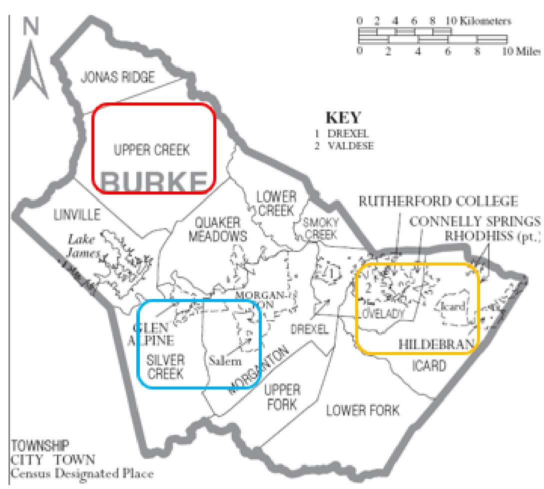
Market values are established by an appraisal

- There 2 types of appraisals:

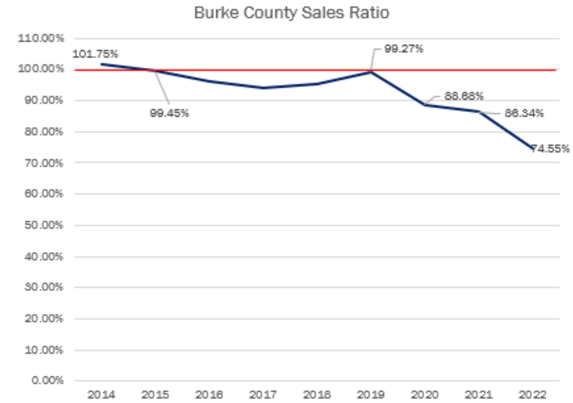
  1. "Fee Appraisals"

  2. "Mass Appraisals"

Mass Appraisals = Neighborhood Design
- Uniformity via "schedule of values"



Year	SINGLE FAMILY DWELLING		
	MEDIAN SALES PRICE	MONTH'S SUPPLY	AVERAGE DAYS ON THE MARKET
2022 July 31	$ 220,000	1.30	31
2022 June 30	$ 225,000	1.40	27
2022 Jan 1	$ 210,000	1.50	27
2021 June 30	$ 195,000	1.90	36
2021 Jan 1	$ 184,950	2.30	45
2020 June 30	$ 166,750	2.90	51
2020 Jan 1	$ 164,750	3.40	56
2019 June 30	$ 155,000	4.60	58
2019 Jan 1	$ 150,000	4.90	52
2018 June 30	$ 142,750	5.20	93
2018 Jan 1	$ 138,750	6.60	132
2017 Jan 1	$ 124,600	9.20	128
2016 Jan 1	$ 104,000	11.80	149
2015 Jan 1	$ 97,000	18.80	154
2014 Jan 1	$ 102,000	19.00	149
2013 Jan 1	$ 90,000	18.50	168
2012 Jan 1	$ 86,650	16.10	146
2011 Jan 1	$ 95,000	18.40	151
2010 Jan 1	$ 87,550	14.20	124
2009 Jan 1	$ 94,200	11.60	116
2008 Jan 1	$ 101,600	6.90	108



Revaluation Analysis….. **Variable Outcomes**

Most properties have experienced an increase in value,
Others may have had a more moderate increase.

Tax Rate X **Property Value** = **Tax Levy**

Revaluation Analysis….. **§ 105-286 : Next Steps**

Taxpayers should receive their new value notice the **week of February 20th.**

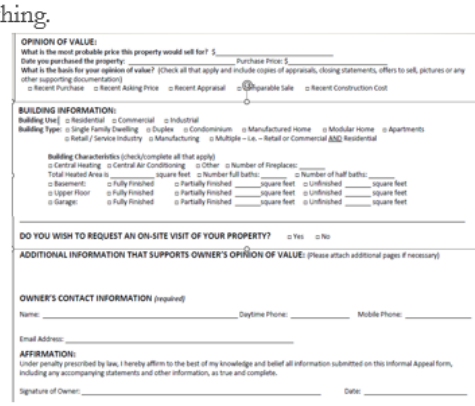
If the owner is satisfied with the new value, they do not need to do anything.

If the owner disagrees

- The notice will tell them how to appeal their value.
- The valuation notice will have an appeal form on the back.
- The owner will have a 30-day window to return their "Informal Appeal" form.

If the property owner and the county cannot come to a settlement value during the informal appeal,

The owner may make a formal appeal to the county Board Equalization & Review (Board of E&R)



OPINION OF VALUE:
What is the most probable price this property would sell for? $________
Date you purchased the property: ________ Purchase Price: $________
What is the basis for your opinion of value? (Check all that apply and include copies of appraisals, closing statements, offers to sell, pictures or any other supporting documentation)
☐ Recent Purchase ☐ Recent Asking Price ☐ Recent Appraisal ☐ Comparable Sale ☐ Recent Construction Cost

BUILDING INFORMATION:
Building Use: ☐ Residential ☐ Commercial ☐ Industrial
Building Type: ☐ Single Family Dwelling ☐ Duplex ☐ Condominium ☐ Manufactured Home ☐ Modular Home ☐ Apartments ☐ Retail / Service Industry ☐ Manufacturing ☐ Multiple – i.e. – Retail or Commercial AND Residential

Building Characteristics (check/complete all that apply)
☐ Central Heating ☐ Central Air Conditioning ☐ Other ☐ Number of Fireplaces: ______
Total Heated Area is ________ square feet ☐ Number full baths: ______ ☐ Number of half baths: ______
☐ Basement: ☐ Fully Finished ☐ Partially Finished ______ square feet ☐ Unfinished ______ square feet
☐ Upper Floor ☐ Fully Finished ☐ Partially Finished ______ square feet ☐ Unfinished ______ square feet
☐ Garage: ☐ Fully Finished ☐ Partially Finished ______ square feet ☐ Unfinished ______ square feet

DO YOU WISH TO REQUEST AN ON-SITE VISIT OF YOUR PROPERTY? ☐ Yes ☐ No

ADDITIONAL INFORMATION THAT SUPPORTS OWNER'S OPINION OF VALUE: (Please attach additional pages if necessary)

OWNER'S CONTACT INFORMATION *(required)*
Name: ________ Daytime Phone: ________ Mobile Phone: ________
Email Address: ________

AFFIRMATION:
Under penalty prescribed by law, I hereby affirm to the best of my knowledge and belief all information submitted on this Informal Appeal form, including any accompanying statements and other information, as true and complete.

Signature of Owner: ________ Date: ________

Revaluation Analysis….. § 105-286 : Revenue Generation Capacity

	Current Rate	2022 Tax Base	Latest Revaluation	1 Penny - Revenue	Revenue Generation Capacity	Adjusted for Population
Lincoln	0.00619	12,015,359,451	2019	1,202,859	74,375,075	829
Rutherford	0.00597	8,068,767,555	2019	807,779	48,170,542	746
Gaston	0.00830	20,546,387,144	2019	2,059,899	170,535,013	$ 739
Cleveland	0.00688	10,683,037,964	2021	1,068,304	73,445,886	723
Catawba	0.00575	19,836,704,600	2019	1,993,625	114,061,051	705
Caldwell	0.00630	$ 8,380,167,558	2021	$ 807,655	52,795,056	656
McDowell	0.00587	4,597,629,411	2019	460,637	26,988,085	604
Burke	0.00695	7,485,456,840	2019	757,742	52,023,925	594
Group Average	0.00653	11,451,688,815.38		$ 1,144,812	$ 76,549,329	696
Burke	0.00695	7,485,456,840	2019	757,742	52,023,925	594

Revaluation Analysis….. § 105-286 : Tax Rate Allocation

BURKE COUNTY, NORTH CAROLINA
TAX RATE ALLOCATION
FOR THE YEAR ENDED JUNE 30, 2023

Tax Revenue	Tax Rate
Tax Rate	69.5

Allocation Description	Cents Allocated	Total Cost
Organizational Annual Payroll	$ 34.54	$ 27,023,413
Public School Operating Allotment	$ 21.18	$ 16,049,205
Debt Service	$ 10.30	$ 7,808,385
Community College	$ 3.47	$ 2,627,610
	$ 69.50	$ 53,508,613

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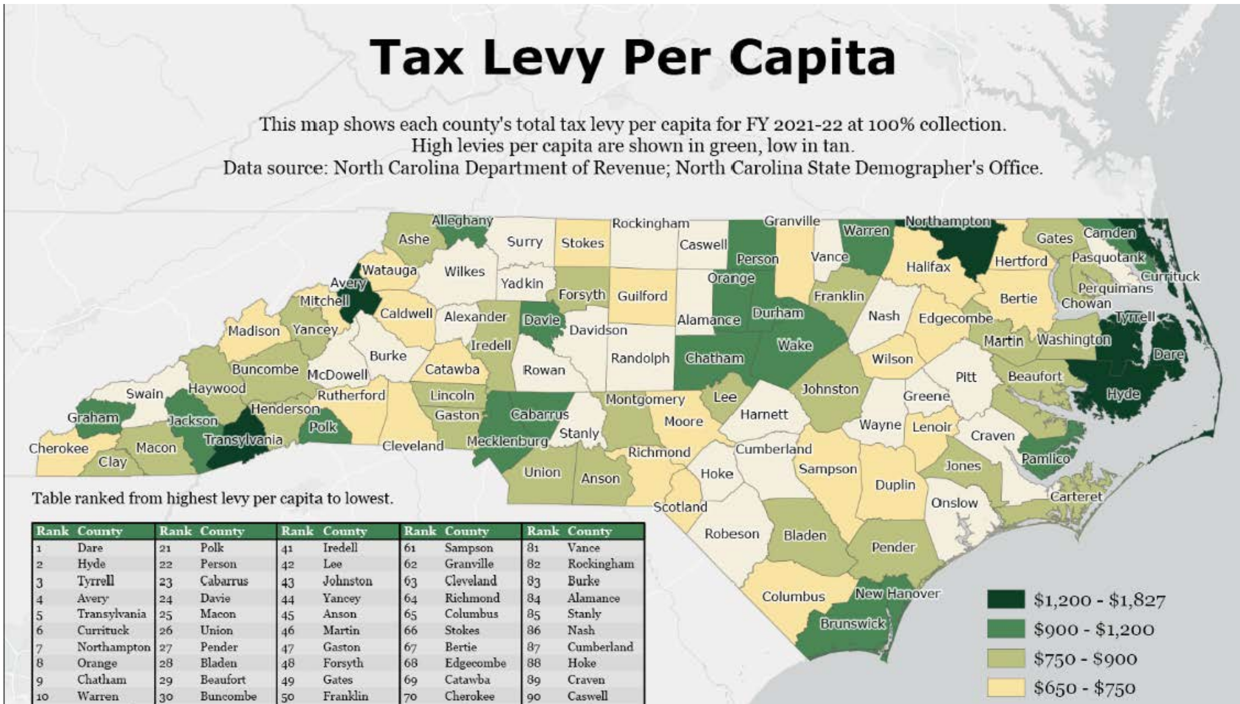
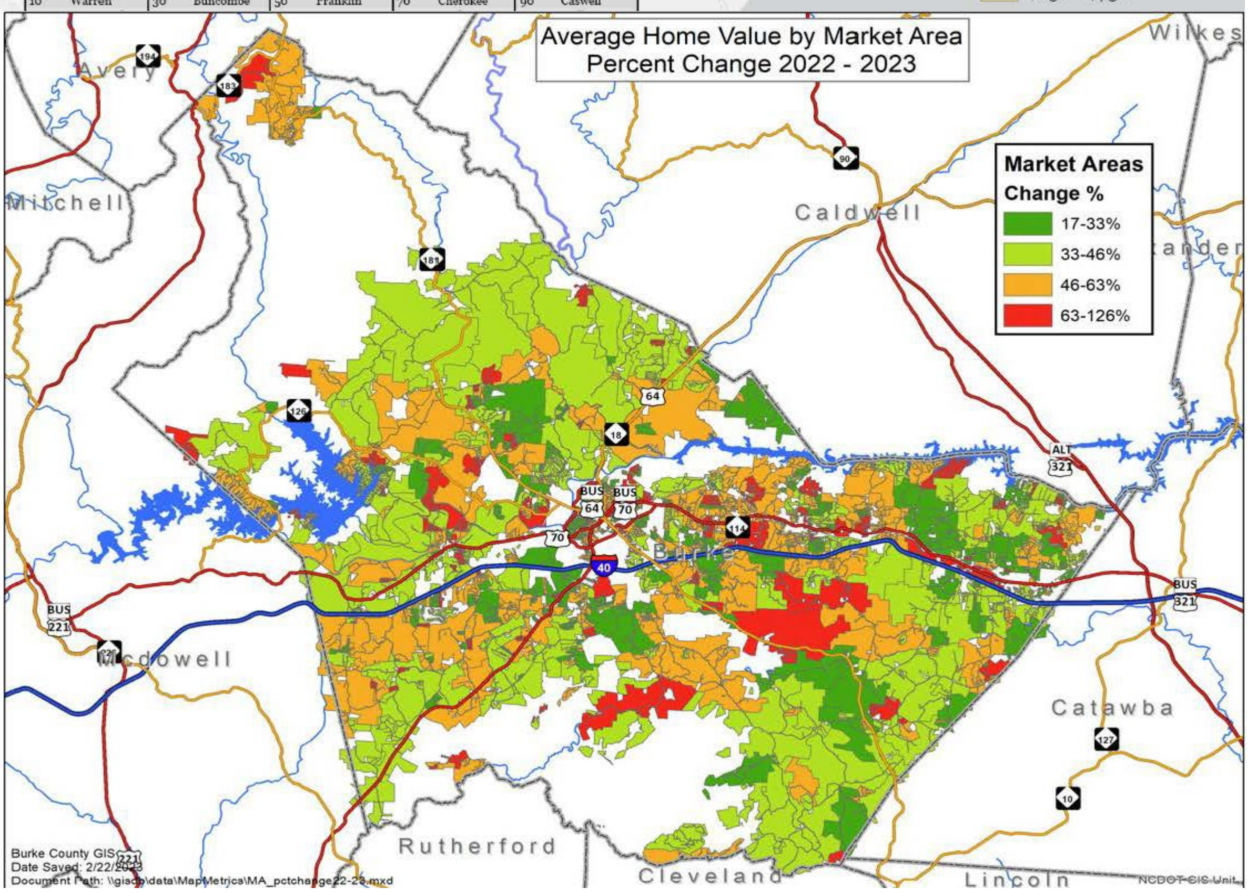


Table ranked from highest levy per capita to lowest.

Rank	County	Rank	County	Rank	County	Rank	County	Rank	County
1	Dare	21	Polk	41	Iredell	61	Sampson	81	Vance
2	Hyde	22	Person	42	Lee	62	Granville	82	Rockingham
3	Tyrrell	23	Cabarrus	43	Johnston	63	Cleveland	83	Burke
4	Avery	24	Davie	44	Yancey	64	Richmond	84	Alamance
5	Transylvania	25	Macon	45	Anson	65	Columbus	85	Stanly
6	Currituck	26	Union	46	Martin	66	Stokes	86	Nash
7	Northampton	27	Pender	47	Gaston	67	Bertie	87	Cumberland
8	Orange	28	Bladen	48	Forsyth	68	Edgecombe	88	Hoke
9	Chatham	29	Beaufort	49	Gates	69	Catawba	89	Craven
10	Warren	30	Buncombe	50	Franklin	70	Cherokee	90	Caswell



Revaluation Analysis….. § 105-286 : Next Steps

BURKE COUNTY BUDGET FOR THE YEAR ENDED JUNE 30, 2024 REVENUE ANALYSIS				
Original Levy Total Tax Valuation	2022-2023 Budgeted Values	2023-2024 Proposed Draft Values	% Change	$ Change
Real	$ 5,858,291,347	$ 8,617,855,095	47.1%	$ 2,759,563,748
Personal	758,013,251	821,575,334	8.4%	63,562,083
Motor Vehicles	832,802,302	911,069,360	9.4%	78,267,058
State Boards	302,619,649	317,750,631	5.0%	15,130,982
Total Valuation	$ 7,751,726,549	$ 10,668,250,420		2,916,523,871

2023-2024 Growth –
- $2,916,523,871 (Value)
  - @ 69.5 Cents - $20,269,841 (Revenue)
    - 19 Cents

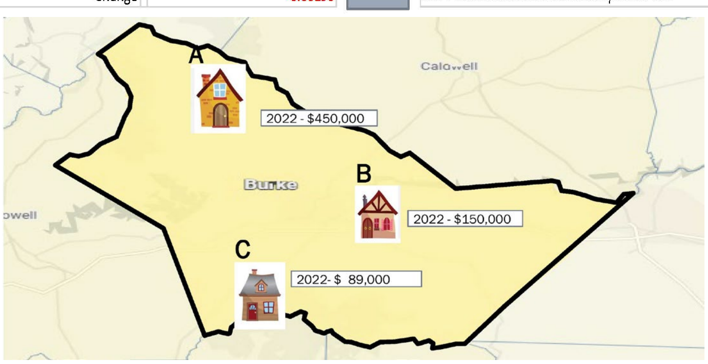
Revaluation Analysis….. **§ 105-286 : Next Steps**

- True Revenue Neutral *versus* Fiscal Control Act Revenue Neutral
  - True Revenue Neutral = Revenue Equal to Prior Year
  - N.C.G.S. 159-11 Revenue Neutral = Revenue Neutral (+) Avg Annual Growth Rate (escalation)

Revaluation Analysis….. § 105-286 : Revenue Neutral Calculation

BURKE COUNTY, NORTH CAROLINA REVALUATION PLANNING FOR THE YEAR ENDED JUNE 30, 2024		
N.C.G.S. 159-11		
STEP 1- Determine a rate that would produce revenues equal to those produced for the current fiscal year:		
FY 2023 Projected total valuation before revaluation	$	7,751,726,549
FY 2023 Tax Rate		0.00695
Tax Levy at FY 2023 rate without revaluation (100% Collections)	$	53,874,500
FY 2024 Projected total valuation after revaluation	$	10,668,250,420
Tax rate that would produce revenue equal to FY 2023		0.00505
Change		0.00190

STEP 2- Increase the rate by a growth factor equal to average annual percentage increases in tax base due to improvements since the last general reappraisal		
Fiscal Year	Assessed Value	Annual % Increase
2019-2020	$ 7,229,141,351	
2020-2021	$ 7,369,371,075	1.94%
2021-2022	$ 7,570,780,134	2.73%
2022-2023	$ 7,751,726,549	2.39%
Average Growth		2.35%
STEP 3- Adjusting for annexations is not applicable for Burke County.		
STEP 4- Revenue Neutral tax rate for fiscal year 2023-2024	0.0052	



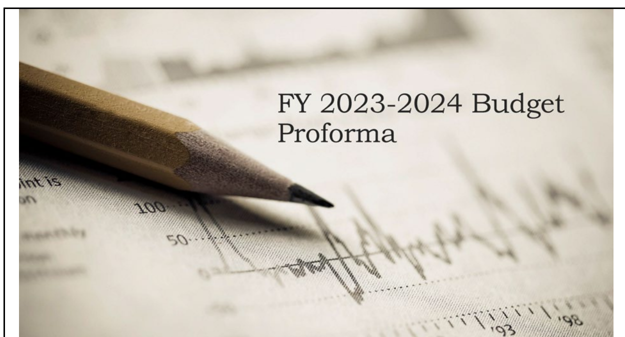
Revaluation Analysis….. § 105-286 : Homeowner Impact

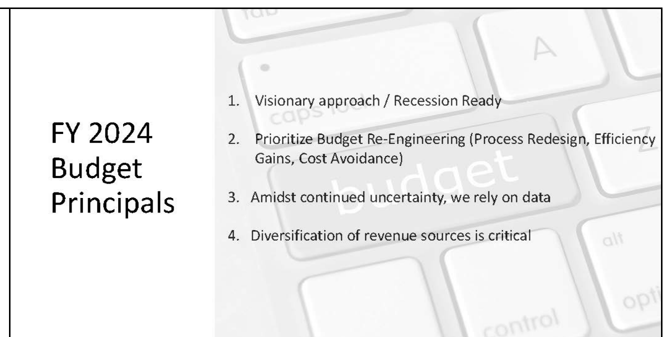
	2022 Home Value	Levy @ .695	2023 Home Value (47% Increase)	Levy @ .52	Levy @ .54	Levy @ .56
1	$ 89,000	$ 619	$ 130,830	$ 680	$ 706	$ 733
2	150,000	$ 1,043	$ 220,500	$ 1,147	$ 1,191	$ 1,235
3	450,000	$ 3,128	$ 661,500	$ 3,440	$ 3,572	$ 3,704

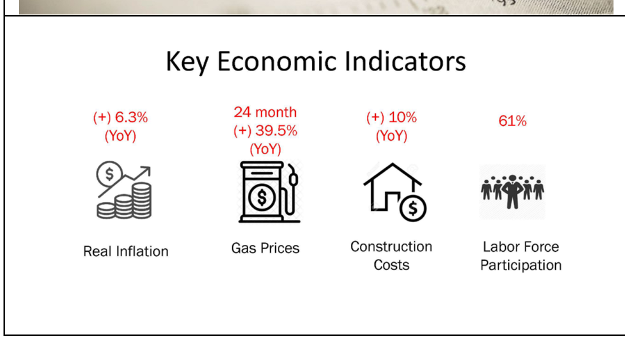
Monthly $ Change @ .52	Monthly $ Change @ .54	Monthly $ Change @ .56
$ 5.15	$ 7.33	$ 9.51
$ 8.67	$ 12.35	$ 16.03
$ 26.03	$ 37.05	$ 48.08

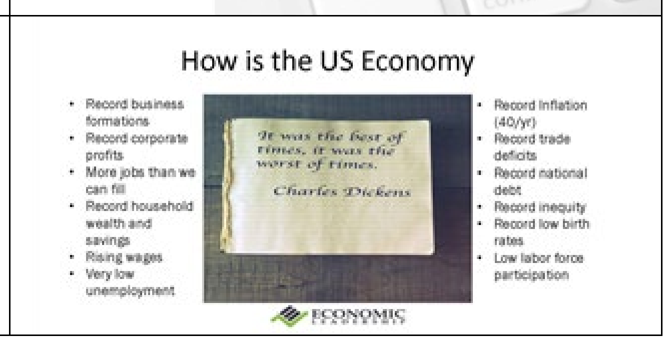
Revaluation Analysis….. § 105-286 : Peer Comparison

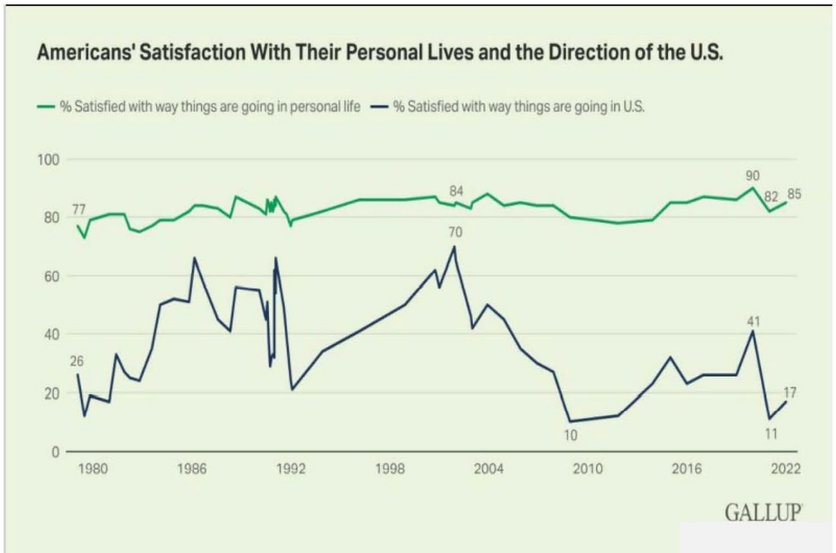
	Current Rate	2022 Tax Base	Latest Revaluation	1 Penny - Revenue	Revenue Generation Capacity	Adjusted for Population
Lincoln	0.00619	12,015,359,451	2019	1,202,859	74,375,075	829
Rutherford	0.00597	8,068,767,555	2019	807,779	48,170,542	746
Gaston	0.00830	20,546,387,144	2019	2,059,899	170,535,013	$ 739
Cleveland	0.00688	10,683,037,964	2021	1,068,304	73,445,886	723
Catawba	0.00575	19,836,704,600	2019	1,993,625	114,061,051	705
Caldwell	0.00630	$ 8,380,167,558	2021	$ 807,655	52,795,056	656
McDowell	0.00587	4,597,629,411	2019	460,637	26,988,085	604
Burke	0.00695	7,485,456,840	2019	757,742	52,023,925	594





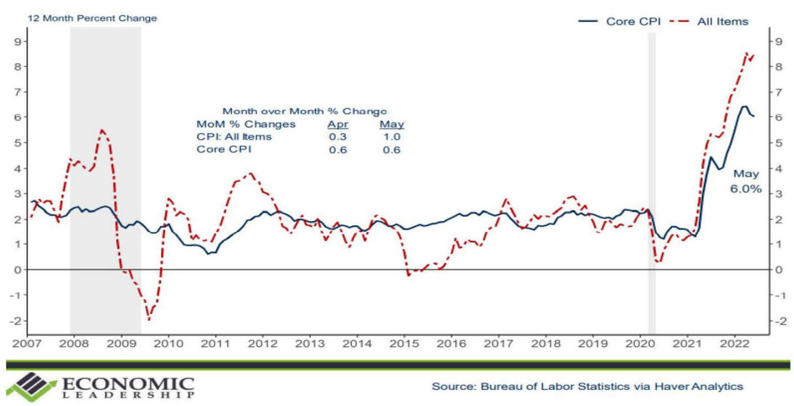






Consumer Price Index

Bureau of Labor Statistics – January 22 – January 23 6.3%

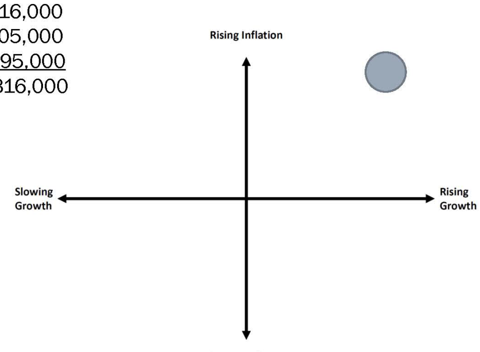


Rising Cost of Doing Business

- Retirement Contribution......................... $ 916,000
- Supplies... $ 105,000
- Motor Fuels... $ 295,000

Total............ $ 1,316,000

$ 1.3MM = 1.6 Cents



BUDGET – FISCAL YEAR 2023-2024

CHALLENGES

- Major Capital Improvement Planning
- Employee Compensation
- Inflationary Costs / LGERS
- Potential of Cooling Economy
- Risk Management
  - Employee Wellness
  - Workers Compensation
  - Operational/Legal Liability

OPPORTUNITIES

- Current Year Tax Base Growth
- Stabilized Equity
- Operational Re-Engineering
  - Revenue Maximization
  - Technology
  - Position Justification
  - Energy Optimization
  - Cost Avoidance
- Economic Development

Budget Proforma Summary

BURKE COUNTY, NORTH CAROLINA			
BUDGET PROFORMA			
FOR THE YEAR ENDED JUNE 30, 2023			
	1	**2**	**3**
	A	**B**	**C**
	56 Cents	**54 Cents**	**52 Cents**
Tax Revenue	$ 5,867,703	$ 3,734,053	$ 1,600,000
Economic Revenue Growth	416,000	416,000	416,000
Budget Re-Engineering	1,000,000	1,000,000	1,000,000
Other Operational Efficiency Gains (energy, technology, etc.)	400,000	400,000	400,000
Total	$ 7,683,703	$ 5,550,053	$ 3,416,000
Proposed Capital Reserve / Debt Service	$ 1,250,000	$ 1,000,000	$ 500,000
Comprehensive Pay & Classification Study - Adjust to Market	3,000,000	-	-
Partial Implementation of Mkt Study (Market Only)	-	1,500,000	-
3 % COLA	-	-	650,000
LGERS Contribution Rate Increase	916,000	916,000	916,000
401k Employer Contribution Increase - 5% Organizationally	850,000	850,000	850,000
Inflationary Cost of Doing Business	400,000	400,000	400,000
Risk Management Investment (Wellness, Workers Comp, P&L)	125,000	125,000	100,000
Total	6,541,000	4,791,000	3,416,000
Available for Commissioner Appropriation	$ 1,142,703	$ 759,053	$ (0)

Chairman Mulwee opened the floor for questions or comments. Commissioner Burns discussed Article 46 as an additional revenue source option. Mr. Epley commented on Article 46 sales tax and how it could be enacted. Commissioner Burns expressed his desire to see potential County-driven raises and supplements for public school teachers. Chairman Mulwee inquired about the turnover rate at the school system. Mr. Epley was unsure of that data off hand but did inform the Board that the teachers in Burke County have the lowest supplement in the market which would make supplementation a suitable recruitment and retention tool if the Board so desired.

A conversation ensued about public school nurses and if telemedicine could be practically implemented to alleviate the need for more nurses in schools. Chairman Mulwee requested more information on the turnover and longevity data for the public school system. Mr. Epley answered questions from Chairman Mulwee about the classification study. Commissioner Burns empathized with the impact of inflation and noted a need to address the impacts. A discussion ensued on mandated services, rising costs, turnover, and attrition.

RESULT:	**NO ACTION TAKEN.**

BOARD OF COMMISSIONER STRATEGIC PRIORITIZATION
County Manager Epley asked the Board to participate in a strategic prioritization exercise by each Commissioner placing 12 dots on high-value items.

Fiscal Stewardship

- Article 46 (4 dots)
- Implementation of a county-wide Capital Improvement Policy and Facility Master Plan (4 dots)
- Identify & pursue available national / state grant funding (2 dots)
- Focus on cost efficient county operations with measure ROI (1 dot)
- 2023 revaluation management (0 dots)
- Develop minimum county fund balance policy (0 dots)
- Develop other industry best practice financial policies including debt management parameters (0 dots)
- Strategically leverage ARPA spending plan to maximize Board priorities (0 dots)
- Evaluation of efficiency and cost savings of a BC MSW cell development for solid waste (0 dots)
- Prioritization of convenience site development including restrooms at all sites (0 dots)

Economic Growth & Sustainment

- Evaluate economic impact and future development of Hickory Regional Airport (3 dots)
- Foster partnerships with BDI internships, BCPS and WPCC to advance the workforce pipeline (2 dots)
- Continued support for BDI (1 dot)
- Flexible strategies to support housing growth, partnerships, etc. (0 dots)
- Leverage infrastructure and product development funding inside the BBP (0 dots)

Community Advancement

- Identify census track data specific to county-wide broadband availability and pursue grant-based public / private partnership expansion that covers > 90% of BC households (5 dots)
- Housing evaluation and innovative strategies (4 dots)
- Library expansion (1 dot)
- Prioritize trail development and park / recreation support (3 dots)
- Develop Asset Management Plan for all water and sewer public infrastructure with a focus on service expansion to underserviced areas (2 dot)
- Community based organizational support for nonprofit partners (1 dot)

- Develop comprehensive land use and zoning modernization plans (1 dot)
- Increase citizen engagement and participation on county boards / committees (1 dot)
- Trash / litter removal (1 dot)

Employer of Choice:

- Comprehensive pay and classification study including job descriptions and market-based wages (5 dots)
- Pursue substantial equivalency (5 dots)
- Modernize county personnel policies (4 dots)
- Evaluate improvements and competitiveness of county fringe benefits package (2 dots)
    - time off
    - paid self-care days or time off for mental health benefits
    - flexible work hours
    - four-day work week
- Results-based wellness incentives (1 dot)
- Modern workspaces (0 dots)
- Organization-wide succession planning (0 dots)
- Subsidized childcare (0 dots)

Public Safety & Well Being

- Effective use of opioid settlement funding, including collaborative partnerships to develop a regionally based substance abuse resource center (3 dots)
- Identify and improve all public safety departments' performance metrics including EMS base locations and response times (3 dots)
- Support the Health Department in innovative population health strategies that produce an improved overall community health ranking (2 dots)
- Continued support for VFD including strategies that lower DOI ratings (i.e., daytime staff, satellite stations, municipal hydrants, etc.) (1 dot)

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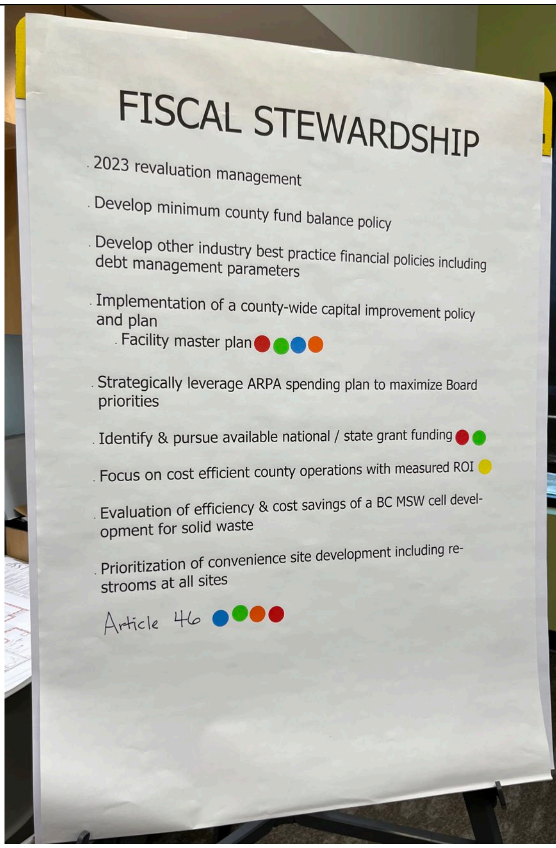
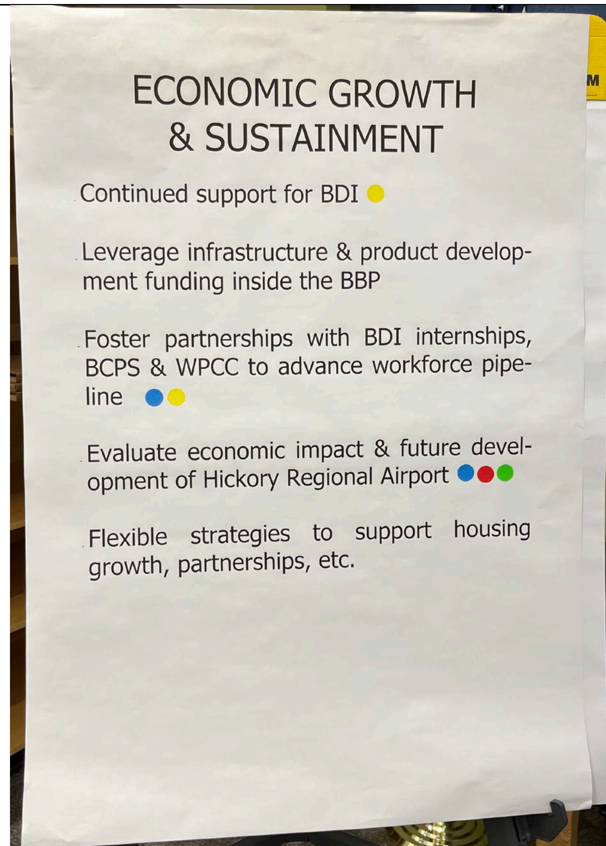
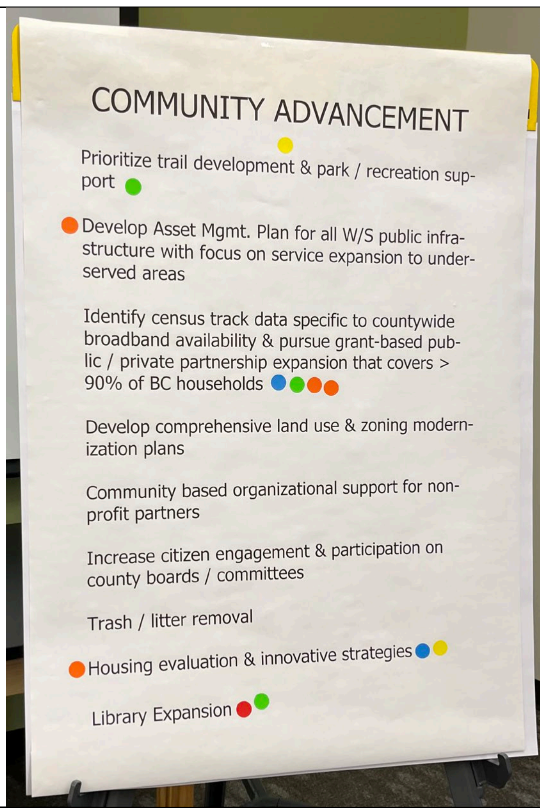
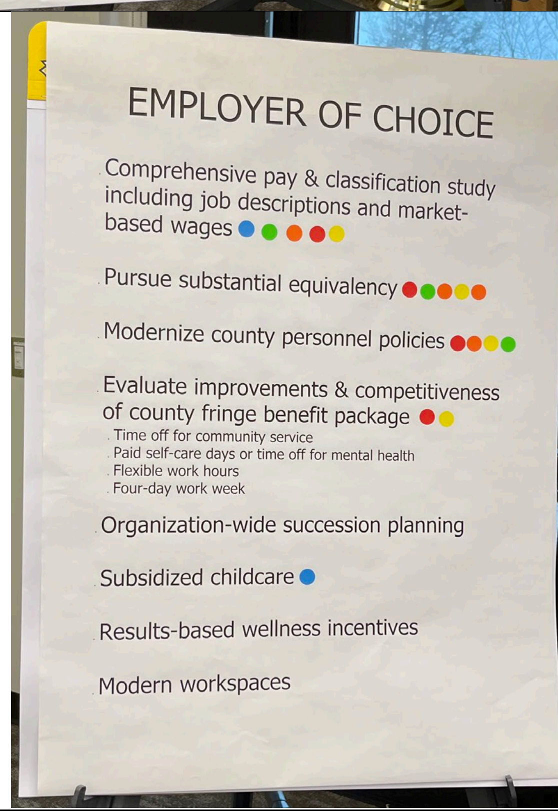
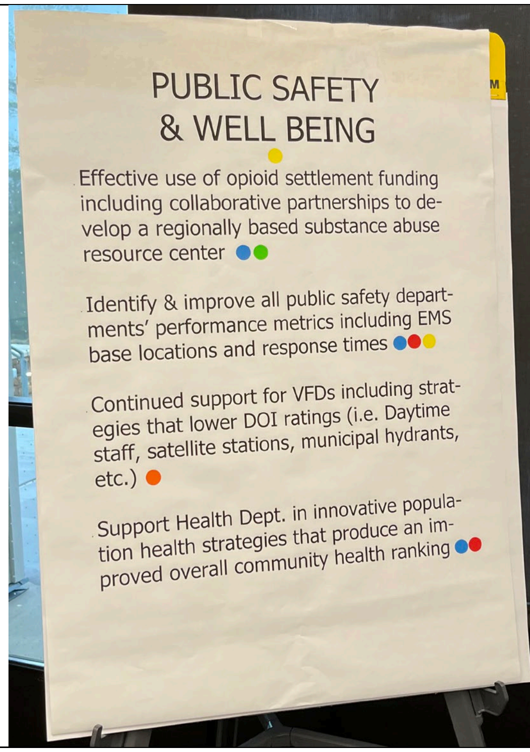








Note: The lone yellow dot at the top of the Community Advancement page represented a vote for every item on that page.



BURKE COUNTY, NORTH CAROLINA			
BUDGET PROFORMA			
FOR THE YEAR ENDED JUNE 30, 2023			
	1	2	3
	A	B	C
	56 Cents	54 Cents	52 Cents
Tax Revenue	$ 5,867,703	$ 3,734,053	$ 1,600,000
Economic Revenue Growth	416,000	416,000	416,000
Budget Re-Engineering	1,000,000	1,000,000	1,000,000
Other Operational Efficiency Gains (energy, technology, etc.)	400,000	400,000	400,000
Total	$ 7,683,703	$ 5,550,053	$ 3,416,000
Proposed Capital Reserve / Debt Service	$ 1,250,000	$ 1,000,000	$ 500,000
Comprehensive Pay & Classification Study - Adjust to Market	3,000,000	-	-
Partial Implementation of Mkt Study (Market Only)	-	1,500,000	-
3 % COLA	-	-	650,000
LGERS Contribution Rate Increase	916,000	916,000	916,000
401k Employer Contribution Increase - 5% Organizationally	850,000	850,000	850,000
Inflationary Cost of Doing Business	400,000	400,000	400,000
Risk Management Investment (Wellness, Workers Comp, P&L)	125,000	125,000	100,000
Total	6,541,000	4,791,000	3,416,000
Available for Commissioner Appropriation	$ 1,142,703	$ 759,053	$ (0)

Chairman Mulwee provided members of the Board an opportunity to give their input on the property tax rate staying at 52 cents (revenue neutral), increasing to 54 cents, or increasing 56 cents. Commissioner Burns stated increasing the rate to 56 cents is necessary to support the goals and functions of the County which is a sentiment that both Chairman Mulwee and Vice Chairman Brittain echoed. Then Commissioner Carswell expressed his support for a 56-cent tax rate and said that the culture has changed, the cost of running government is different and it is time to pay employees a fair wage for everything they do. Commissioner Smith said he had not made up his mind yet on the tax rate, but he was certain a positive outcome could be reached. He also stated a new animal shelter, and a health and human services building are needed. Chairman Mulwee explained that it is important to look at the tax burden on the citizenry and balance that with the costs of essential functions on the County. Chairman Mulwee opened the floor for feedback from the department heads in the audience. Several individuals expressed appreciation for the opportunity to attend the budget retreat, for being included in the budget process and for Mr. Epley.

RESULT:	NO ACTION TAKEN.

ADJOURN
Motion: To adjourn at 2:15 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Randy Burns, Commissioner
AYES:	Scott Mulwee, Jeffrey C. Brittain, Randy Burns, Johnnie W. Carswell, and Phil Smith

Approved this 17th day of October 2023.

Scott Mulwee, Chairman
Burke Co. Board of Commissioners

Attest:

Kay Honeycutt Draughn, CMC, NCMCC
Clerk to the Board