

**MINUTES
BURKE COUNTY BOARD OF COMMISSIONERS
RECESSED MEETING**

The Burke County Board of Commissioners held a recessed meeting (budget retreat) on Thursday, March 7, 2024, at 9:00 a.m. at the Lake James State Park Visitors Center - Paddy's Creek, 2229 Lake James State Park Road, Nebo, NC 28761. 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: Jeffrey C. Brittain, Chairman
Scott Mulwee, Vice Chairman (late - traffic)
Randy Burns
Johnnie W. Carswell

COMMISSIONERS ABSENT: Phil Smith (sick)

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

OTHERS: Reporter, The News Herald
Reporter, The Paper

CALL TO ORDER

Chairman Brittain called the meeting to order at 9:12 a.m. and expressed appreciation to Lake James State Park as well as Nora Coffee, Superintendent, for the use of their facilities.

APPROVAL OF THE AGENDA

Motion: To approve the agenda as presented.

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

ITEMS FOR DISCUSSION

WATER & SEWER SYSTEM AIA (ASSET INVENTORY & ASSESSMENT) STUDY

Information from the agenda packet: As part of the Lead and Copper Rule Revisions (LCRR) published December 16, 2021, the Environmental Protection Agency (EPA) requires that all community water systems (CWS) develop an inventory of all service line connections, including both system-owned and customer-owned. The inventory must identify the potential presence of lead within each service line connection. The initial inventory must be completed and submitted to the North Carolina Public Water Supply (PWS) Section by October 16, 2024. The inventory must include all service lines connected to the

distribution system. Burke County applied for a grant to assist with compliance.

Brian Epley, County Manager, gave a brief overview and itinerary for the budget retreat. He then presented the current state of the County's water and sewer systems as follows:





FOCUS AREA 1: COMMUNITY ADVANCEMENT
To invest in cultural capital and advancement strategies that promote participative governance that elevates a community to live, work and play – while also positioning Burke County as a community of choice.

FOCUS AREA 2: ECONOMIC GROWTH & SUSTAINMENT
Promotion of Burke County as a business and economic center in the region through recruitment of new industry, creating a healthy business climate for existing businesses.

FOCUS AREA 3: PUBLIC SAFETY & WELL BEING
To ensure the safety of our residents through efficient and effective public safety agencies.

FOCUS AREA 4: FISCAL STEWARDSHIP
Pursuit of the high-performing organization model that ensures high quality, transparent and efficient use of public resources.

FOCUS AREA 5: EMPLOYER OF CHOICE
To promote a professional value-based employee centric workplace that promotes innovation, performance, and integrity, and differentiation.





System Goals

- Housing infrastructure
- Sanitary sewer and clean water access
- Economic development

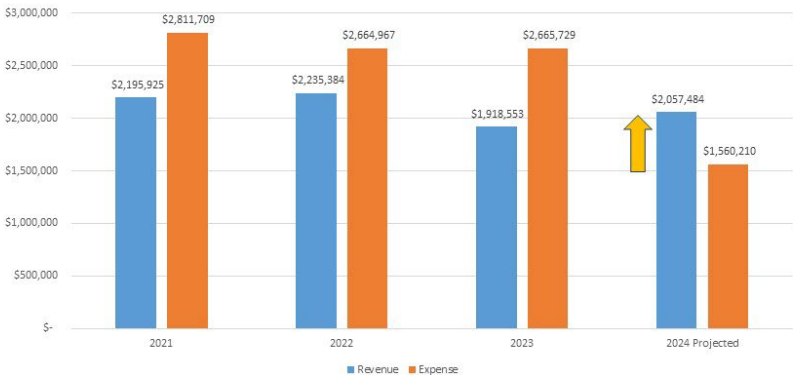




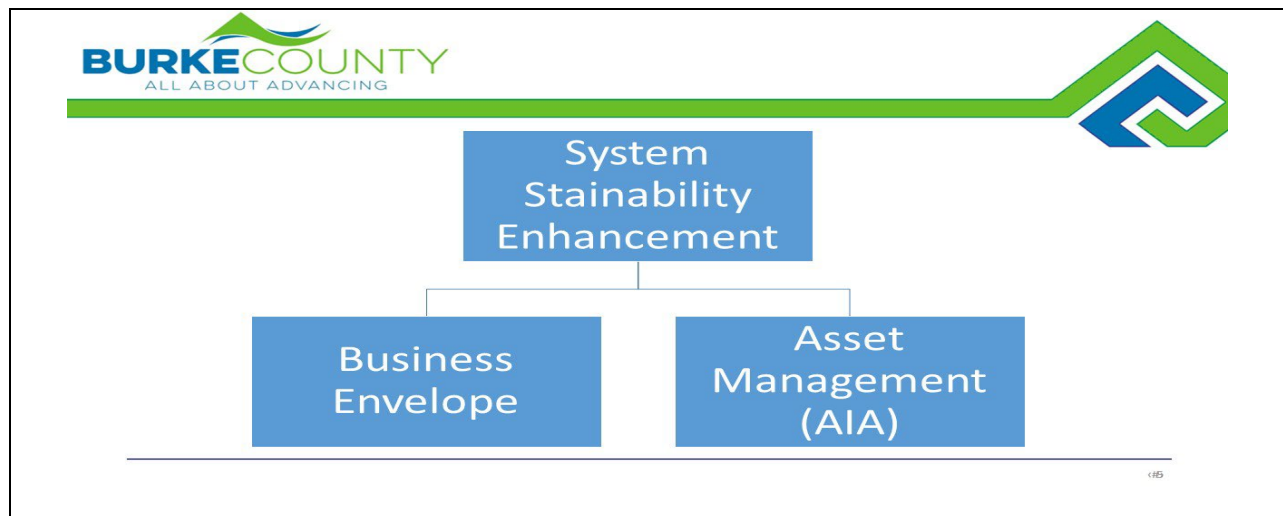
Department Overview

- Total Staff: 3

Water & Sewer Financial Performance



Year	Revenue	Expense
2021	\$2,195,925	\$2,811,709
2022	\$2,235,384	\$2,664,967
2023	\$1,918,553	\$2,665,729
2024 Projected	\$2,057,484	\$1,560,210



BURKECOUNTY
ALL ABOUT ADVANCING

System Overview

- Total Water Customers: 2,175
 - Purchase from 7 sources
- Total Sewer Customers: 211
 - Treat at 2 sources

Sewer Municipal Per 1,000 Gal (rate increase)	New Rate	We Charge	Plus / Minus
From Hickory (Hildebran) to Indian Hills (10%)	\$3.04	\$3.99	\$0.79
From Connelly Springs to Valdese (8%)	\$3.24	\$2.63	(\$0.61)
From Rutherford College to Valdese (8%)	\$3.24	\$3.99	\$0.75
From Rhodess to Indian Hills (10%)	\$3.04	\$2.63	(\$0.41)

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BURKECOUNTY
ALL ABOUT ADVANCING

Sewer Metering Analysis

	Average Gallons-Hildebran Sewer	Hildebran Sewer Metering Analysis		Revenue for Burke County	
		Amount Billable for Burke County	% Billable		
Before	3,417,714	1,125,686		33%	\$4,491.49
After	3,309,533	2,572,133		78%	\$10,262.81

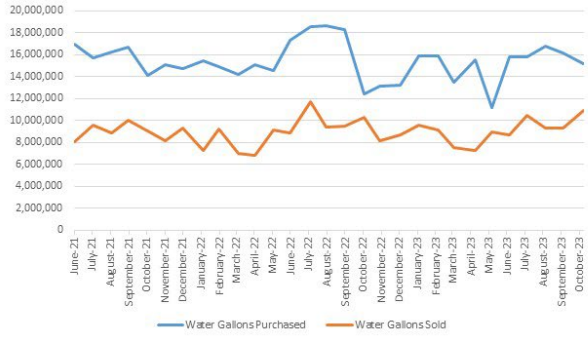
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Current Enhancements

- Water meter installation
 - \$200K State Grant
- Water accounting analysis

Water System Loss








AIA Study

- Evaluate current system
 - Condition
 - Capacity
 - Growth Potential
- Paid for by \$500K grant



At the end of his presentation, Mr. Epley invited Chuck Willis, Willis Engineers, to present updates on the Asset Inventory and Assessment, highlights of which were as follows:



Water System Asset Summary

Asset	Summary
Customer Connections	2,342
Water Distribution Piping	544,000 ft
Valves	1,000
Fire Hydrants	386
Elevated Storage Tanks	6
Booster Pump Stations	6

Sewer System Asset Summary

Asset	Summary
Customer Connections	185
Gravity Collection Sewer	101,480 ft
Manholes	427
Pump Stations	4
Force Main	63,320 ft
Air Relief Manhole	14

Definitions

- **Asset Inventory and Assessment** – Developing a tangible record of all system assets and their condition.
- **Master Plan** – A guide for future capital projects that will be required to best serve your customers.
- **Asset Management Plan** – A tactical plan for managing infrastructure to minimize the total operation and maintenance costs while maintaining a desired level of service for your customers.

Scope of Work

- **Phase I**
 - Data Collection
 - GIS Mapping Updates
- **Phase II**
 - Hydraulic Modeling and Analysis (Water and Sewer)
 - Field Program
 - Flow Monitoring
 - Smoke Testing
 - CCTV
 - Wastewater Pump Station Inspections and Testing
 - Elevated Storage Tank and Booster Pump Station Inspections
 - Asset Management Plan

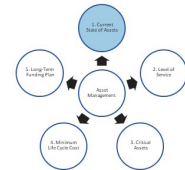
Asset Management Framework



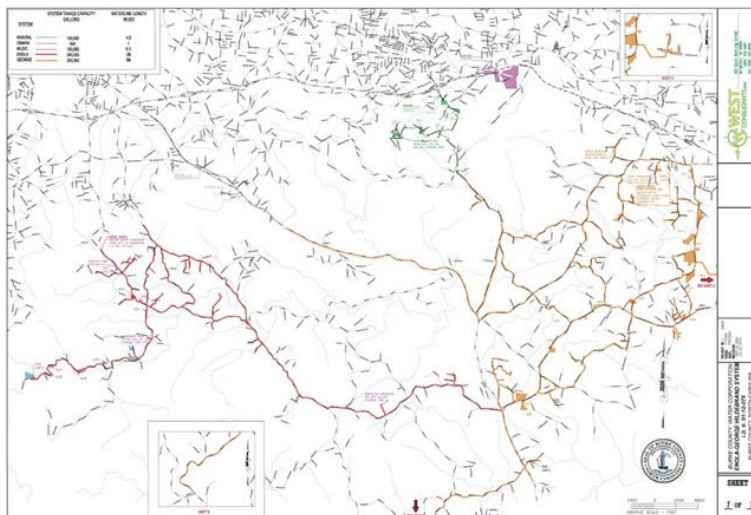
1. Current State of Assets

- The first step of asset management is understanding the current state of all system assets. This step of the process will provide answers to the following questions:

- What assets do I own?
- Where are they located?
- What condition are the assets in?
- What is the remaining useful life of the assets?

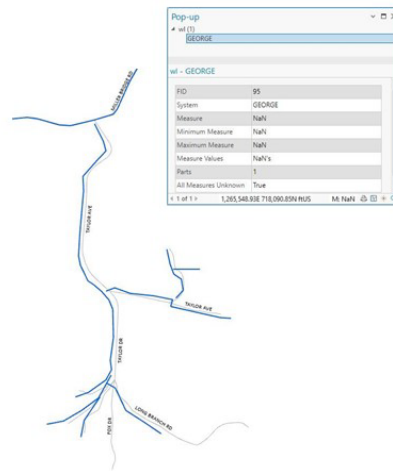


Water System Map

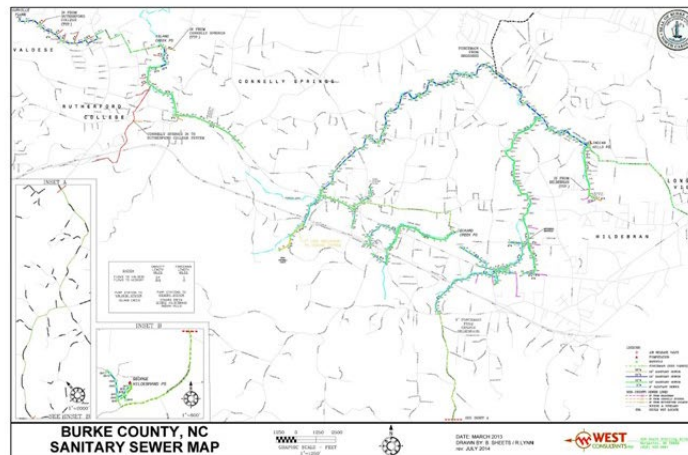


Current GIS Data - Water

- Lack of connectivity for water lines
- No shapefiles for other water system components (valves, hydrants, meters, etc.)
- Lack of attributes for water lines
 - Size
 - Pipe material
 - Age
 - Condition
 - Length

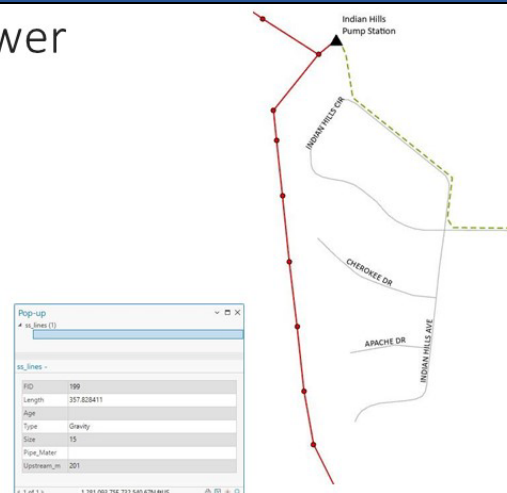


Sewer System Map

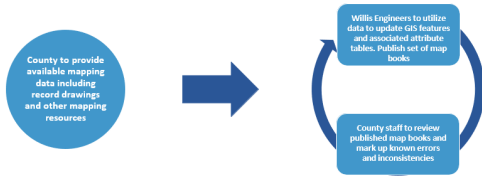


Current GIS Data - Sewer

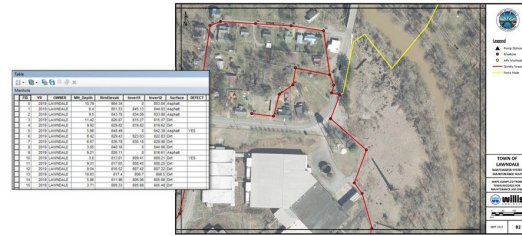
- Lack of attributes
 - Elevations
 - Pipe material
 - Age
 - Condition



Data Collection Process



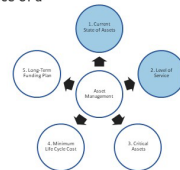
Maintenance Maps and GIS Database



2. Level of Service

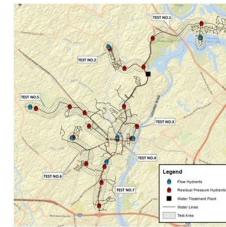
- The second step of asset management is knowing the level of service required of the utility.
- There are various elements that define the level of service of a system, such as:

- Quality
- Quantity
- Reliability
- Environmental Standards
- Safety Standards



Water Distribution Model

- WaterGEMS Software
- Fire Hydrant Testing for Model Calibration
- Identify Potential Deficiencies
 - Normal Flow
 - Fire Flow
- Simulate Demand from Future Development

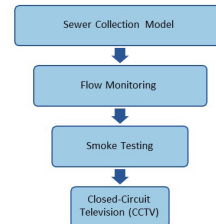


Sewer Collection Model

- Analyze Flow
- Calibrate Model
- Evaluate Potential Sources of Infiltration and Inflow
- Identify Deficiencies
- Simulate Future Development
- Assist in Development of Capacity Assurance Worksheets



Field Program



Flow Monitoring

- Flow Meters
- Level Monitors
- Rain Gauges

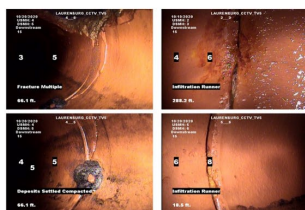


Smoke Testing

- Detects Manhole Leaks
- Defective Sewer Cleanouts
- Mainline Issues Including Cracks
- Sewer Lateral Deficiencies
- Storm Drainage Connections
- Unknown Connections



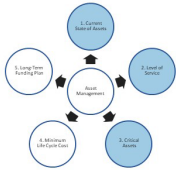
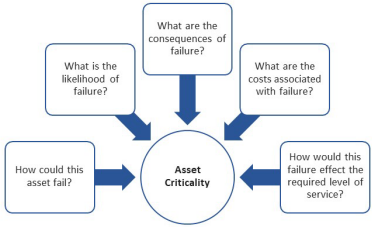
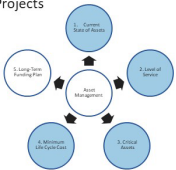
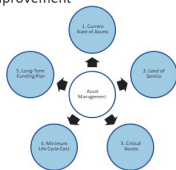
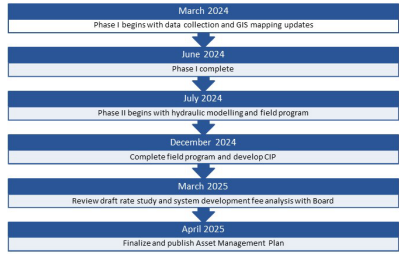
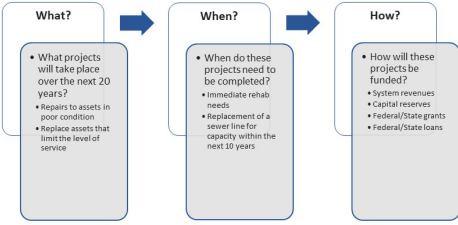
Closed-Circuit Television (CCTV)



Pump Station Inspections and Testing

- Drawdown Testing
- Condition Assessment
 - Mechanical
 - Electrical
 - Structures
 - Site Safety (Access, Fencing, Locks, etc.)
 - Other Site Components



3. Critical Assets - Bottom line – assets fail! The steps that come after failure are what is important. - Not all failures are the same – some are more critical than others. - Which assets are the most critical? 	What Makes an Asset Critical? 
4. Minimum Life Cycle Cost - The fourth step is evaluating the life cycle cost of the system - Integrate the first three steps in the system - Identify maintenance programs or Capital Improvement Projects 	What Makes up the System's Life Cycle Cost? 
5. Long-Term Funding Plan - Long-term funding plan – critical to implementation of an Asset Management Plan - Includes operation and maintenance costs and Capital Improvement Projects - Long-term sustainable operation of the system - Qualified municipal advisor - Rate Study by Raftelis 	Timeline 
Steps to Making Funding Decisions 	Getting Started 

Chairman Brittain opened the floor for questions or comments. Various concerns and inquiries were addressed regarding the water and sewer systems. Mr. Willis highlighted spoilage as a primary issue, with up to 30% of purchased water not being billed to customers due to leakage and other factors. Discussions included potential revenue generation from inactive lines, cooperation with other entities, and the feasibility of expanding capacity. Mr. Willis emphasized finding the right municipal partner rather than building costly infrastructure. The importance of financial viability and infrastructure assessment for potential partners was underscored. Mr. Epley noted the challenges of developing treatment plants and the benefits of a growing capital

reserve fund for maintenance and expansion to new areas. Concerns were raised about monitoring wastewater flow and leaky areas. There was an emphasis on sustainability over profit. Mr. Willis stressed that breaking even is not sustainable. There being nothing further, Chairman Brittain called for a break.

Note: Vice Chairman Mulwee arrived shortly after the asset inventory assessment presentation began at approximately 9:20 a.m. He was present for the remainder of the meeting.

RESULT: NO ACTION TAKEN.

RECESS OF MEETING

The Board took a 9-minute break at 10:17 a.m. and the meeting resumed at 10:26 a.m.

BNR - BOWEN NATIONAL RESEARCH HOUSING STUDY

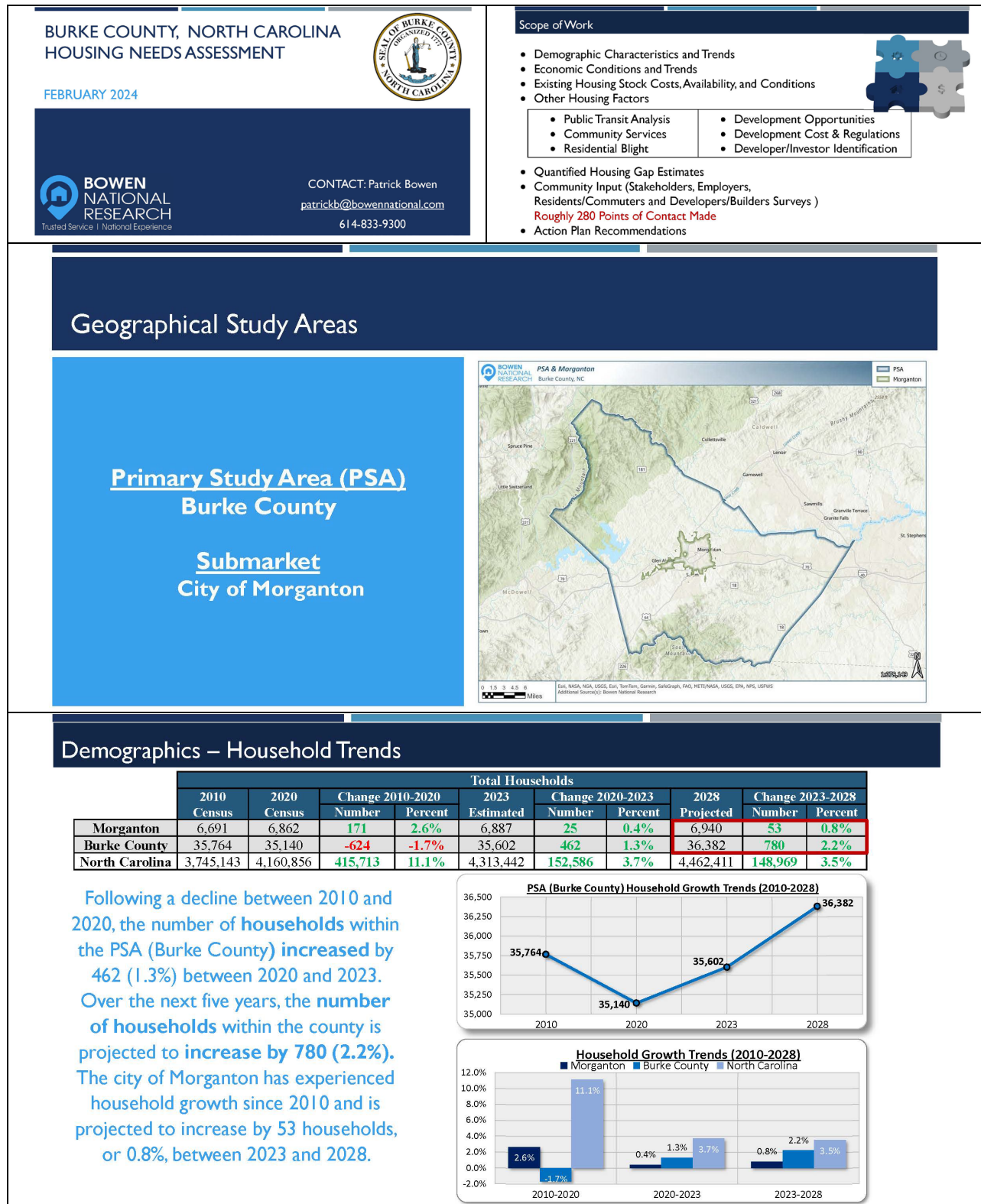
Information from the agenda packet: In August 2023, Bowen National Research, in collaboration with Burke County, began conducting a housing assessment with the primary objective being to offer comprehensive insights into housing availability, the requisite numbers and varieties of housing in the Burke County community, and the variables influencing the affordability and accessibility of various housing forms (including single-family homes, apartments, condominiums, and congregate living facilities). The assessment results will be presented, carefully analyzed, and then incorporated into the formulation of effective strategies aimed at addressing the findings outlined in the report.



Patrick Bowen, President of Bowen National Research, has conducted numerous housing needs assessments and provided consulting services to city, county and state development entities as it relates to residential development, including affordable and market-rate housing, for both rental and for-sale housing, and retail development opportunities. He has also prepared and supervised thousands of market feasibility studies for all types of real estate products, including housing, retail, office, industrial and mixed-use developments, since 1996. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida and currently serves as Vice Chair of the National Council of Housing Market Analysts (NCHMA). Mr. Bowen has served as the lead author / analyst of more than 100 housing needs assessments since 2010.

Brian Epley, County Manager, relayed that the housing study is a grant-funded consulting engagement. Alan Glines, Planning Director / Deputy County Manager, assembled a committee that worked alongside Bowen National Research. He acknowledged the challenges in the housing market with the average house prices increasing approximately 40 – 41 %. Even with the property tax rate decrease, there is still a challenge in affordable housing in Burke County. The average person in Burke County cannot afford to buy a house here, and Mr. Epley theorized that is primarily driven by supply and demand. He then introduced Patrick Bowen,

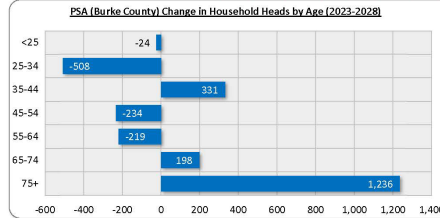
Bowen National Research, to present the results of the housing study. Highlights of Mr. Bowen's presentation were as follows:



Demographics – Households By Age

County projections through 2028 indicate the **greatest growth** of household heads by age will occur among seniors ages **75 and older**, though notable growth will also occur among households between the ages of **35 and 44**. Similar trends are also projected for the Morganton Submarket (not shown) while the state of North Carolina will experience household growth among most age cohorts during this time.

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Burke County	2010	1,182 (3.3%)	4,034 (11.3%)	6,323 (17.7%)	7,592 (21.2%)	7,107 (19.9%)	5,216 (14.6%)	4,310 (12.1%)
	2023	906 (2.5%)	4,286 (12.0%)	5,247 (14.7%)	6,037 (17.0%)	7,131 (20.0%)	6,905 (19.4%)	5,090 (14.3%)
	2028	882 (2.4%)	3,778 (10.4%)	5,577 (15.3%)	5,802 (15.9%)	6,912 (19.0%)	7,103 (19.5%)	6,327 (17.4%)
	Change 2023-2028	-24 (-2.6%)	-508 (-11.8%)	331 (6.3%)	-234 (-3.9%)	-219 (-3.1%)	198 (2.9%)	1,236 (24.3%)
North Carolina	2010	192,967 (5.2%)	588,691 (15.7%)	712,155 (19.0%)	771,236 (20.6%)	673,801 (18.0%)	443,532 (11.8%)	362,761 (9.7%)
	2023	184,917 (4.3%)	659,949 (15.3%)	751,282 (17.4%)	732,949 (17.0%)	784,882 (18.2%)	714,147 (16.6%)	485,316 (11.3%)
	2028	191,111 (4.3%)	648,223 (14.5%)	774,503 (17.4%)	738,911 (16.6%)	748,823 (16.8%)	746,808 (16.7%)	614,032 (13.8%)
	Change 2023-2028	6,194 (3.3%)	-11,726 (-1.8%)	23,221 (3.1%)	5,962 (0.8%)	-36,059 (-4.6%)	32,661 (4.6%)	128,716 (26.5%)



These trends will drive demand for family- and senior-oriented product.

Demographics – Renter Household Income

Approximately **43.1%** of county renter households earn less than \$30k annually, while most of the renter household growth within the county will be among those earning \$50k or more.

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Burke County	2010	2,011 (20.3%)	2,674 (26.9%)	1,836 (18.5%)	1,200 (12.1%)	818 (8.2%)	500 (5.0%)	783 (7.9%)	101 (1.0%)
	2023	1,030 (12.4%)	1,497 (18.0%)	1,057 (12.7%)	1,258 (15.1%)	1,100 (13.3%)	532 (6.4%)	1,410 (17.0%)	418 (5.0%)
	2028	848 (10.3%)	1,320 (16.0%)	989 (12.0%)	1,419 (17.2%)	1,082 (13.1%)	547 (6.6%)	1,606 (19.5%)	448 (5.4%)
	Change 2023-2028	-183 (-17.7%)	-177 (-11.8%)	-68 (-6.4%)	161 (12.8%)	-18 (-1.7%)	15 (2.8%)	197 (14.0%)	30 (7.1%)
North Carolina	2010	195,552 (15.7%)	268,561 (21.5%)	209,437 (16.8%)	164,848 (13.2%)	128,251 (10.3%)	77,774 (6.2%)	154,380 (12.4%)	48,450 (3.9%)
	2023	149,128 (10.2%)	203,330 (13.9%)	180,309 (12.3%)	168,451 (11.5%)	147,977 (10.1%)	116,217 (8.0%)	300,185 (20.5%)	195,587 (13.4%)
	2028	128,610 (8.6%)	173,781 (11.6%)	157,688 (10.5%)	155,884 (10.4%)	141,178 (9.4%)	121,807 (8.1%)	349,301 (23.3%)	268,775 (18.0%)
	Change 2023-2028	-20,518 (-13.8%)	-29,549 (-14.5%)	-22,621 (-12.5%)	-12,567 (-7.5%)	-6,799 (-4.6%)	5,590 (4.8%)	49,116 (16.4%)	73,188 (37.4%)

The large share of lower-income renter households and the increase of moderate/higher income earning renter households within Burke County through 2028 indicates the importance of providing a wide range of rental housing alternatives, in terms of affordability level.

Demographics – Owner Household Income

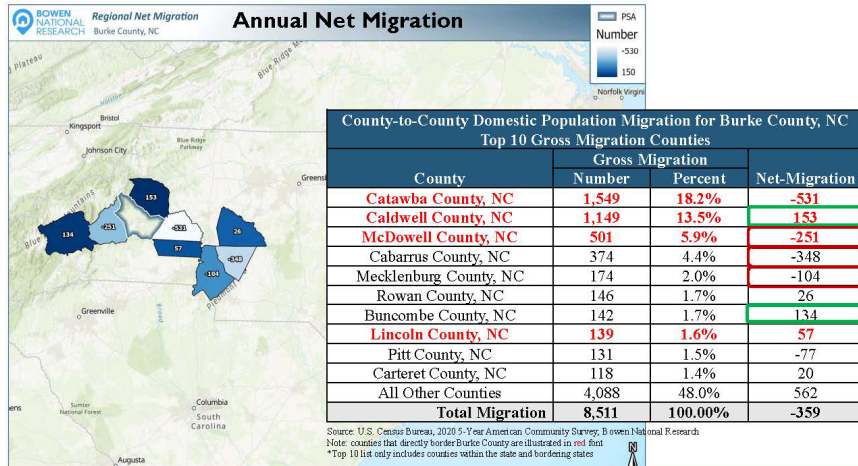
Over half (53.8%) of owner households in Burke County earn \$60k+ annually.

Owner household growth in Burke County will be concentrated among those earning \$60k or more (county increase of 2,324 HHs or by 15.8%).

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Burke County	2010	1,832 (7.1%)	3,338 (12.9%)	3,800 (14.7%)	3,389 (13.1%)	2,705 (10.5%)	2,855 (11.0%)	5,438 (21.0%)	2,484 (9.6%)
	2023	1,224 (4.5%)	2,098 (7.7%)	1,670 (6.1%)	2,470 (9.0%)	2,927 (10.7%)	2,213 (8.1%)	6,919 (25.3%)	7,780 (28.5%)
	2028	1,096 (3.9%)	1,895 (6.7%)	1,282 (4.6%)	2,198 (7.8%)	2,492 (8.9%)	2,136 (7.6%)	7,209 (25.6%)	9,815 (34.9%)
	Change 2023-2028	-128 (-10.4%)	-202 (-9.6%)	-388 (-23.2%)	-272 (-11.0%)	-435 (-14.9%)	-77 (-3.5%)	289 (4.2%)	2,035 (26.2%)
North Carolina	2010	131,928 (5.3%)	229,206 (9.2%)	255,998 (10.2%)	264,219 (10.6%)	246,324 (9.9%)	235,866 (9.4%)	610,174 (24.4%)	524,175 (21.0%)
	2023	95,952 (3.4%)	156,733 (5.5%)	178,373 (6.3%)	194,099 (6.8%)	187,449 (6.6%)	214,012 (7.5%)	676,694 (23.7%)	1,148,924 (40.3%)
	2028	86,397 (2.9%)	137,207 (4.6%)	152,591 (5.1%)	167,481 (5.6%)	162,337 (5.5%)	196,584 (6.6%)	658,932 (22.2%)	1,403,835 (47.3%)
	Change 2023-2028	-9,555 (-10.0%)	-19,526 (-12.5%)	-25,782 (-14.5%)	-26,618 (-13.7%)	-25,112 (-13.4%)	-17,428 (-8.1%)	-17,762 (-2.6%)	254,911 (22.2%)

As the projected increase in the number of owner households in the county favors moderate and higher income households, these projections should be considered when evaluating for-sale housing opportunities in Burke County.

Demographics – Migration Patterns (County-to-County Mobility)



Caldwell County (153) and Buncombe County (134) have the largest positive net-migration influence on the PSA. Conversely, Catawba County (-531) has the largest overall negative net migration on the county.

Demographics – Migration Characteristics (Per-Person Incomes)

Burke County: Income Distribution by Mobility Status for Population Age 15+ Years*

2021 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County, Same State		Moved From Different State	
	Number	Percent	Number	Percent	Number	Percent
<\$10,000	640	19.6%	291	21.2%	200	18.3%
\$10,000 to \$14,999	509	15.6%	254	18.5%	118	10.8%
\$15,000 to \$24,999	675	20.7%	200	14.6%	117	10.7%
\$25,000 to \$34,999	595	18.2%	135	9.9%	149	13.6%
\$35,000 to \$49,999	496	15.2%	242	17.7%	258	23.6%
\$50,000 to \$64,999	191	5.9%	226	16.5%	116	10.6%
\$65,000 to \$74,999	20	0.6%	0	0.0%	45	4.1%
\$75,000+	135	4.1%	22	1.6%	91	8.3%
Total	3,261	100.0%	1,370	100.0%	1,094	100.0%

Source: U.S. Census Bureau, 2021 5-Year American Community Survey; Bowen National Research

*Excludes population with no income

Over three-quarters of the population that moves to Burke County earns less than \$50,000 per year. This large base of lower income individuals influences the demand for affordable housing alternatives, which currently has limited availability and notable wait lists. In order for the county to maximize migration potential and retain or attract young households, it is important that an adequate supply of income-appropriate housing is readily available in the future.

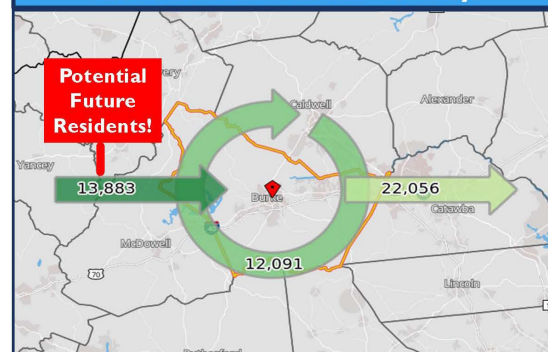
Potential Commuter Support

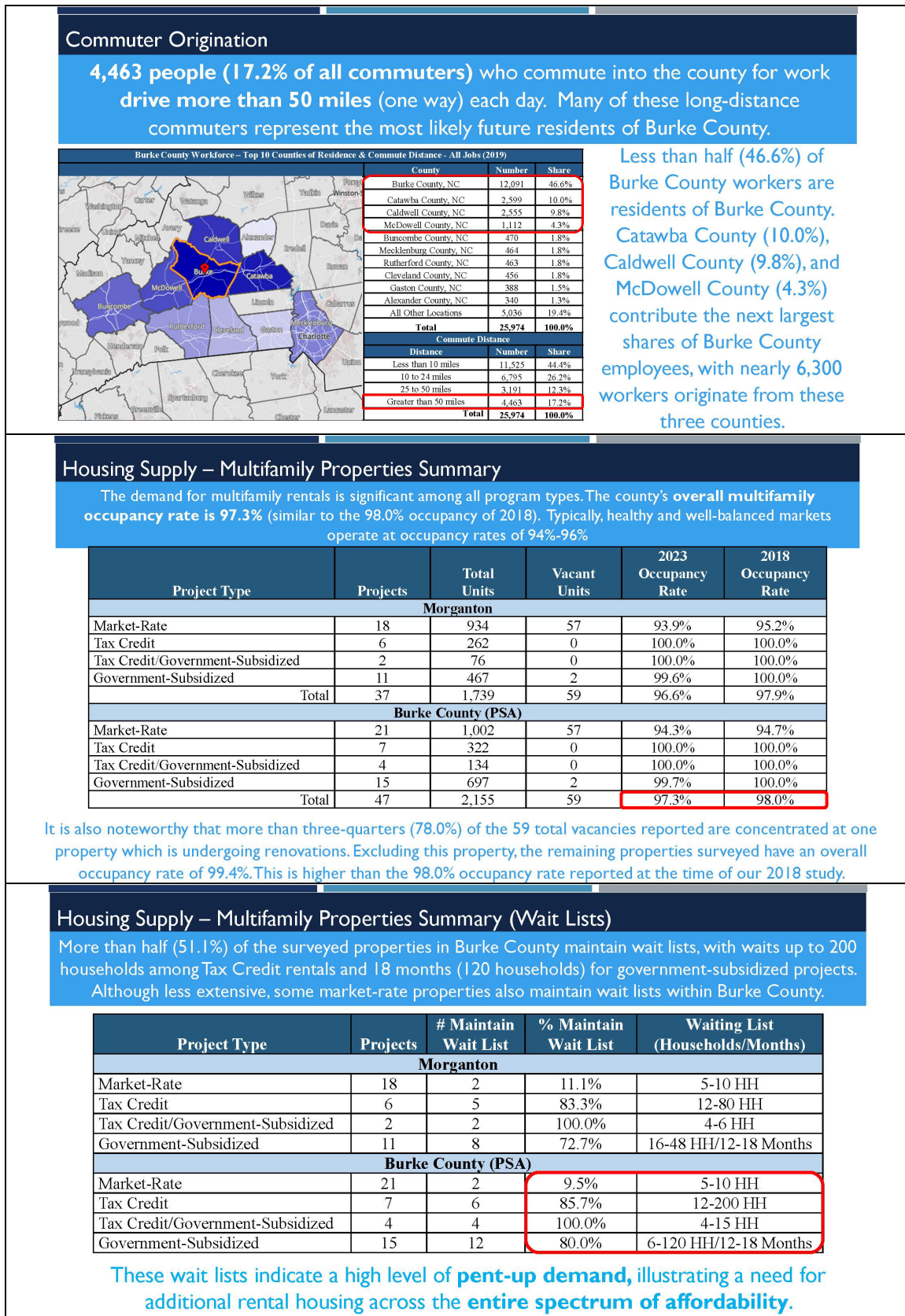
Nearly 14,000 individuals from surrounding areas commute into Burke County for employment, accounting for 53.4% of the people employed in Burke County.

Commuter Profile:

Over half (51.1%) of in-commuters are between ages 30 & 54, and **36.3% earn over \$40,000 annually.**

The large number of people that commute daily into the area for work represent a large base of **potential new residents/ households for Burke County.**





Housing Supply – Market-Rate Multifamily Properties

Within Burke County, **two-bedroom units comprise nearly three-quarters (71.1%)** of the total market-rate supply.

Vacancy rates below 2.0% among most unit types demonstrate strong demand for various bedroom/unit types among market-rate products.

Significant increases (76.1% to 145.6%) to medium collected rent levels between 2018 and 2023 demonstrate the strength of market-rate rental segment within Burke County.

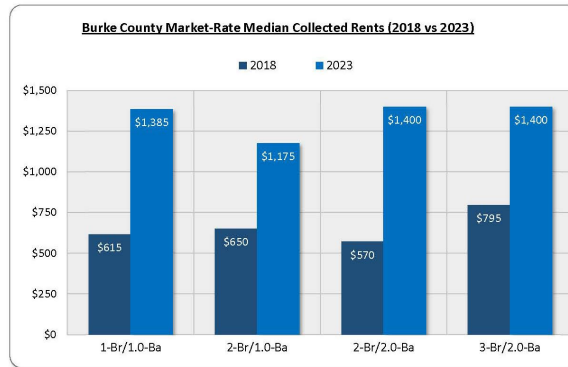
Market-Rate Rental Housing								
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	2023 Median Collected Rent	2018 Median Collected Rent	% Change (2018-2023)
Burke County (PSA)								
One-Bedroom	1.0	212	21.2%	4	1.9%	\$1,385	\$615	125.2%
Two-Bedroom	1.0	120	12.0%	1	0.8%	\$1,175	\$650	80.8%
Two-Bedroom	1.5	239	23.9%	2	0.8%	\$1,200	\$670	79.1%
Two-Bedroom	2.0	353	35.2%	50	14.2%	\$1,400	\$570	145.6%
Three-Bedroom	1.5	6	0.6%	0	0.0%	\$1,150	\$625	84.0%
Three-Bedroom	2.0	70	7.0%	0	0.0%	\$1,400	\$795	76.1%
Three-Bedroom	2.5	2	0.2%	0	0.0%	\$1,150	\$650	76.9%
Total Market-Rate		1,002	100.0%	57	5.7%	-	-	-

While many of the market-rate rents may be **affordable to lower and moderate-income households**, **limited availability** remains a challenge for households seeking such product.

Housing Supply – Market-Rate Multifamily Properties

Significant increases in market-rate rents demonstrate strength of area rental market but also likely contribute to affordability challenges among area renters.

It is noteworthy that the large median rent increases are primarily attributed to the addition of the Murphy's Farm property and renovations/increased rents at the Riverview Apartments since the time of our 2018 survey.



Housing Supply – Tax Credit Multifamily Properties

Tax Credit rentals generally serve households earning up to **\$57,000** annually within Burke County.

None of the 322 Tax Credit units in the county **are vacant (0.0% vacancy rate)**.

Median Collected Tax Credit rents are at least 48.6% lower than median collected market-rate rents for similar bedroom types.

Tax Credit (Non-Subsidized) Rental Housing								
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	2023 Median Collected Rent	2018 Median Collected Rent	% Change (2018-2023)
Burke County (PSA)								
One-Bedroom	1.0	83	25.8%	0	0.0%	\$477	\$432	10.4%
Two-Bedroom	1.0	65	20.2%	0	0.0%	\$475	\$455	4.4%
Two-Bedroom	2.0	98	30.4%	0	0.0%	\$675	\$570	18.4%
Three-Bedroom	1.0	4	1.2%	0	0.0%	\$505	\$485	4.1%
Three-Bedroom	2.0	72	22.4%	0	0.0%	\$720	\$650	10.8%
Total Tax Credit		322	100.0%	0	0.0%	-	-	-

Median collected Tax Credit rents increased by more than 10.0% among most unit types between 2018 and 2023.

With **no available** Tax Credit rentals, many low-income households are likely forced to live in substandard or cost-burdened housing situations or seek housing outside of Burke County.

Housing Supply – Government-Subsidized Multifamily Properties

Government Subsidized Rental Housing					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Burke County (PSA)					
Subsidized Tax Credit					
One-Bedroom	1.0	48	35.8%	0	0.0%
Two-Bedroom	1.0	60	44.8%	0	0.0%
Two-Bedroom	2.0	16	11.9%	0	0.0%
Three-Bedroom	1.0	10	7.5%	0	0.0%
Total Subsidized Tax Credit		134	100.0%	0	0.0%
Government Subsidized					
One-Bedroom	1.0	230	33.0%	1	0.4%
One-Bedroom	2.0	11	1.6%	1	9.1%
Two-Bedroom	1.0	244	35.0%	0	0.0%
Two-Bedroom	1.5	44	6.3%	0	0.0%
Three-Bedroom	1.0	129	18.5%	0	0.0%
Four-Bedroom	1.5	33	4.7%	0	0.0%
Five-Bedroom	2.0	6	0.9%	0	0.0%
Total Subsidized		697	100.0%	2	0.3%

Government-subsidized housing generally serves household earning up to \$35,000 annually within Burke County.

Only 2 of the 831 government-subsidized units within the county are vacant (0.2% vacancy rate).

Approximately 2,675 HCVs currently issued across the four counties, though 124 (4.6%) of these vouchers are unused due to a variety of reasons.

There are 888 households on the wait list for a Housing Choice Voucher (HCV) across Burke, Alexander, Caldwell, and Catawba counties.

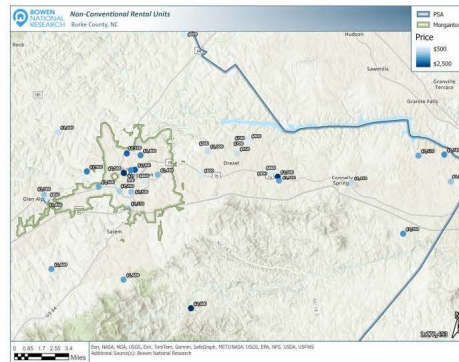
Housing Supply – Non-Conventional Rentals

Non-Conventional Rentals Consist of Single-Family Homes, Duplexes, Mobile Homes, Etc., and Comprise a Large Portion of the Local Housing Market

The approximately 6,838 non-conventional rentals in Burke County comprising more than 80.0% of the county's rental product.

A total of 34 available non-conventional rentals were identified within the county. This represents a vacancy rate of just 0.5% among all non-conventional rentals in Burke County.

Most of the available non-conventional rentals have rents over \$1,100 (\$1,300 when tenant-paid utilities are included); Such rents are unaffordable to nearly three-quarters of renter households.



Seasonal/Vacation Home Data

The number of Seasonal/Recreational Housing Units represents a relatively small share (2.8%) of the county's overall housing stock, but has increased by 24.8% between 2010 and 2021.

Seasonal/Recreational Housing Units - 2010/2021						
		Seasonal/Recreational Units	Total Vacant Units	Total Housing Units	Seasonal/Recreational % of Total Vacant Units	Seasonal/Recreational % of Total Housing Units
Morganton	2010	65	984	7,675	6.6%	0.8%
	2021	34	969	7,231	3.5%	0.5%
	% Change	-47.7%	-1.5%	-5.8%	-47.0%	-37.5%
Burke County	2010	882	5,072	40,836	17.4%	2.2%
	2021	1,101	5,266	39,642	20.9%	2.8%
	% Change	24.8%	3.8%	-2.9%	20.1%	27.3%
North Carolina	2010	191,508	582,373	4,327,516	32.9%	4.4%
	2021	197,746	639,094	4,673,733	30.9%	4.2%
	% Change	3.3%	9.7%	8.0%	-6.1%	-4.5%

According to the 2022 Economic Impact Study published by Visit North Carolina, visitors to Burke County spent nearly \$134 million within the county during 2022, which represents an increase of 10.3% over 2021.

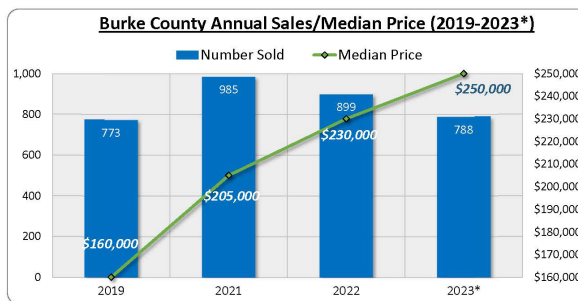
As such, the seasonal housing and tourism markets play important roles in Burke County.

Housing Supply – Historical Home Sales

Annual sales volume has slowed in the PSA over the last two years, though the median sale price has steadily increased year-over-year since 2019.

The volume of home sales declined by 8.7% between 2021 and 2022. Based on home sales as of the time of our analysis, total sales volume was projected to decline by 12.3% in 2023.

The annual median sales price increased in the county by \$45,000 or 22.0% between 2021 and 2023.

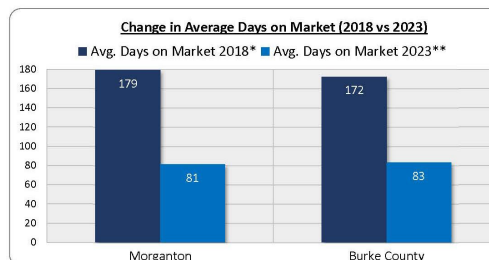
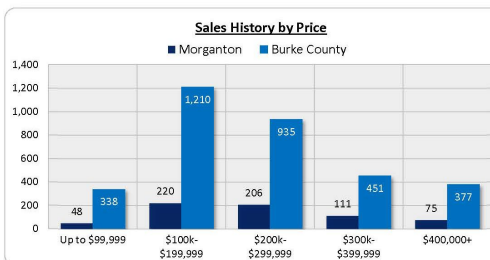


*Excludes 2020 sales data (unavailable); 2023 full year projection

Rising home mortgage interest rates and increasing development costs associated with labor, materials, fees, insurance, land and other expenses are likely influencing home sales (and development) activity.

Housing Supply – Historical Home Sales

Most of the county's home sales activity has occurred outside of Morganton. While home prices have increased since 2018, so has demand.



Home sales within the County between 2019 and 2023 were primarily concentrated among product priced between \$100,000 and \$199,999 (36.5%). A notable share (28.2%) of product sold was priced between \$200,000 and \$299,999, while one-quarter (25.0%) of recent sales were priced at \$300,000+.

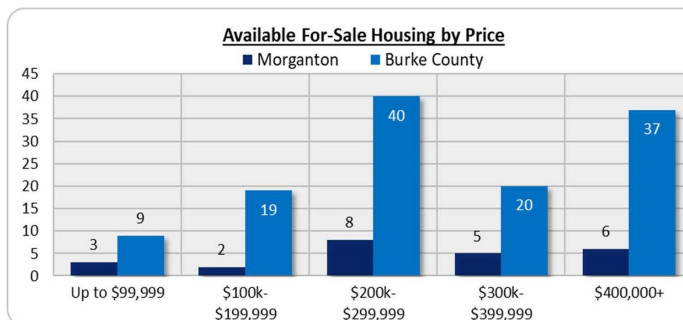
On average, homes sold between 2019 and 2023 were on the market for 83 days. Notably, this is 89 fewer days than that averaged at the time of our 2018 analysis (172 days).

Housing Supply – Available For-Sale Housing by Price Point

The 125 available homes within the county equate to an **availability/vacancy rate of 0.5%**, well below the normal/healthy range of 2.0% to 3.0%.

Currently available homes (125 total) represent **1.7 months of supply**, well below the typically desired four to six months of available supply.

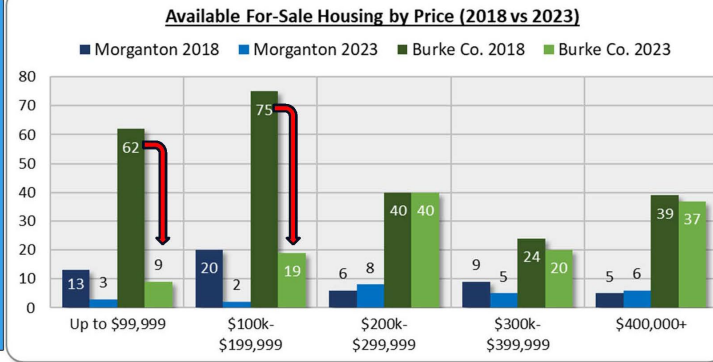
The median list price (\$289,000) of home available for purchase within the PSA is 61.0% higher than that reported in 2018 (\$179,450).



Housing Supply – Available For-Sale Housing by Price Point

A total of 125 homes were available for purchase within Burke County. This is a decline of 115 homes, or (47.9%), as compared to the 240 homes available for purchase at the time of our 2018 analysis.

The number of homes priced **under \$200,000** available to purchase in the county has **declined significantly** since 2018.



Senior Care Housing

A total of 13 senior care facilities containing 834 marketed beds/units were surveyed within the county and report an overall occupancy rate of 81.9% (down from 84.2% in 2018), lower than the national rate (84.4%).

Surveyed Senior Care Facilities - PSA (Burke County)

Project Type	Projects	Marketed Beds/Units	Vacant	Occupancy Rate	2018 Occupancy Rate	National Occupancy Rate*	Base Monthly Rent
Assisted Living	7	323	96	70.3%	80.6%	82.6%	\$2,500-\$5,627
Nursing Homes	6	511	55	87.5%	83.4%	82.4%	\$6,874-\$15,482
Total	13	834	151	81.9%	84.2%	84.4%	\$2,500-\$15,482

*Third Quarter 2023

Although the overall occupancy rate for the assisted living is considered low, demographic projections over the next five years indicate that senior households are expected to increase by **1,086 households (21.6% increase)** in the PSA. These projections indicate the occupancy rates for PSA senior care facilities will likely increase if no additional beds are added to the market. Nonetheless, occupancy rates for these units, particularly those in nursing homes, should continue to be monitored to ensure that an adequate housing supply is available for the increasing number of senior households in the PSA.

Housing Conditions – Published Secondary Data

Substandard Housing (Lacking Complete Plumbing/Kitchens or Overcrowded)

About 1,235 Burke County Households Live in Substandard Housing.

Substandard housing appears to be a slightly more common issue in the **Morganton submarket** compared to the county as a whole.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Morganton	1,200	40.8%	1,918	57.5%	308	10.5%	39	1.2%	90	3.1%	41	1.2%
Burke County	3,235	38.1%	8,259	31.9%	497	5.9%	290	1.1%	98	1.2%	350	1.4%
North Carolina	329,937	24.0%	581,137	21.8%	54,665	4.0%	35,713	1.3%	21,880	1.6%	14,436	0.5%

Source: American Community Survey (2017-2021); ESRI

Given some of the substandard housing conditions that exist in the market, it appears that there are likely opportunities to improve housing conditions in **Burke County**.

Housing Affordability – Published Secondary Data

More Than 6,700 Burke County Households Live in Cost-Burdened or Severe Cost-Burdened Housing.

Housing Cost Burdened

3,055 Renter HHs
3,686 Owner HHs

Severe Housing Cost Burdened

1,519 Renter HHs
1,638 Owner HHs

	Household Income, Housing Costs and Affordability							
	2023 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Morganton	6,887	\$47,913	\$201,493	\$787	44.2%	13.2%	22.2%	5.5%
Burke County	35,602	\$55,356	\$185,407	\$761	36.8%	13.5%	18.3%	6.0%
North Carolina	4,313,442	\$65,879	\$262,944	\$1,067	43.2%	18.9%	20.7%	7.6%

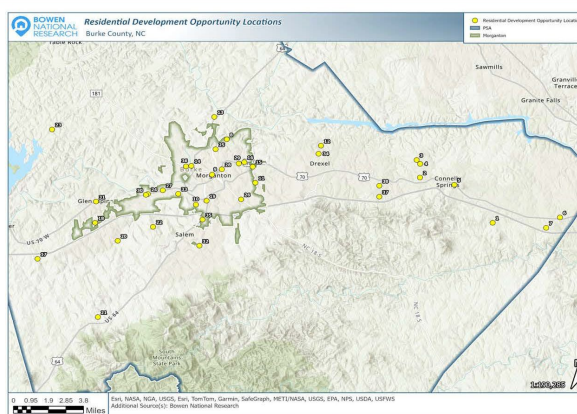
Housing Cost Burdened (Paying Over 30% of Income Toward Housing)
Severe Housing Cost Burdened (Paying Over 50% of Income Toward Housing)

Other Housing Market Factors- Development Opportunities

38 properties were identified as potential residential development sites in the county.

Of the 38 total properties (777 total acres of land and 101,000 square feet of existing structure area):

- 30 are vacant or undeveloped parcels of land
- 13 consist of over 10 acres of land each
- 8 contain at least one existing building (ranging in size from 720 to 75,790 square feet)



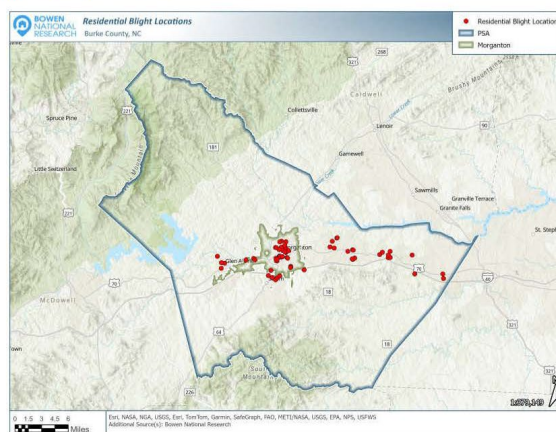
Note: Not all of these properties may be feasible to develop/redevelop as housing due to topography, utility availability, overall age, condition, structural makeup, etc.

Other Housing Market Factors- Residential Blight

Blighted residential properties represent potential nuisances, safety hazards, and are potentially detrimental to nearby property uses and values.

75 residential units were identified that exhibited a significant level of exterior blight within the county (primarily in incorporated municipalities within the county along the U.S. Highway 70 corridor).

These 75 residential units represent approximately 0.2% of the 39,583 total housing units in Burke County. Typically, blighted residential units in a city or county represent less than 0.5% of all residential units.



Other Housing Market Factors- Regulatory and Development Cost Barriers

Government regulations and residential development costs were evaluated to determine if notable barriers existed in the market.

Regulatory

- Zoning Districts
- Minimum Lot Sizes
- Setbacks
- Maximum Building Heights
- Density

Most area zoning favors single-family housing, but is not detrimental to multifamily housing

Zoning District	Minimum Lot Area (Sq. Ft.)	Maximum Density (DU/A)	Minimum Lot Width	Front Yard Setback	Side Yard Setback	Rear Yard Setback	Maximum Building Height
R-20 Residential District	20,000-21,780	2 DU/A	100 ft.	30 ft.	15 ft.	40 ft.	Not listed
R-15 Residential District	14,520-15,000	6 DU/A	100 ft.	25 ft.	15 ft.	30 ft.*	35 ft.
R-10 Residential District	10,000	6 DU/A	60 ft.	25 ft.	10 ft.	25 ft.	35 ft.
O-4 Office and Institutional District	10,000	N/A	100 ft.	30 ft.	15 ft.	25 ft.	35 ft.
CB Central Business District	10,000	N/A	Not listed	30 ft.	10-15 ft.	25 ft.	30 ft.
HB Highway Business District	None	N/A	100 ft.	30 ft.	10-15 ft.	30 ft.	30 ft.
GM General Manufacturing District	None	N/A	Not listed	25 ft.	10 ft.	10 ft.	Not listed

Development Costs

- Land Costs
- Labor Costs
- Material Costs
- Taxes
- Fees

Area development costs are in-line with the region and do not appear to discourage housing

County	Combined Tax Millage Rates	County	Combined Tax Millage Rates
Burke	\$0.9625 (Base) \$0.4600 (Base) \$0.5000 (Median) \$1.0500 (High)	Cleveland	\$0.8575 (Base) \$0.9125 (Median) \$1.2050 (High)
Avery	\$0.9600 (Base) \$1.0500 (Median) \$1.0600 (High)	Lincoln	\$0.9590 (Base) \$0.9990 (Median) \$0.9990 (High)
Caldwell	\$1.0600 (Base) \$0.9085 (Median) \$0.8073 (High)	McDowell	\$1.0275 (Base) \$1.1175 (Median) \$1.4540 (High)
Catawba	\$0.8073 (Base) \$0.8073 (Median) \$0.8073 (High)	Rutherford	\$0.7875 (Base) \$1.0490 (Median) \$1.0490 (High)

Source: North Carolina Department of Revenue (NCDOR) - FY 2023-24 Property Tax Rates

Typical Wages and Housing Affordability

The lower quartile of wage earners within 21 of the 35 occupations listed have insufficient wages to afford a typical rental housing unit, while none can afford typical for-sale housing.

2-bedroom FMR @ \$791;
Median List Price @ \$289,000

Sector Group (Code)	Labor Force Share	Occupation Title	Annual Wages		Housing Affordability**	
			Lower Quartile	Median	Max. Monthly Rent	Max. Purchase Price
Sales & Related Occupations (41)	2.6%	Cashiers	\$21,030	\$27,880	\$526	\$76,100
	2.3%	Retail Salespersons	\$22,870	\$27,560	\$572	\$91,867
	1.1%	Sales Reps, Wholesale/Wholesale	\$39,010	\$52,140	\$975	\$139,033
	0.8%	First-Line Supervisors, Retail	\$31,430	\$41,260	\$536	\$117,490
	2.0%	Cooks, Fast Food	\$20,110	\$22,150	\$583	\$87,033
	1.2%	Waiters/Waitresses	\$17,270	\$20,300	\$433	\$67,753
	1.2%	Fast Food and Counter Workers	\$19,260	\$22,050	\$482	\$71,500
	0.8%	Cooks, Restaurant	\$23,990	\$28,530	\$600	\$79,967
	0.8%	First-Line Supervisors, Food Prep	\$28,050	\$34,160	\$381	\$94,590
	1.5%	Customer Services Reps.	\$27,850	\$33,540	\$691	\$92,167
	1.4%	Office Clerks, General	\$28,410	\$33,490	\$710	\$94,700
	1.1%	Shipping/Receiving Clerks	\$30,440	\$35,420	\$781	\$101,467
	0.9%	Secretaries/Administrative Asst.	\$33,440	\$38,200	\$836	\$111,467
	0.9%	Receptionists/Information Clerks	\$32,630	\$39,350	\$691	\$92,100
	0.9%	Bookkeeping/Accounting Clerks	\$31,990	\$39,020	\$800	\$106,633
	0.9%	Administrative Support	\$33,440	\$38,200	\$836	\$111,467
	0.7%	Transportation Material Moving	\$27,630	\$30,350	\$691	\$92,100
	3.9%	Laborers/Stock/Material Movers	\$31,180	\$37,540	\$780	\$101,933
	2.4%	Heavy/Tractor-Trailer Drivers	\$42,200	\$50,400	\$1,080	\$144,000
	2.0%	Stockers/Order Fillers	\$26,690	\$30,190	\$667	\$98,933
	1.0%	Light Truck Drivers	\$28,700	\$36,710	\$718	\$98,667
	0.7%	Package Handlers	\$28,420	\$32,260	\$711	\$94,733
	2.7%	Mix. Assemblers/Fabricators	\$31,100	\$36,640	\$778	\$101,467
	1.8%	Upholsterers	\$38,970	\$46,780	\$974	\$129,900
	1.6%	Sewing Machine Operators	\$30,500	\$36,410	\$763	\$101,667
	1.2%	Inspectors/Sorters/Graders	\$31,490	\$36,130	\$787	\$104,433
	1.1%	First-Line Supervisors, Production	\$46,850	\$56,690	\$1,171	\$156,167
	1.1%	Electrical Assemblers	\$38,950	\$44,280	\$974	\$129,833
	1.3%	Elementary School Teachers	\$38,760	\$47,980	\$969	\$129,933
	2.0%	Registered Nurses	\$61,270	\$65,830	\$1,532	\$204,233
	1.8%	Nursing Assistants	\$27,970	\$32,420	\$699	\$93,233
	1.4%	Home Health/Personal Aides	\$27,570	\$32,830	\$664	\$93,733
	1.3%	General Operations Managers	\$61,060	\$69,070	\$1,527	\$200,833
	0.6%	Accountants/Auditors	\$51,570	\$60,840	\$1,399	\$188,167
	1.1%	Maintenance/Repair Workers	\$34,530	\$42,020	\$863	\$115,100
	0.8%	Janitors/Cleaners	\$24,170	\$27,790	\$684	\$98,567

COMMUNITY INPUT – STAKEHOLDERS

- **Product Price Needed:** Rentals <\$1,000 & For-Sale between \$150k & \$200k
- **Housing Style Needed:** detached single-family homes and apartments
- **Resident Housing Issues:** Limited availability, home purchase affordability, substandard housing, and cost or renovation/upkeep
- **Top Priorities (construction and funding types):** New construction and renovation of existing housing. Homebuyer assistance and tax credit financing.

25 Stakeholders Responded

Category	Top Responses	Consensus
Housing Needs by Type	• Affordable Workforce • For-Sale (Homeowner) • Rental • Single-Person/Young Professionals	91.7% 86.5% 80.2% 77.1%
Housing Needs by Style	• Detached Houses (Single-Family Homes) • Apartments • Duplex/Triplex/Townhomes	92.7% 74.0% 62.5%
Rental Housing by Price Range	• \$500-\$749/Month • \$750-\$999/Month • \$1,000-\$1,249/Month	93.8% 84.4% 67.7%
For-Sale/Owner Housing by Price Range	• \$150,000-\$199,999 • \$200,000-\$249,999 • \$250,000-\$299,999	97.9% 79.2% 70.8%
Housing Issues Experienced	• Limited Availability • Home Purchase Affordability • Substandard Housing (Quality/Condition) • Cost of Renovation/Upkeep • Rent Affordability • Lack of Down Payment for Purchase	100.0% 83.3% 79.2% 79.2% 75.0% 72.9%
Priority by Construction Type	• New Construction • Renovation/Revitalization of Existing Housing • Adaptive Reuse (i.e., Warehouse Conversion)	82.3% 76.0% 54.2%
Priority by Funding Types	• Homebuyer Assistance • Tax Credit Financing • Project-Based Rental Subsidy • Other Homeowner Assistance	79.2% 67.7% 64.6% 63.0%
Common Residential Barriers	• Cost of Labor/Materials • Cost of Land • Lack of Infrastructure • Financing • Availability of Land	87.5% 66.7% 66.7% 58.3% 54.2%

COMMUNITY INPUT – RESIDENTS/COMMUTERS

- **Housing Type Needed:** Rental Housing (\$500-\$1,000/Month), For-Sale Housing (\$100,000-\$200,000), Housing for Ages 25-40, Family Housing (2+ Bedrooms), Senior Apartments (Independent Living)
- **Issues Negatively Impacting the Local Housing Market:** High prices or rents, the lack of rental vacancies, and the mismatch of local wages and housing costs
- **Product Design/Type Needed:** Apartments, Modern Move-In Ready Single-Family Homes, Ranch Homes/Single Floor Plan Units, Duplex/Triplex/Townhomes
- **More than 60.0% of non-resident commuters interested in relocating to Burke County if housing that met their needs was available.**

240 Residents/Commuters Responded!

Burke County, North Carolina Summary of Resident/Commuter Survey Results		
Category	Top Needs / Issues	Consensus
Overall Housing Market Rating	- Good, No Issues - Fair, Some Issues - Poor, Many Issues	2.4% 35.3% 57.7%
Issues Negatively Impacting the Local Housing Market	- High Prices or Rents - Not Enough Housing/Rental Options (Few Vacancies) - Mismatch Between Local Jobs/Wages and Housing Costs	81.4% 68.6% 36.1%
Reasons for Difficulty Locating Suitable Housing	- Housing Not Affordable - Not Enough Housing (Limited Availability) - Lack of Housing to Meet Specific Needs (i.e., Number of Bedrooms) - Lack of Down Payment or Rental Deposit	83.7% 70.9% 30.2% 30.2%
Demand for Housing Types	- Rental Housing (\$500-\$1,000/Month) - For-Sale Housing (\$100,000-\$200,000) - Housing for Ages 25-40 - Family Housing (2+ Bedrooms) - Senior Apartments (Independent Living)	92.3% 91.1% 87.2% 86.7% 67.5%
Demand for Housing Styles	- Apartments - Modern Move-In Ready Single-Family Homes - Ranch Homes/Single Floor Plan Units - Duplex/Triplex/Townhomes	83.4% 80.7% 80.6% 70.5%
Non-Resident Interest in Relocating to Burke County	Yes, Interested in Relocating	61.1%

COMMUNITY INPUT - EMPLOYERS

- **Housing Issues Employees Face:** Lack of Available Housing and Unaffordable Rental and For-Sale Housing
- **Housing Prices Most Needed:**
 - Moderate Market-Rate Rental Housing (\$750-\$1,250/month)
 - Affordable Rental Housing (Under \$750/month)
 - Entry Level/Workforce For-Sale Housing (Below \$200,000)
 - Moderate For-Sale Housing (\$200,000-\$300,000)
- **Housing Having Adverse Impact on Employers:**
 - Adversely impacts Productivity (41.7%)
 - Unable to Grow/Expand Business (33.3%)
 - Difficulty Attracting/Retaining Employees (25.0%)
- **Likelihood Employer Would Hire More Workers if Local Housing Issues Resolved:**
 - Somewhat/Much More Likely to Hire: 58.3%
- **Programs Most Important to Community:** New Housing Development/Redevelopment, Renter Assistance, Housing Assistance for Public Employees (Police, Fire, Teachers, etc.), Development of More Public Housing

12 Employers Responded

Burke County, North Carolina Summary of Employer Survey Results		
Category	Top Needs / Issues	Consensus
Difficulty Attracting/Retaining Employees Due to Housing	- Yes - No	33.3% 33.3%
Housing Issues for Employees	- Lack of Available Housing - Unaffordable Rental Housing - Unaffordable For-Sale Housing - Adversely Impacts Productivity - Unable to Grow/Expand Business - Difficulty Attracting Employees - Difficulty Retaining Employees - Adds to Company Costs	66.7% 58.3% 41.7% 41.7% 33.3% 25.0% 25.0% 25.0%
Effects of Adequate Housing Supply	- Somewhat/Much More Likely to Hire New Employees - Additional Employees Hired	58.3% Up to 104
Employer Housing Assistance	- Provide Some Type of Housing Assistance (i.e., Relocation/Payroll Advances) - Do Not Currently Provide Housing Assistance to Employees	17.3% 72.7%
Housing Assistance Program Consideration	- Rental Security Deposit Assistance, Housing Counseling/Placement Assistance, Education Services/Assistance, or Development of Employee Housing - Would Not Consider Housing Assistance	8.3% 75.0%
Housing Program or Policy Importance	- New Housing Development/Redevelopment - Renter Assistance - Housing Assistance for Public Employees (Police, Fire, Teachers, etc.) - Development of More Public Housing	72.7% 59.1% 52.3% 52.3%
Housing Needs by Price	- Moderate Market-Rate Rental Housing (\$750-\$1,250/month) - Affordable Rental Housing (Under \$750/month) - Entry Level/Workforce For-Sale Housing (Below \$200,000) - Moderate For-Sale Housing (\$200,000-\$300,000)	25.0% 66.7% 66.7% 58.0%
Housing Needs by Product Type	- Single-Family Homes (Owner) - Multifamily Apartments - Single-Family Homes (Rental)	91.7% 58.3% 58.0%

COMMUNITY INPUT – BUILDERS/DEVELOPERS Five Companies Responded

Common Barriers to Residential Development and Potential Solutions

Barriers to Development	Share of Respondents	Potential Solutions	Share of Respondents
Cost of Labor/Materials	80.0%	Encourage Updates to Subdivision Regulations/Loosen Development Requirements	80.0%
Financing	80.0%	Government Assistance with Infrastructure	60.0%
Appraisals Too Low	60.0%	Revisiting/Modifying Zoning (e.g., Density, Setbacks, etc.)	60.0%
Cost of Infrastructure	60.0%	Collaboration Between Public and Private Sectors	40.0%
Lack of Infrastructure	60.0%	Encourage Accessory Dwelling Unit Opportunities	40.0%
Land/Zoning Regulations	60.0%	Expedited Environmental Review Process	40.0%
Availability of Land/Lack of Buildable Sites	40.0%	Expedited/Streamlined Permitting Process	40.0%
Cost of Land	40.0%	Government Sale of Public Land/Buildings at Discount or Donated	40.0%
Government Fees	40.0%	Support/Change Code Enforcement	40.0%
Local Government Regulations (Red Tape)	40.0%	Waiving/Lowering Development Fees	40.0%

Housing Gap Estimates (Rental Housing)

Burke County has an **Overall Rental Housing Gap of Approximately 1,499 Residential Units** at a **Variety of Affordability Levels.**

Burke County, North Carolina				
Rental Housing Gap Estimates (2023-2028)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,650	\$35,651-\$57,040	\$57,041-\$85,680	\$85,681+
Monthly Rent Range	≤ \$891	\$892-\$1,426	\$1,427-\$2,142	\$2,143+
Household Growth	-336	62	131	99
Balanced Market	206	0	33	46
Replacement Housing	507	119	31	14
External Market Support	167	158	83	72
Severe Cost Burdened	273	137	46	0
Step-Down Support	95	2	-5	-92
Less Pipeline Units	-78	-151	-120	0
Overall Units Needed	834	327	199	139

The greatest rental housing gap is for units with rents ≤ \$891 for households generally earning ≤\$35,650 annually.

Housing Gap Estimates (For-Sale Housing)

Burke County has an **Overall For-Sale Housing Gap of Approximately 3,323 Residential Units** at a **Variety of Affordability Levels.**

Burke County, North Carolina				
For-Sale Housing Gap Estimates (2023-2028)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,650	\$35,651-\$57,040	\$57,041-\$85,680	\$85,681+
Price Point	≤ \$118,833	\$118,834-\$190,133	\$190,134-\$285,600	\$285,601+
Household Growth	-871	-607	163	2,139
Balanced Market	182	157	112	244
Replacement Housing	179	78	36	36
External Market Support	374	217	199	400
Severe Cost Burdened	197	98	33	0
Step-Down Support	0	872	988	-1,860
Less Pipeline Units	0	0	-14	-29
Overall Units Needed	61	815	1,517	930

The greatest gap appears to be for housing priced between \$190,134 and \$285,600 (1,517 units) for households generally earning between \$57,041 and \$85,681.

RECOMMENDATIONS

- **Develop next-steps plans:** Local government and stakeholders could begin to prioritize housing objectives and refine housing strategies that best fit the overarching goals of the county.
- **Goal Setting:** Set realistic/attainable short-term housing goals, outline long-term objectives and monitor progress.
- **Capacity Building:** Consider establishing a housing committee and/or hiring a housing director to help define and implement housing policies, programs and goals for the county.
- **Policies & Incentives:** Consider implementing/modifying public policies to encourage or support the development of new residential units and the preservation of existing housing.

RECOMMENDATIONS

- **Education & Outreach:** Formulate education and outreach campaign to help support housing initiatives.
- **Senior Housing Considerations:** Support efforts to enable area seniors to transition into housing to meet their changing needs.
- **Partnership Building:** Explore and encourage development partnerships.
- **Marketing:** Market Burke County's housing needs and opportunities to potential residential development partners, create marketing plan/materials, and/or develop a centralized housing resource center.

Chairman Brittain opened the floor for questions or comments. The discussion primarily revolved around housing estimation, defining terms, and developer engagement. Mr. Bowen outlined factors driving the estimated household growth and clarified affordable housing versus housing that is affordable. Chairman Brittain sought clarification on tax credit housing, elucidated by Mr. Bowen, who emphasized its role in maintaining affordability. Mr. Epley underscored the urgency of addressing housing shortages to prevent a future crisis. Commissioner Burns highlighted the potential benefits of addressing housing challenges on the tax base. Commissioner Carswell inquired about possible solutions, emphasizing the need to

consider rural versus urban dynamics and the challenge of attracting developers to the county. Mr. Bowen suggested engaging developers through education, outreach efforts, and leveraging infrastructure as incentives. Commissioner Carswell asserted developers as a priority, while Commissioner Burns noted challenges in the lack of a specialized workforce. Mr. Epley emphasized the importance of infrastructure improvement in attracting developers.

RESULT: NO ACTION TAKEN.

LUNCH

Motion: To recess for lunch at 11:34 a.m.

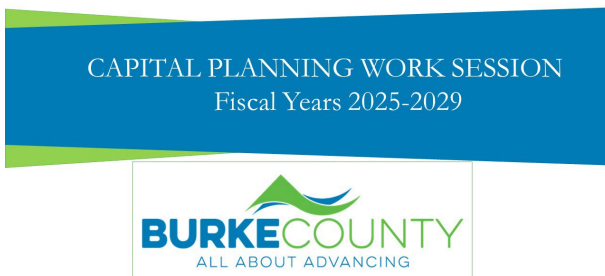
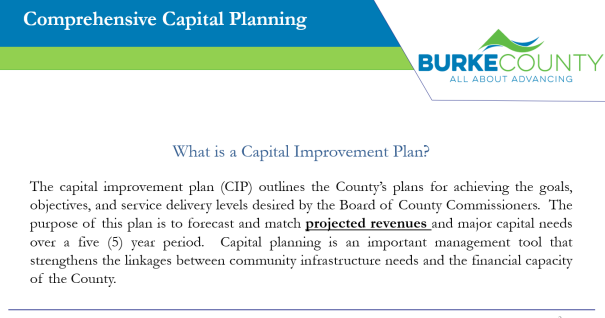
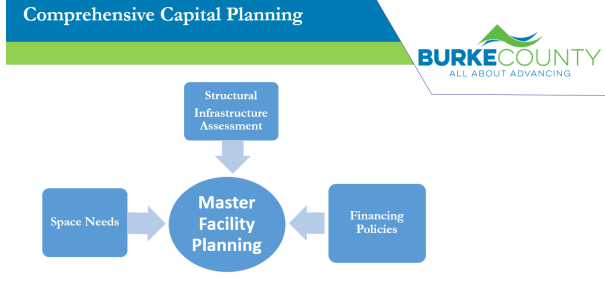
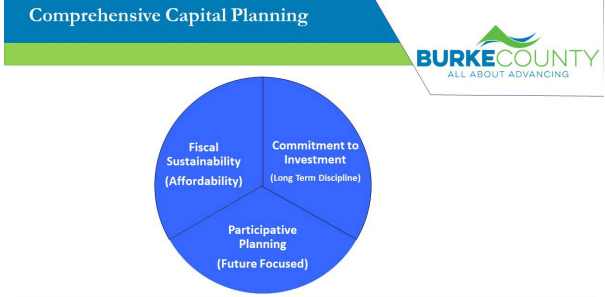
RESULT: APPROVED [UNANIMOUS]
MOVER: Randy Burns, Commissioner
AYES: Jeffrey C. Brittain, Scott Mulwee, Randy Burns and Johnnie W. Carswell
ABSENT: Phil Smith

Motion: To resume the meeting at 12:17 p.m.

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

CM - CAPITAL IMPROVEMENT PLAN UPDATE

During the 2023 Budget Retreat, the Board of Commissioners identified specific capital improvement focus areas for FY23 - FY28. Brian Epley, County Manager, presented an update as well as provided a new forecasted CIP for FY25 - FY29, highlights of which were as follows:

Commitment to Out Year Capital

Impact of Out Year Operational Capital Planning:

- 1) **Manage Increasing Operational Costs:**
 - A) Utility Cost
 - B) Life Cycle Management Plan
 - C) Fleet Management
- 2) **Address Aging Infrastructure:**
 - A) Current Infrastructure is Made Up of Survivors
 - Aging
 - Failure Rate Increases as a Function of Age
 - B) Replace versus Repair – R.O.I.
- 3) **Formalized Resource Utilization:**
 - A) Forward-Funded Concept

Policy Direction

Identify Projects
Cultivate a list of renewal projects with quick turnaround (3 to 6 months)

Update List Regularly
Revisit the project list and update it as conditions or priorities change

Initiate Planning
Plan out project details as much as possible (e.g., procurement, contractors) to maximize ease of execution

Greenlight Preplanned Project
Execute project using prepared plan, preventing lag time

Maintain Curated List
Keep the list current even when no funding arises to maintain preparedness

Recap from 2023 capital work session:

1. Identify and Prioritize Potential Capital Project Needs ✓
 - A. Short Term Less Than 12 Months
 - B. Mid Term 12 – 48 Months
 - C. Long Term More than 48 Months
2. Recommendation of Capital Improvement Plan Financing Policies ✓
 - I. 10 Year Period 50%
 - II. Debt Service as a percentage of total expenditures 13%
 - III. Debt to Assessed Value 2.5%
 - B. Minimum Fund Balance Policy
3. Identify and Prioritize Funding Sources ✓
4. Direct Budget Team to Develop & Present Plan for Approval to Commissioners as part of fiscal year 2023-2024 recommended budget ✓

Comprehensive Capital Planning

Burke County's Comprehensive Plan

Multi-Year Capital Improvement Plan

- A formal 5-year plan which identifies capital project and equipment needs, provides a planning schedule, and identifies options for funding the plan
- Funding, Debt Position & Policies
- Non-Major Operational Capital
- Major Capital & Building Stock

Board of Commissioners Operational Capital

Revenue Sources: - Prioritized in this order:

Grant Funds: The County continues to aggressively pursue state and federal grant funding and has been successful in many of these efforts.

Capital Reserve Funds: The proposed funding for Capital Reserve Funds is a dedicated tax rate of 1.1 cents or approximately \$1.2 MM annual re-occurring.

Pay-As-You-Go: Whenever possible, pay-as-you-go funding is the preferred method of funding CIP projects. For large capital projects, this is not a feasible option.

Debt Proceeds: Some major capital projects are best funded through bank or bond borrowings that provide for a longer term pay back. These debt service payments would be paid from our debt service fund – which is funded through the dedicated Capital Reserve Fund.

Comprehensive Capital Planning

Moody's INVESTORS SERVICE

ISSUER COMMENT
17 June 2023

Burke County, NC
Annual Comment on Burke County

Issuer Profile
Burke County is located in western North Carolina. The county seat of Hargett is approximately 50 miles northwest of Charlotte. The county has a population of 89,000 and a moderate population density of 178 people per square mile. The county's median family income is \$55,817 (5th quartile) and the April 2023 unemployment rate was 4% (3rd quartile). The largest industry sectors that drive the local economy are manufacturing, health services, and retail trade.

Credit Overview
Burke County has a very good credit position. Its Aaa rating is level with the US counties median of Aaa. The key credit factors include a robust financial position, small debt and pension liabilities, a considerable tax base, but a somewhat weak wealth and income profile.

Finances: The financial position of the county is very healthy. The cash balance as a percent of operating revenues (25.4%) is slightly below the US median, and remained stable between 2010 and 2020. Additionally, the fund balance as a percent of operating revenues (28.8%) is also slightly below the US median and stable.

Debt and Pensions: The debt and pension liabilities of Burke County are manageable overall and are a modest credit strength with respect to its Aaa rating position. The net debt-to-fund value (18%) is slightly above the US median, and remained stable from 2010 to 2020. Moreover, the Moody's indicated net pension liability to operating revenues (23.4%) is also slightly below the US median.

Growing and Tax Base: The economy and tax base of Burke County are satisfactory but the factor is relatively weak in comparison to the assigned rating of Aaa. The full value (27.2) is slightly below the US median, and grew moderately from 2010 to 2020. Furthermore, the full value per capita (27.5%) is below other through retail counties nationwide. Lastly, the median family income is only 22% of the US level.

Management and Governance: North Carolina counties have an institutional framework known as "tax" or "very strong" (strongly based on county's main revenue source, its highly predictable and stable. Counties have moderate revenue-raising ability, given the cap. However, all rated counties maintain single-headed under the cap. Furthermore, which are largely for personnel, are highly predictable and stable and counties have a high ability to reduce expenditures given modest, their cost burden and no collective bargaining costs.

- **Strengths**
 - Very strong credit position.
 - Robust financial position.
 - Light debt and pension burden with negligible liability.
 - Fund balance and Cash balance as percentages of operating revenues are in-line to slightly above the US median and other Moody's-rated counties.
 - Strong financial management.
- **Challenges**
 - Weak socioeconomic profile, relative to the assigned rating of Aa2.
 - Should consider formal financing and debt management policies.
 - Median family income is only \$55,817 (4th quartile) of the US level.

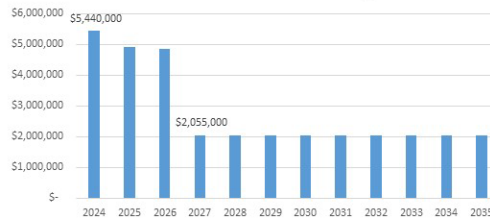
Fiscal Stewardship – Debt Portfolio



Debt Item	Amount	Payoff Date
County Jail	\$ 14,765,000.00	2037
Total County Debt	\$ 14,765,000.00	
Patton High School	\$ 4,365,000.00	2026
Draughn High School	\$ 4,215,000.00	2026
Mountain View Elementary	\$ 15,015,000.00	2038
Total School Debt	\$ 23,595,000.00	

Debt Principal is 5.6% of Annual Expenditures

Annual Debt Service Budget

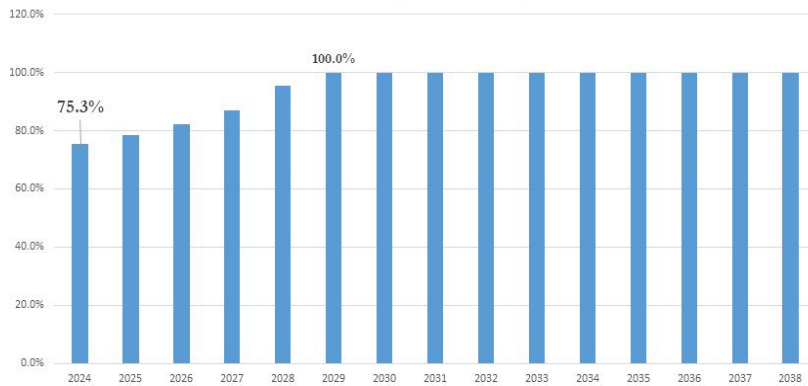


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Fiscal Stewardship -Ten Year Payout Policy



Ten Year Payout Percentage

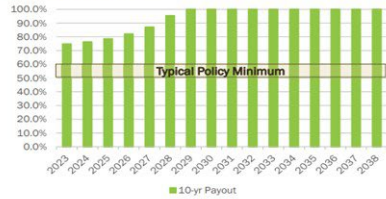


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Fiscal Stewardship -Ten Year Payout Policy

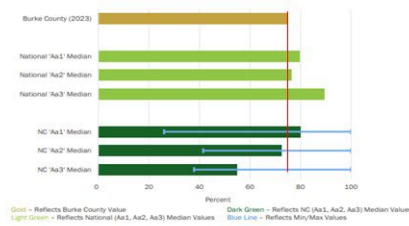


10-Year Payout Ratio



- Existing 10-year Payout Ratio
 - FY 2023: 74.8%
- The 10-Year Payout Ratio measures the amount of principal to be retired in the next 10 years.
- This ratio is an important metric that indicates whether or not a locality is back-loading its debt.
- If not already in place, the County may consider adopting a policy establishing a minimum 10-year payout ratio.

10-year Payout Ratio Peer Comparative



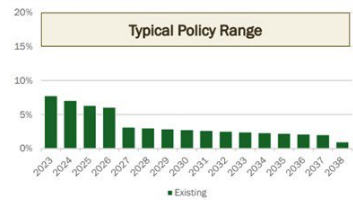
- Rating Considerations:
 - S&P: A payout ratio greater than 65% results in a one point positive qualitative adjustment to the Debt & Contingent Liabilities section of S&P's General Obligation rating methodology.

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Comprehensive Capital Planning

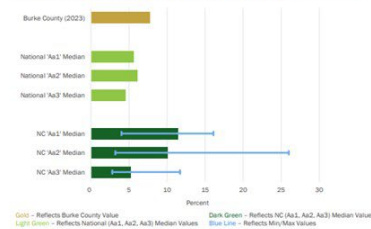


Debt Service vs. Governmental Expenditures



- Existing Debt Service vs. Expenditures
 - FY 2023: 7.74%
- Assumed Future Growth Rates
 - 2021 Adjusted Expenditures: \$88,617,570
 - 2022 & Beyond: 1.00%
- If not already in place, the County may consider adopting a policy establishing a maximum debt service vs. expenditures ratio.

Debt Service vs. Expenditures Peer Comparative



- Rating Considerations:
 - S&P: The Debt and Contingent Liabilities section defines categories of Net Direct Debt as a % of Total Governmental Funds Expenditures as follows:
 - Very Strong: <8%
 - Strong: 8% to 15%
 - Adequate: 15% - 25%
 - Weak: 25% - 35%
 - Very Weak: > 35%

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Non-Major Operational Capital

Board of Commissioners Operational Capital



Major Rolling Stock: Burke County staff annually evaluate the condition and utilization of the rolling stock fleet. As of January 2024, the County's fleet was comprised of 236 vehicles and the average miles were 76,209. The Burke County budget team has drafted a formal rolling stock replacement policy and a staggered replacement schedule to be included in the CIP plan moving forward. The policy, which will include an annual evaluation of each vehicle's condition and mileage, would be the predictive data analytic – which assumes mechanical and safety standards remain above level 3 on the County's condition rating scale. (1 = bad / 5 = good).

FY 24-25 will be the second budget year of a 5-year capital lease obligation that provides for the replacement of five (5) ambulances – which anticipate delivery in Q2 of 2024. The EMS department has a total fleet of 16 ambulances and utilizes 9 per shift – many of the existing fleets have more than 250,000 miles and are end of life. The total lease amount is \$2,113,780 - \$422,756 payable over a five (5) year period. Other rolling stock such as Quick Response Vehicles (QRV) will be funded annually on a pay-as-you-go basis – the FY 24-25 budget will include one (1) QRVs at an estimated total cost of \$150,000. The prior year budget replaced three (3) QRVs at a cost of \$230,000.

The annual appropriation to the Sheriff's Office, based on prior year experiences and predictive analytics on replace vs. repair indicates a needed total cost for FY 24-25 is to be approximately \$850,000 – up (10%) from \$774,000 in the prior year. Sheriff rolling stock is funded pay-as-you-go inside the Sheriff's department budget. Approximately 57% of the total fleet is operated by either the Sheriff's office or Emergency Services departments. Other rolling stock investments include replacement of several other departmental use vehicles.

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Board of Commissioners Operational Capital



General Fund:

Foothills (FHEC) Roof Replacements: Included in the five (5) year plan is \$1.2MM for a complete roof replacement.

Computer & PC Replacement: The 2024-2025 CIP plan includes a centralized scale replacement of employees' individual devices. The planned budget amount of approximately \$274,000 will be managed through the I.T. department.

Public Safety Radios Plan: This five (5) year replacement strategy allocates approximately \$1,060,000 over five (5) budget periods to replace the County's public safety radios.

- FY 23-24.....\$645,000
- FY 24-25.....\$605,000*
- FY 25-26.....\$205,000

*Includes Technology Credit of \$400,000

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Out-Year General Fund Operational Capital



GOVERNMENTAL ACTIVITIES OUT-YEAR NON-MAJOR

Project	Total Project Cost	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5 YEAR TOTAL
Clerk and Governing Board Facility Projects		-	-	25,000	25,000	25,000	-	75,000
ROD Insulation		-	-	85,000	85,000	-	-	170,000
Migrate Servers from Hyperflex to Scale environment	250,000	125,000	125,000	-	-	-	-	250,000
Jail network and wifi	50,000	15,000	15,000	15,000	5,000	-	-	50,000
Services building network replacement	80,000	20,000	20,000	20,000	20,000	-	-	80,000
BCECC network replacement, audio network, wifi	150,000	50,000	50,000	50,000	-	-	-	150,000
Other operational system upgrades - see detail tab	648,000	-	227,500	302,500	93,000	25,000	-	648,000
FHEC - Roof Replacement	1,200,000	-	225,000	225,000	250,000	250,000	250,000	1,200,000
New EMS Base - Location TBD	625,000	-	-	125,000	250,000	-	250,000	625,000
Cooperative Extension - General Capital	80,000	-	15,000	30,000	15,000	-	-	80,000
I/T Strategic Plan	125,000	62,500	62,500	-	-	-	-	125,000
Organizational Wide Public Safety Mobile Radio Replacement 212	1,025,000	645,000	205,000	205,000	-	-	-	1,055,000
Field 3 lights at Reep park	180,000	90,000	90,000	-	-	-	-	180,000
Painting of parking lots at steep and simpson	70,000	25,000	25,000	20,000	-	-	-	70,000
replace two 20 year kubota mowers	55,000	27,500	27,500	-	-	-	-	55,000
	\$ 4,538,000	\$ 1,060,000	\$ 1,087,500	\$ 1,012,500	\$ 633,000	\$ 275,000	\$ 500,000	\$ 4,488,000

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Board of Commissioners Operational Capital



Water/Sewer Fund:

Meter Replacement Project: Included in the five (5) year plan is \$685,000 for 100% meter replacement. \$200,000 is grant funded.

Solid Waste Fund:

Roll-Off Truck Replacement: Included in the five (5) year plan is \$110,000 (reoccurring) for roll off truck replacement every other year.

Collection Site Offices: Included in the five (5) year plan is \$80,000 for three (3) years to upfit remaining collection site offices and bathrooms.

Compacted Cardboard Recycling: Included in the five (5) year plan is \$125,000 for two (2) years to provide 2-3-yard cardboard compactors at all sites.

Scale Replacement: Included in the five (5) year plan is \$100,000 for two (2) years for scale replacement.

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Board of Commissioners Operational Capital



WATER/SEWER ACTIVITIES OUT-YEAR NON-MAJOR

Project	Total Project Cost	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5 YEAR TOTAL
Water Meter Mechanics replacement - ALL	485,000	320,000	305,000	-	-	-	-	625,000
Creek Bank Stabilization	120,000	120,000	-	-	-	-	-	120,000
	\$ 605,000	\$ 440,000	\$ 305,000	\$ -	\$ -	\$ -	\$ -	\$ 745,000

SOLID WASTE ACTIVITIES OUT-YEAR NON-MAJOR

Project	Total Project Cost	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	TOTAL
Roll Off Truck Purchase	\$ 620,000	\$ 110,000	\$ 110,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 620,000
New Scale Replacement	200,000	-	100,000	100,000	-	-	-	300,000
New Compactor	925,000	-	-	-	300,000	300,000	325,000	925,000
Cardboard Compactors	250,000	-	125,000	125,000	-	-	-	250,000
Collection Site Offices	240,000	-	80,000	80,000	80,000	-	-	240,000
	\$ 2,235,000	\$ 110,000	\$ 415,000	\$ 405,000	\$ 480,000	\$ 400,000	\$ 425,000	\$ 2,235,000
Total Multi-Year Capital	\$ 7,378,000	\$ 1,610,000	\$ 1,807,500	\$ 1,417,500	\$ 1,113,000	\$ 675,000	\$ 925,000	\$ 7,468,000

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Major Projects & Building Stock

Capital Assessment



FACILITIES ASSESSMENT PROCESS & NEEDS:

Building Condition Analysis 1-5 (where 1 is poor)

1. Structural
2. Interior Construction
3. Electrical System
4. Mechanical Systems
5. Plumbing Systems
6. Security Systems

Burke County Space Needs Assessment and Master Plan
General Facility Assessment
Address: 300 Avery Street, Morganton, NC
Date of Observation: 2/16/2022

Mechanical System 1				Overall Condition Rating: 4	
Basic System Type	Water Source Heat Pump	Controls	Thermostats		
Unit Type	Vertical Recession	Refrigerant Type	R22		
Notes	Unit A/C Units	System age	Could not verify		
Unit Source	Gas Fire HW boiler	Pumps	HW and CW pumps		
Control Tower	HW Chilled loop				

General comments: The WSP's age could not be determined but appear to be at the end of their service life. These units utilize R22 refrigerant that is no longer manufactured. The boiler and cooling tower age is also unknown. The boiler is aged as are associated HW pumps.

Mechanical System 2				Overall Condition Rating: 3	
Basic System Type	Boat Top Units (RTU) (Center)	Controls	Thermostats		
Unit Type	RTU	Refrigerant Type	R410A		
Notes		System age	2 years old (2019)		
Unit Source	Gas Fire Heat in RTU's				

General comments: RTU's were installed approximately 7 years ago and have approximately 8 years of service remaining.

Mechanical System 3				Overall Condition Rating: 3	
Basic System Type	Split System Air Handling Units	Controls	Thermostats		
Unit Type	Split	Refrigerant Type	R22		
Notes		System age	10 years		
Unit Source	Electric Heat	Exhaust	Yes		
Smoke Control	None				

General comments: The split system AHU's are at the end of their service life utilize R22 refrigerant that is no longer manufactured.

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Capital Assessment



Facilities Evaluated During Space Needs Assessment

Building	Location	City	Rating	Sq. Ft.	Yr. Built
Animal Shelter	425 Kirksey Drive	Morganton	1.00	4,000	1980
EMS Station #1: Hospital	2201 S Sterling Street	Morganton	1.00	5,000	1975
Landfill - Transfer Station	2500 Marsh Trail	Morganton	1.40	12,500	1997
Avery Building	200 Avery Avenue	Morganton	2.13	28,700	1923
Sheriff's Office (Sheriff side only)	150 Government Drive	Morganton	2.14	11,500	1993
Burke-Catawba District Confinement Facility (Old Jail)	148 Government Drive	Morganton	2.14	48,500	1993
Human Resources Center (HRC)	700 East Parker Road	Morganton	2.42	56,500	1979
EMS Station #2: Rutherford College (Hospital Owns Property)	90 Campus Street	Rutherford College	2.50	1,900	1975
Hildebran Building (Water & Sewer Office)	101 Main Ave West	Hildebran	2.58	7,100	1964/2016
Courthouse	201 South Green Street	Morganton	2.60	55,000	1974
EMS Station #4: Hildebran	705 US Highway 70W	Hildebran	2.83	2,200	2002
Landfill - Office/Garage	2500 Marsh Trail	Morganton	3.00	5,000	1988
Morganton Library	204 South King Street	Morganton	3.00	16,800	1995/2004
Morganton Senior Center	501 North Green Street	Morganton	3.00	17,600	1984
Burke Agricultural Building	130 Ammons Drive	Morganton	3.50	14,000	2002
Burke Services Building	110 North Green Street	Morganton	3.83	24,000	1954/2000
Valdese Library (Share Ownership with Valdese)	213 St. Germain Avenue	Valdese	3.83	9,000	1943/2004
Foothills Higher Education	2128 South Sterling Street	Morganton	4.00	130,000	1980/2004

*Building Condition Rating Scale 1 thru 5 where 1 is poor condition and 5 is new or excellent condition

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Board of Commissioners - Priorities



Mid Term:

- Health and Human Services Building
- Animal Services Building
- Emergency Medical Services Base #1
- Regional Substance Abuse Rehabilitation Center
- Fonta Flora Trail Boardwalk at Linville Dam
- Fonta Flora Trail Eagles Nest Overlook and ADA pocket park

Short Term:

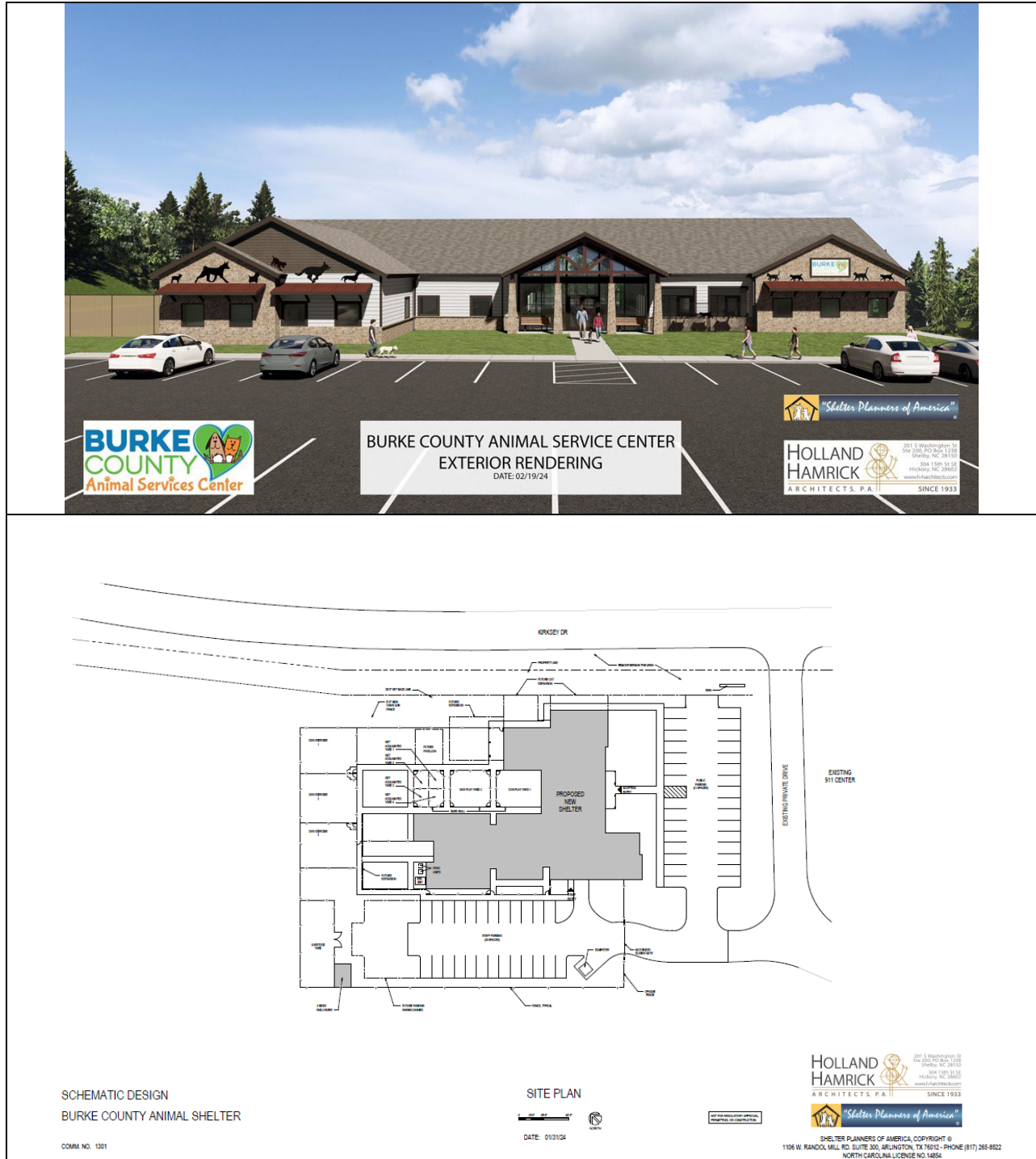
- Jonas Ridge Phase I & II
- East Burke Collection Site
- Indian Hills Pump Station
- Courthouse Improvements
- Storage Management Policies

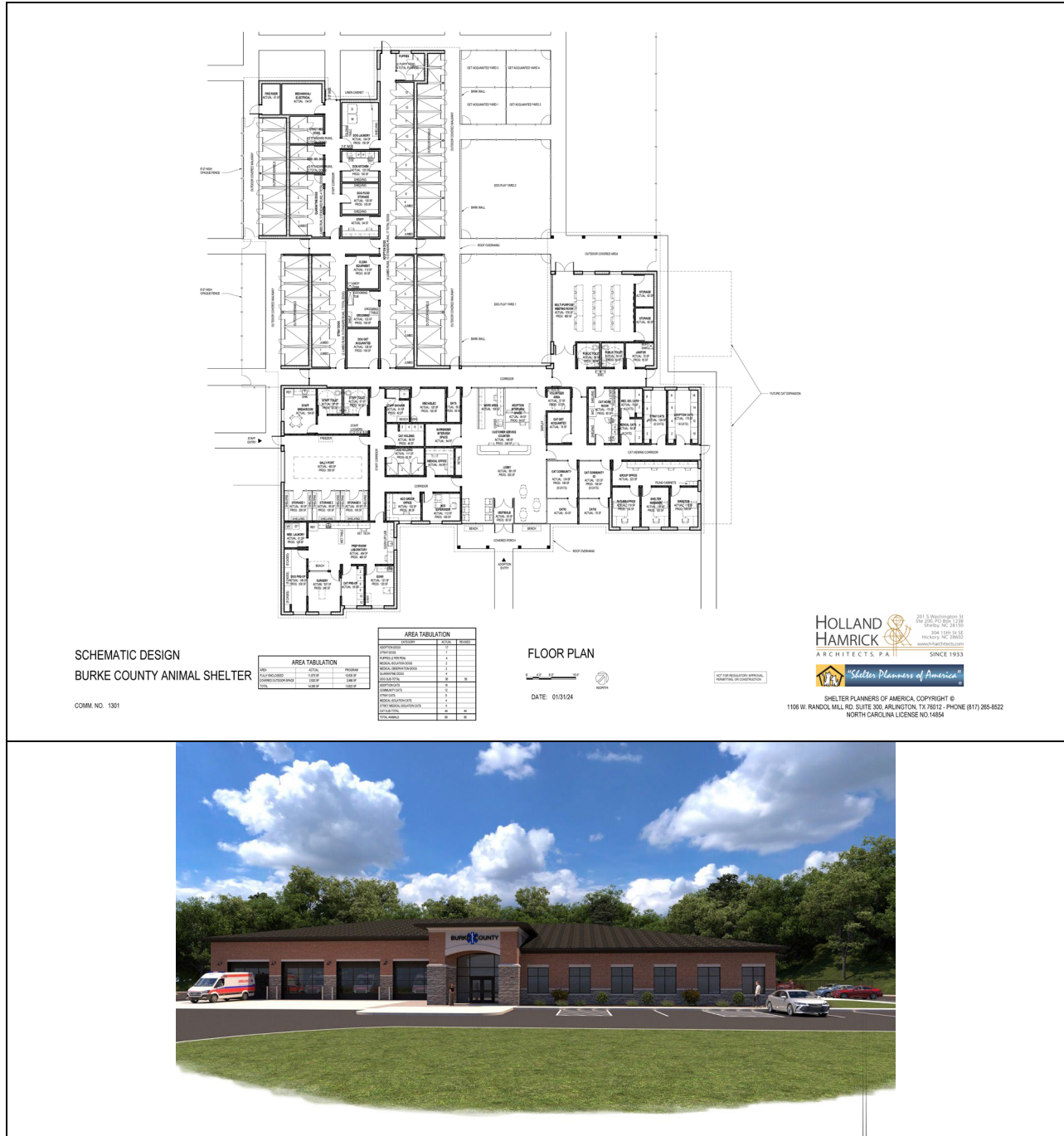
Long Term:

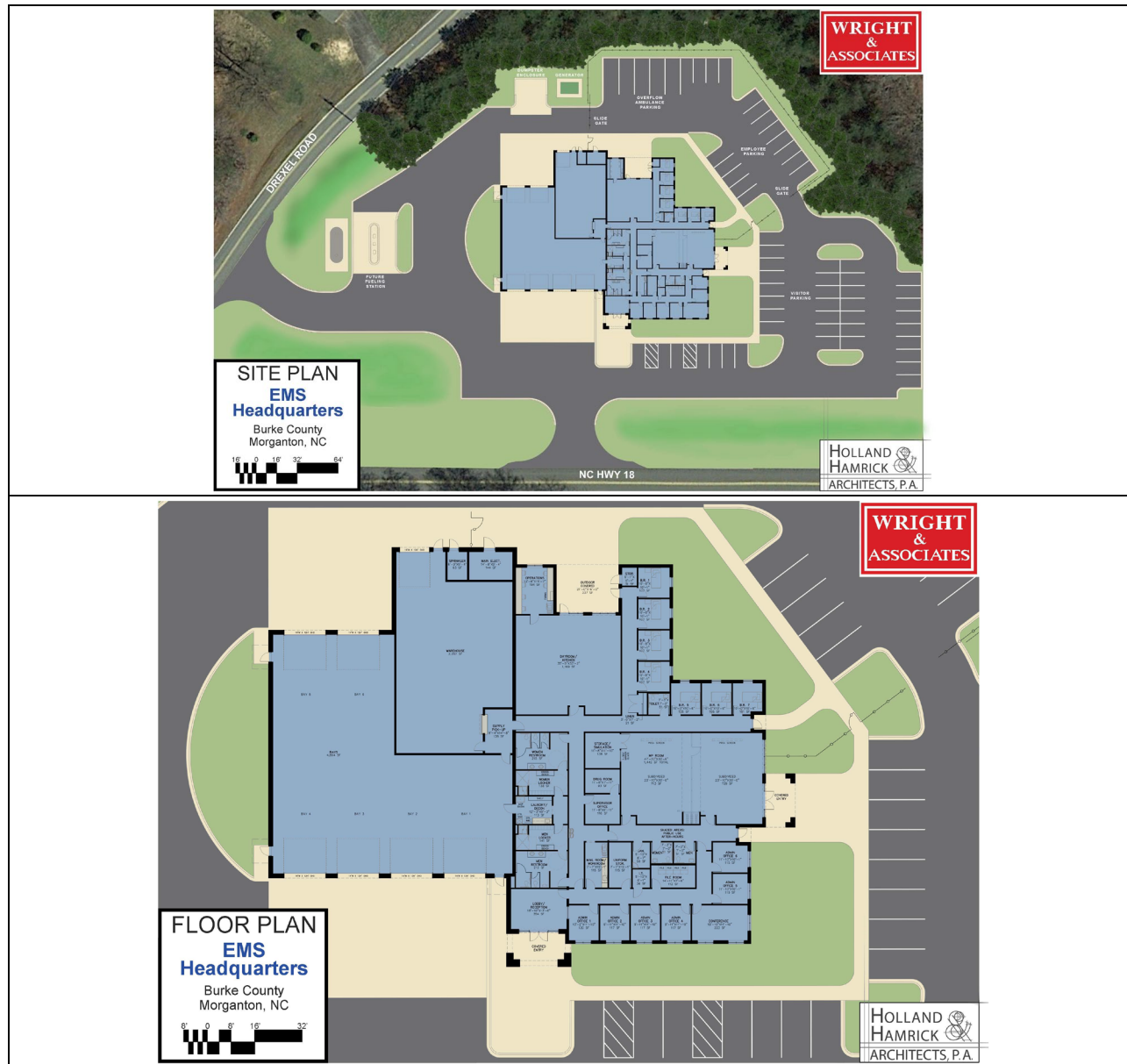
- Library Expansion
- Solid Waste MSW Development
- Water/Sewer Infrastructure
- EMS Base Additions
- Courthouse Replacement

25

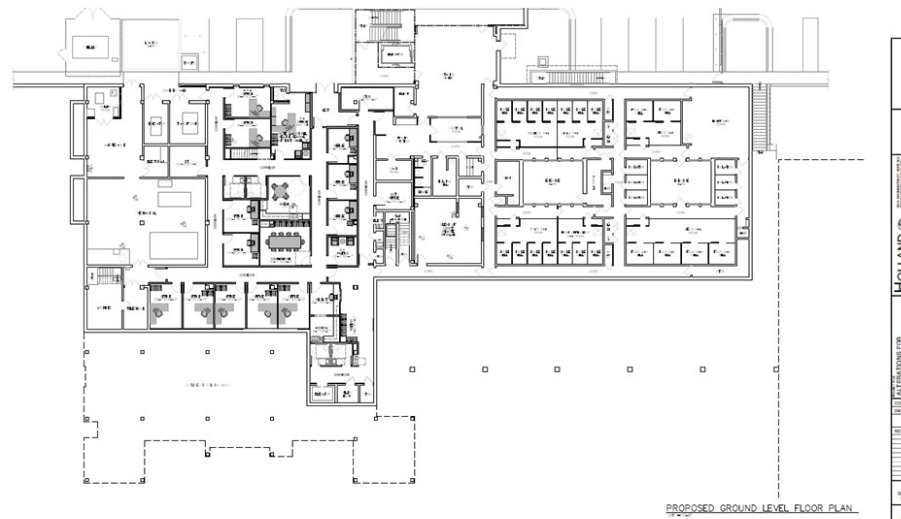
At this point in the presentation, Mr. Epley introduced Greg Melton, Holland and Hamrick Architects, who presented an update about ongoing or future capital improvement projects including the site plans and floor plans:



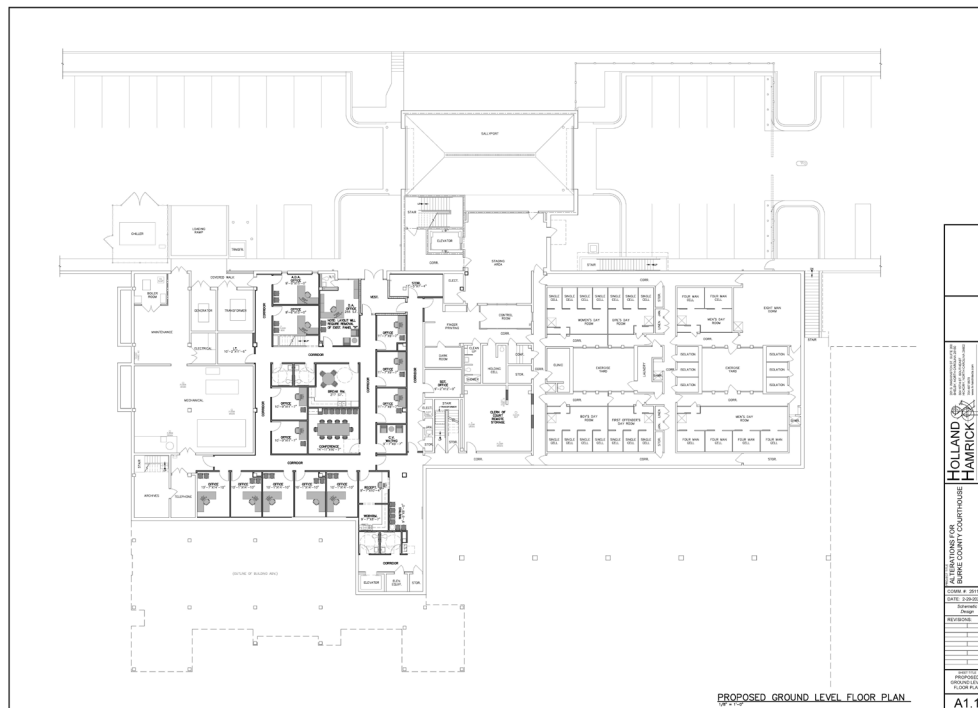


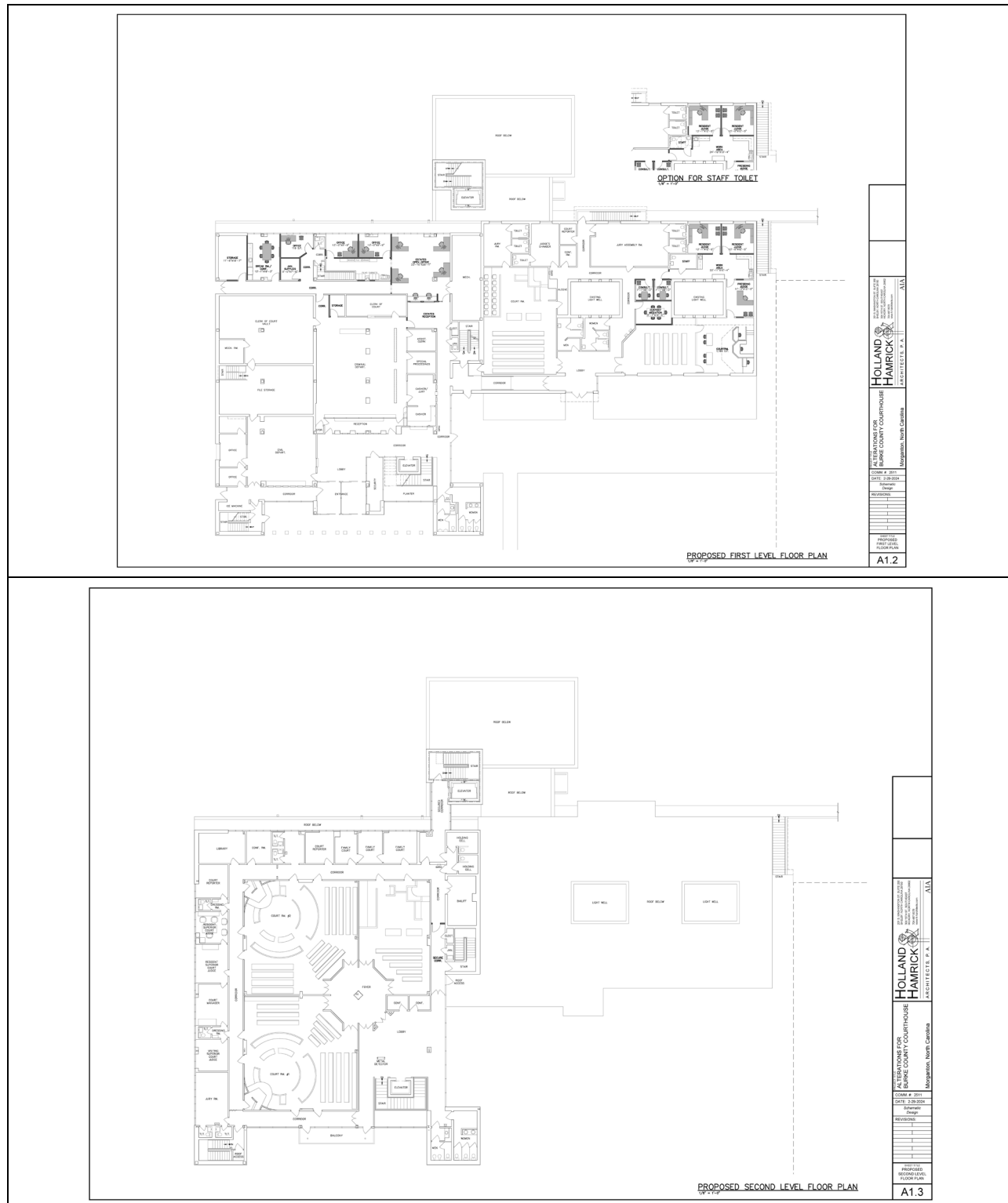


Burke County Courthouse Improvement Project



Courthouse Floor Plan – Ground Level







Chairman Brittain opened the floor for questions or comments. This portion of the discussion primarily centered around the planning and details of the new animal shelter, with various Commissioners seeking clarifications on different aspects of the construction and functionality of the facility, although Commissioner Burns and Commissioner Carswell inquired into some specifications on the design for the courthouse as well. Mr. Melton responded to these queries and provided detailed explanations, including the layout of the medical facility on-site and the materials being used for the floors. The discussion also covered topics such as air quality considerations, maximum occupancy for animals, air filtration systems, parking capacity, and dimensions of the sally port for the animal services vehicles. Vice Chairman Mulwee also raised questions regarding the revision process of the plan. Mr. Melton addressed revisions to the plan and highlighted that the county had made priority calls based on available space and budget. Mr. Epley provided insights into the consultation process with a national-level consultant who reviewed ordinances, operating procedures as well as the new shelter design. Additionally, there were inquiries about provisions for large animals, quarantine spaces, lighting plans, office spacing for staff, and soundproofing materials.

Then the discussion turned to the new EMS base, covering various logistical aspects and facility features. Commissioner Carswell sought clarification on geographical layout and future fueling station placements. Commissioner Burns inquired about drive-through bays and warehouse entrance types, with Mr. Melton providing explanations. The conversation delved into challenges with current EMS base setups and the proposed warehouse space allowing for bulk purchasing at the new base. Operational complexities, such as restocking ambulances, were highlighted by Mr. Epley. Commissioner Carswell also inquired about signage needs and construction materials. Chairman Brittain raised concerns about exit tightness, while Commissioner Burns queried

recreational facilities for staff. Mr. Melton mentioned the presence of a covered outdoor area for relaxation.

Finally, the conversation reverted to the courthouse renovation project. Commissioner Burns raised concerns regarding the renovation plans for the courthouse, particularly focusing on the preservation of columns and the lack of weatherproof roofing in certain areas. Mr. Melton clarified that the columns would remain intact, and while weatherproof roofing was not planned for certain areas, there was consideration for potential water drainage issues. Commissioner Carswell inquired about work in the old jail portion, to which it was clarified that no construction was planned, but the space would be repurposed for storage. Questions were raised about walls being demolished, HVAC units, parking area changes, plumbing, and electrical updates. Mr. Epley explained that the renovation aimed to extend the building's lifespan, with potential for future expansion. The discussion also touched on inmate transportation logistics and the sustainability of the renovation plans in the long term. There being nothing further, Chairman Brittain moved on to the next agenda item.

RESULT: NO ACTION TAKEN.

CM - PUBLIC SAFETY PERFORMANCE UPDATE

Information from the agenda packet: At the 2023 Budget Retreat, the Board selected Public Safety as one of the County's top five priority focus areas. An analysis of the crucial aspects of public safety performance metrics that play a vital role in ensuring effective emergency response and law enforcement services will be presented. By employing data-driven decision-making, fostering collaboration among stakeholders, and implementing continuous improvement strategies in optimizing public safety performance, the County aims to facilitate informed discussions and actions aimed at enhancing overall public safety outcomes within our community.

Hugh Sandoe, Budget Strategy and Performance Analyst, presented key metrics on public safety performance, highlights of which were as follows:

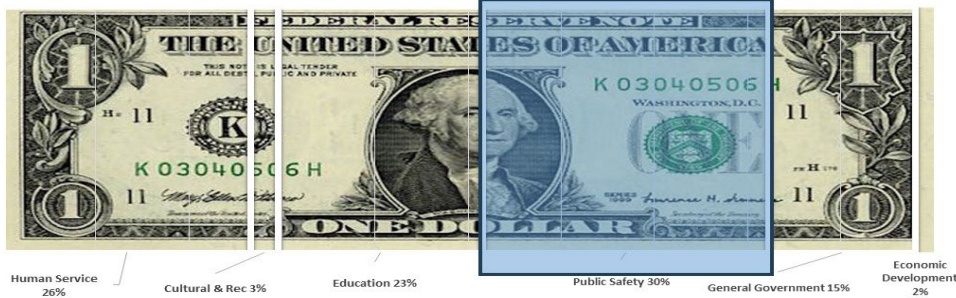


BURKECOUNTY
ALL ABOUT ADVANCING
Public Safety Performance



BURKECOUNTY
ALL ABOUT ADVANCING

- FOCUS AREA 1: COMMUNITY ADVANCEMENT**
To invest in cultural capital and advancement strategies that promote participative governance that elevates a community to live, work and play – while also positioning Burke County as a community of choice.
- FOCUS AREA 2: ECONOMIC GROWTH & SUSTAINMENT**
Promotion of Burke County as a business and economic center in the region through recruitment of new industry, creating a healthy business climate for existing businesses.
- FOCUS AREA 3: PUBLIC SAFETY & WELL BEING**
To ensure the safety of our residents through efficient and effective public safety agencies.
- FOCUS AREA 4: FISCAL STEWARDSHIP**
Pursuit of the high-performing organization model that ensures high quality, transparent and efficient use of public resources.
- FOCUS AREA 5: EMPLOYER OF CHOICE**
To promote a professional value-based employee-centric workplace that promotes innovation, performance, and integrity, and differentiation.



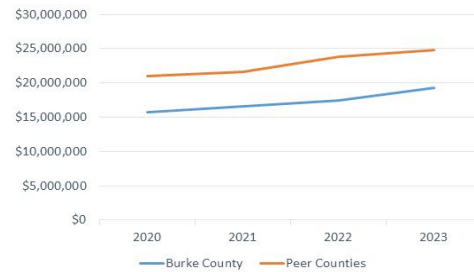
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Departments



	Total FTE
Sheriff & Detention	162
Emergency Medical Services	81
911 Communications	38
Emergency Management Fire Marshal	4
Total	285

Public Safety Funding



4

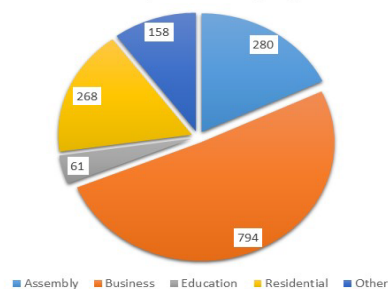
Fire Marshal/ EM

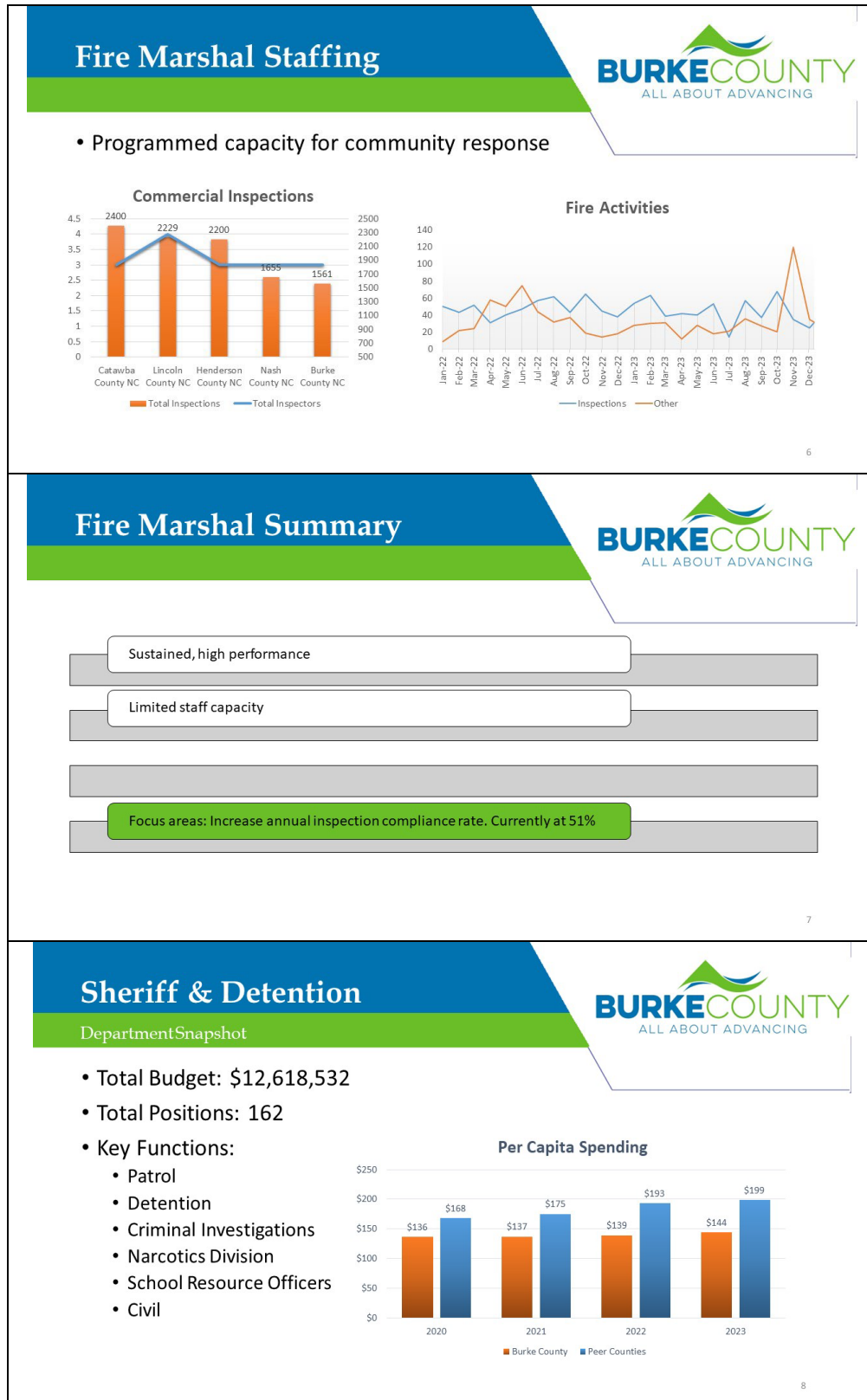
Department Snapshot

- Total Budget: \$406,106
- Total Positions: 4
- Key Functions:
 - Fire Inspections
 - Emergency Management Planning
 - Volunteer Fire Department Coordination
 - Incident Management
 - Search and Rescue

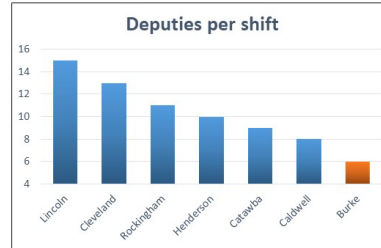
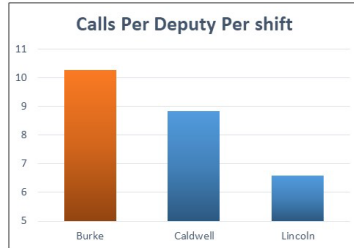


Fire Inspections by Type





Patrol Staffing

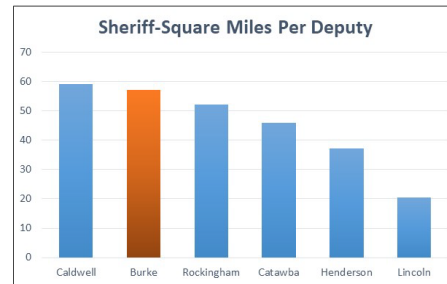
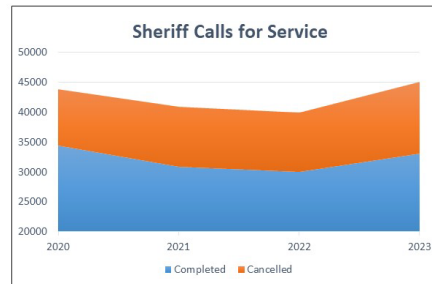


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Patrol Workload

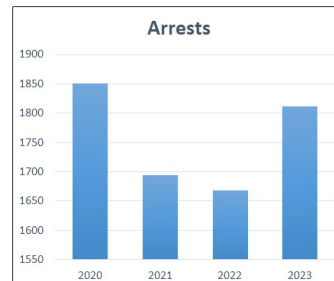
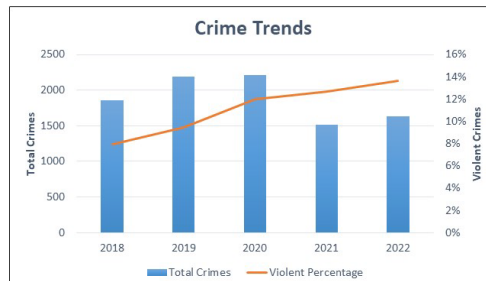


- Average of 123 calls per day

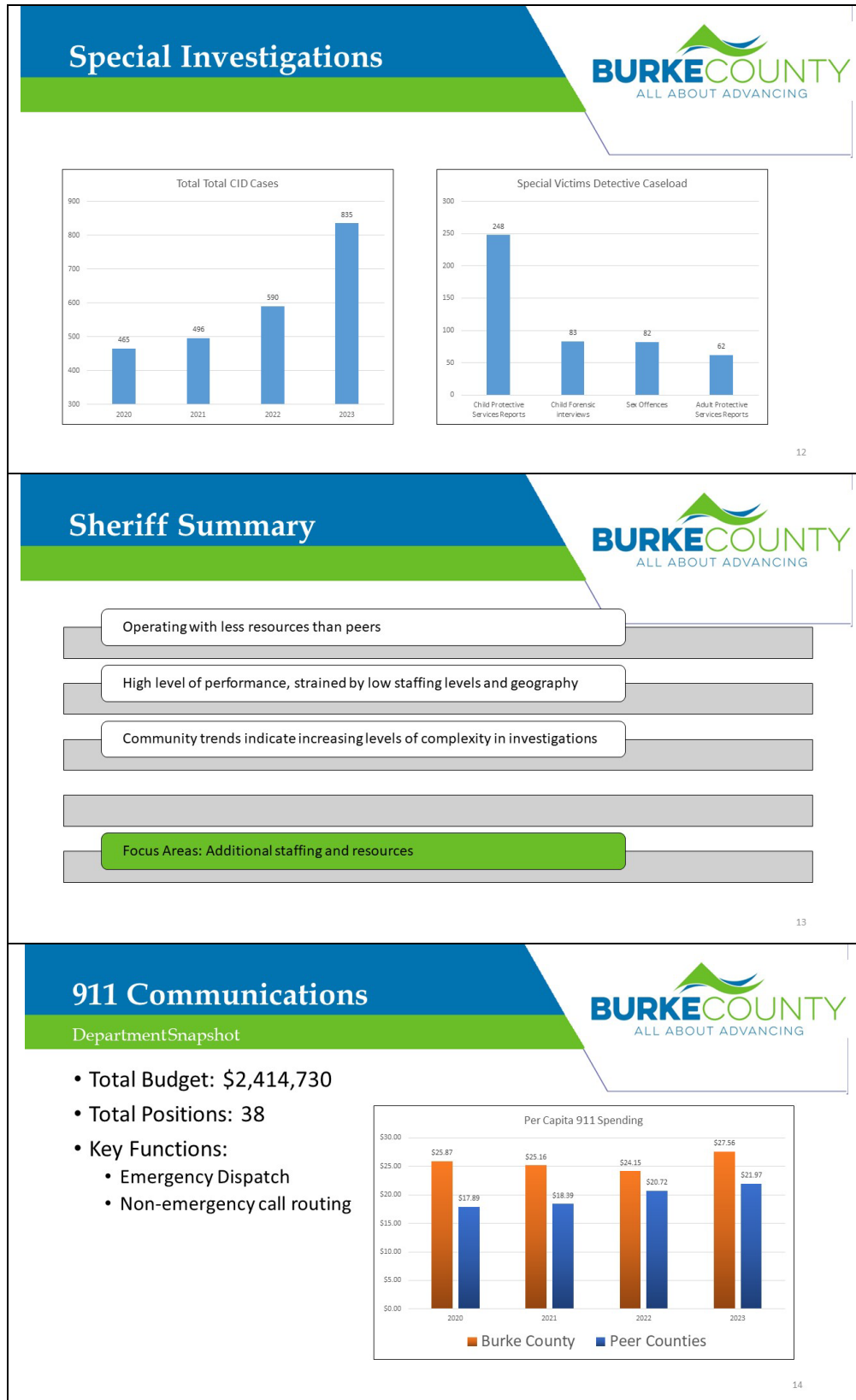


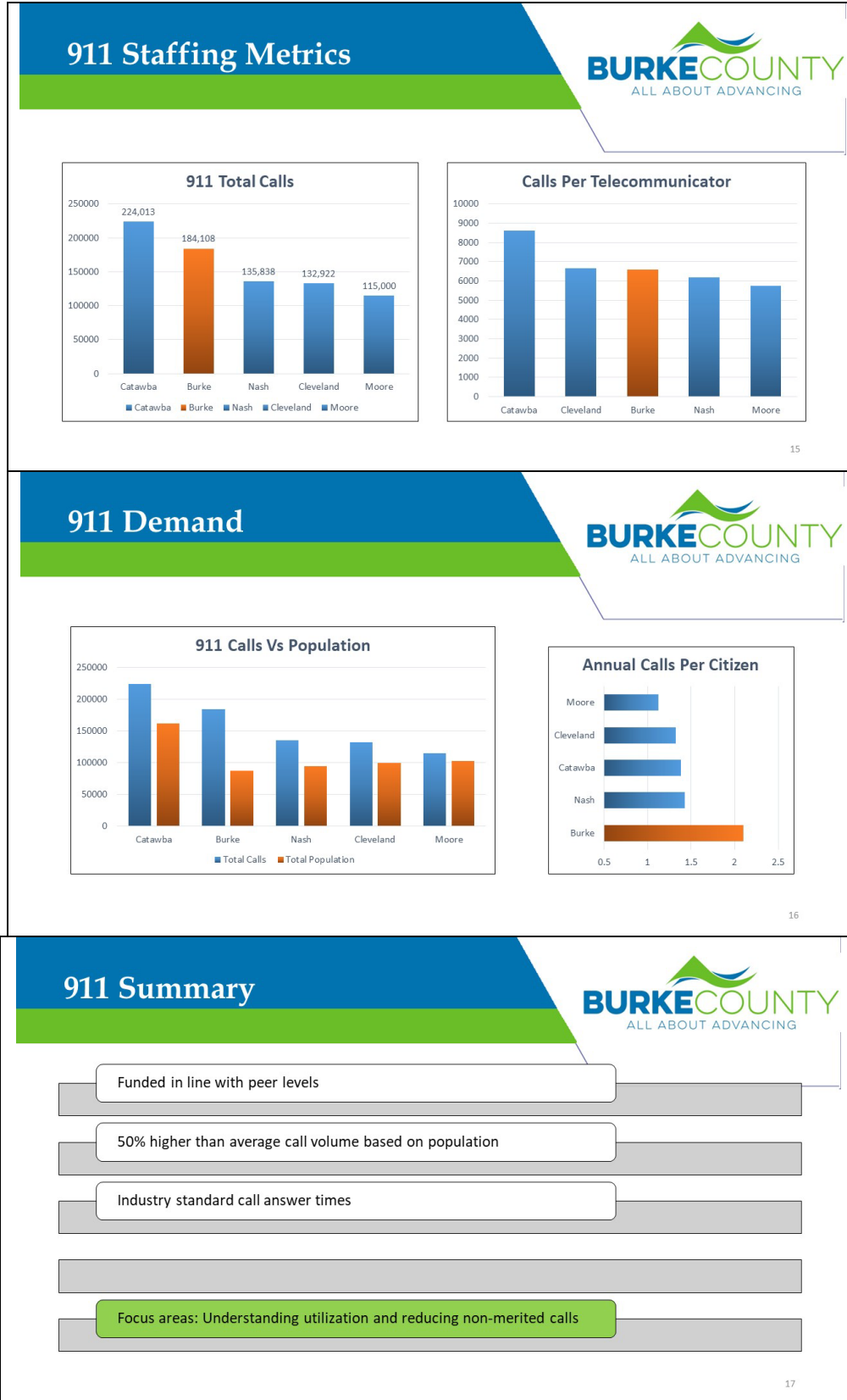
10

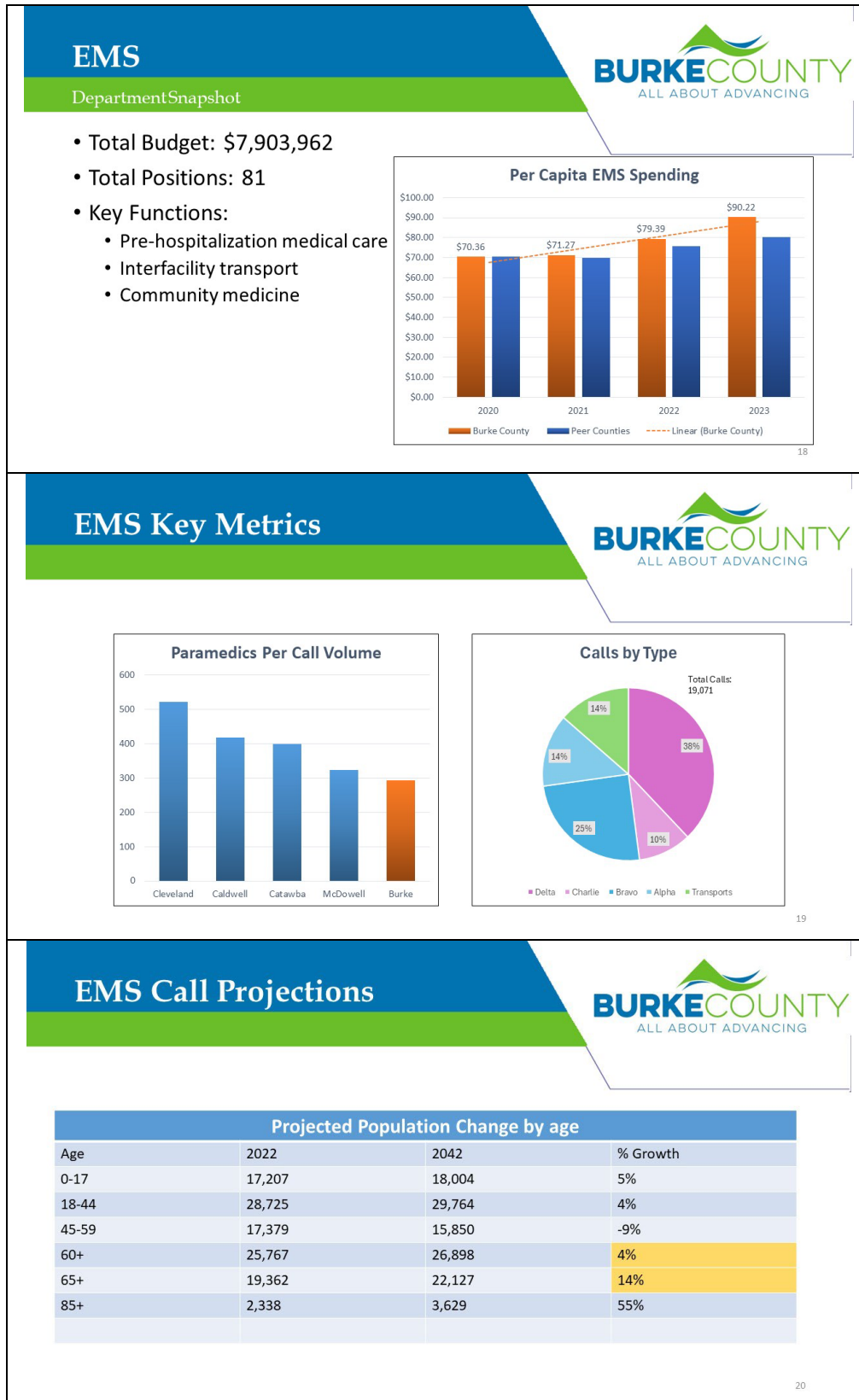
Crime Trends

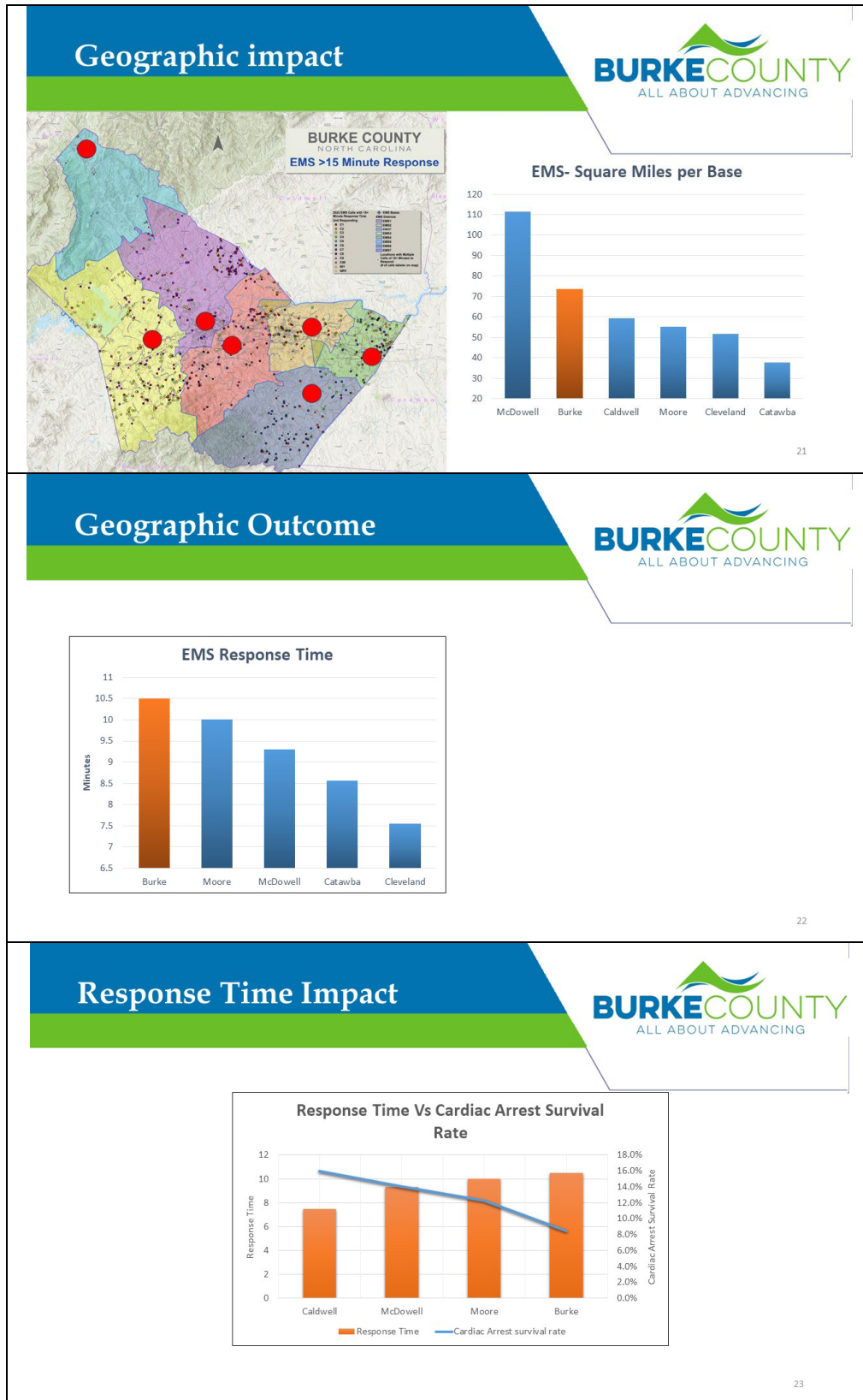


11











Next Steps



- Short-term:
 - Develop key performance indicators and discuss improvement strategies

- Mid-term recommendation:
 - Engage external public safety consultant to conduct long term public safety performance improvement plan

Chairman Brittain opened the floor for questions or comments. Commissioner Burns advocated for more EMS stations and inquired about ongoing studies to improve response times. Questions arose about the correlation between response times and survivability data, as well as the potential execution of plans to achieve a 6-minute response time. Mr. Epley emphasized strategic station placement and efficient resource management. Chairman Brittain highlighted staffing challenges impacting response availability. Mr. Epley discussed community medicine as a proactive solution and stressed the need for a public safety-oriented approach rather than seeing each department as individual units. Jason Black, EMS Director, recommended a tiered system for priority calls and highlighted challenges with shift flexibility and staffing shortages. Mr. Sandoe emphasized the importance of optimizing resources amid declining interest in public safety careers.

RESULT: NO ACTION TAKEN.

RECESS OF MEETING

The Board took a break at 2:02 p.m. and the meeting resumed at 2:16 p.m.

CM - PAY & CLASSIFICATION STUDY

Information from the agenda packet: On April 19, 2023, Burke County issued a request for proposals from qualified consulting firms to conduct a thorough examination of the County's classification and compensation framework, incorporating an internal equity assessment of employee salaries. The deadline for responses was set for May 19, 2023. Following this, during the June 20, 2023, regular meeting, the Board unanimously voted 5/0 to authorize the County Manager to execute an engagement letter with Baker Tilly US, LLP for a comprehensive review and analysis of the County's classification and compensation system, effective July 1, 2023.

Sarah Towne is a Consulting Manager at Baker Tilly with a background in higher education, local government, and human resources management. Before joining Baker Tilly, Sarah was on the faculty for the MPA program at the University of North Carolina's School of Government. She earned a Master of Public Administration from Appalachian State University and did her doctorate work in Public Administration at American University in Washington, DC. Sarah is a Certified Compensation Analyst (CCA).

Brian Epley, County Manager, presented a brief historical overview of the Pay & Classification Study, highlights of which were as follows:



Baker Tilly

- Headquartered in Chicago, IL
- Baker Tilly has existed for more than 90 years, and local governments were some of our first clients
- 85+ years of industry specialization

Public Sector

- 650+ specialized government professionals
- Serving 4,200+ government clients

Public Sector Advisory

- Human Capital**
 - Classification and Compensation
 - Executive Recruitment
 - Executive Coaching
 - Succession Planning
 - Performance Management
- Management Consulting**
 - Strategic Workforce Planning
 - Executive Coaching
 - Process Improvement
 - Risk Advisory
 - Internal Audit
- Operational Finance and Fiscal Planning**
 - Capital Improvement
 - Budgeting and Financial Management
 - Fiscal Impact Analysis
 - User Fee Studies
- Economic Development**
 - Incentive Capacity Analysis
 - Development Strategy
 - Statutory Compliance
 - Public Private Partnership (P3)

Assumes July Start

Project Timeline

The timeline consists of five main stages in blue boxes: July - August (Project Initiation), August - October (Position Review, Market Assessment), October - November (Pay Plan + Implementation Calculations), November (Project Review & Complete), and March 2024 Work Session (1. Project Review, 2. Fiscal Impacts, 3. Strategy Options). Arrows indicate the flow from one stage to the next.

At this point in the presentation, Mr. Epley handed the floor over to Sarah Towne, Baker Tilly, to present the results of the Pay & Classification Study. Highlights of her presentation were as follows:

Classification and Compensation Study

- Project Timeline and Methodology
- Project Results
 - Internal Equity = Job Evaluation
 - External Equity = Market Study
- Pay Plan Development
- Recommendations

Project Timeline

The timeline consists of four main stages in light blue boxes: July - August (Data Collection), September-November (Market Assessment, Position Review), December-January (Pay Plan Development + Implementation Calculations, FLSA Review), and February-March (Job Descriptions, Project Completion). An image of a plant growing in a jar of coins is shown on the right.

Methodology Project Overview

COMPLETE

- Data Collection:** project planning, meetings to discuss goals for the study and current challenges experienced by existing classification and compensation plan, data collected from the County.
- Position Review:** Position Analysis Questionnaires (PAQ) used to review titles and make recommendations for changes, as necessary, SAFE job evaluation conducted to establish internal equity.
- Market Assessment:** collection of base pay and benefits information from peer organizations.
- Pay Plan Development:** pay plan development, grade assignments, and implementation calculations.

IN PROGRESS

- Project Completion:** final report, Board presentation, project documentation delivery, and training for staff.

Methodology Project Overview

Project Initiation

- Planning meetings with County project team (Manager, Finance, HR) to establish goals and working relationships

Data collection

- Pay structures
- Policy handbook
- Job descriptions
- Organization charts
- Union or collective bargaining contracts
- Census file (names, salaries, hire dates, etc.)

Leadership and Employee presentations

- Onsite presentations and 1:1 with Department heads (July 2023)

Position Analysis Questionnaires (PAQs) to be completed for all position titles included in the study.

- The PAQ is an online questionnaire distributed to all employees and routed directly to supervisors for review upon submission.

Methodology Project Overview

Position Review

- Using PAQs, we reviewed titles and will make recommendations for adjustments, as necessary
- We conducted job evaluation using our point factor tool, called SAFE®. This process will establish a hierarchy of jobs within the County that is reflective of internal equity.
 - This is a measurement of the position, NOT the person in the position.
- The 9 compensable factors:

1. Education	6. Working Conditions
2. Experience	7. Independence of Actions
3. Level of Work	8. Impact on the Organization
4. Human Interaction	9. Supervision Exercised
5. Physical Demands	
- Additionally, we reviewed exempt/non-exempt designations for each position based on guidelines within the Fair Labor Standards Act (FLSA).

Methodology Project Overview

Market Assessment

- We partnered with the County to identify comparable and competitive peer organizations to include in the study. These are organizations that look like you and work like you relative to size (revenue, population served, or number of employees), service offerings, geography, growth, etc. Published salary survey data will be incorporated as a private sector comparison.
 - Started by asking Department Heads to cultivate a list of peer organizations, final list was discussed and approved by ELT.
- A summary of work + minimum qualifications will be included for each benchmark position to assist peers in providing an appropriate match.
- Some adjustments were made to collected data to account for differences in work week, fiscal year, and geographic labor cost. We do not weight the data.
- Results were analyzed for quality control: reports demonstrating market averages and a comparison to the market will be prepared for your review.

Market Assessment: Peer Organizations

- The County identified 14 public peer organizations to be included in the study
- Data was collected or compiled from 14 of those, **shown in bold below**.
- Data from **3 published surveys** included to represent the "private sector"

- Buncombe County**
- Caldwell County**
- Catawba County**
- Cleveland County**
- Henderson County**
- Hickory, NC**
- Lincoln County**
- McDowell County**
- Moore County**
- Morganton, NC**

- 11. Nash County**
- 12. Rowan County**
- 13. Rutherford County**
- 14. North Carolina State Depts**
- 15. Comp Analyst**
- 16. Economic Research Institute**
- 17. Bureau of Labor Statistics**

7

Market Assessment: Cost of Labor Differentials

Where cost of living is a measurement of goods and services in each area, the cost of labor is a measurement of compensation paid.

Cost of labor can be impacted by the cost of living but is mainly influenced by the supply and demand of labor in each area (rate of unemployment and number of qualified laborers).

Date Pulled	Client Name	Location	Geo Adjust	Client Avg Base
09.27.2023	Burke Co, NC	Morganton, NC	90.3	45,342
Peer #	Peer Organization	Locality Used	ERI Indicator	GeoDiff %
1	Buncombe County, North Carolina	Asheville, NC	91.0	-0.7%
2	Caldwell County, North Carolina	Lenoir, NC	90.3	0.0%
3	Catawba County, North Carolina	Newton, NC	91.1	-0.8%
4	Cleveland County, North Carolina	Shelby, NC	87.8	2.5%
5	Henderson County, North Carolina	Hendersonville, NC	90.7	-0.4%
6	Hickory, North Carolina	Hickory, NC	90.3	0.0%
7	Lincoln County, North Carolina	Lincolnton, NC	94.2	-3.9%
8	McDowell County, North Carolina	Marion, NC	85.5	4.8%
9	Moore County, North Carolina	Southern Pines, NC	87.6	2.7%
10	Morganton, North Carolina	Morganton, NC	90.3	0.0%
11	Nash County, North Carolina	Rocky Mount, NC	88.5	1.8%
12	Rowan County, North Carolina	Salisbury, NC	94.3	-4.0%
13	Rutherford County, North Carolina	Rutherfordton, NC	86.2	4.1%
14	North Carolina State Departments	North Carolina - State Average	92.4	-2.1%
15	Bureau of Labor Statistics	North Carolina - State Average	92.4	-2.1%
16	Comp Analyst	North Carolina - State Average	92.4	-2.1%
17	Economic Research Institute	North Carolina - State Average	92.4	-2.1%

Cost of labor differentials collected from Economic Research Institutes Geographic Assessor tool which utilizes figures published by the Bureau of Labor Statistics.

8

External Equity

Market Assessments: Results

- In total 204 positions were included in the market survey as benchmark positions.
- Of those, 8 had insufficient data (less than 3 matches).
 - Where positions are grouped together within the current pay plans or align based on the results of SAFE job evaluation, the same consideration was made for establishing grade assignments for those positions without market data.
- Overall, the study yielded market values for 96.1% of the County's benchmark positions. Results were shared with ELT in October 2023.
- Average minimum, midpoint, and maximum results were prepared for the 196 benchmarks with sufficient data.
 - These benchmarks had 7.69 matches on average.
 - About 29% of the benchmarks had 10 or more matches each.
- A comparison of current midpoints vs. the market average midpoint was also prepared. Additional market thresholds demonstrating 5% above and 5% below market were also prepared for consideration.
- On average, the County is **6.5% below market at the minimum**, **7.2% below market at the midpoint**, and **8.4% below market at the maximum**.

9

Methodology

Project Overview

Pay Plan Development

- Pay Plan:** Baker Tilly used your existing pay plan to make recommendations for adjustment and developed new pay plans that are tailored to the study's results.
- Grade assignments:** were determined based on existing equity (current grade groupings), internal equity (job evaluation) and external results (market midpoints). Next, positions were adjusted with respect to career progressions, supervisor-subordinate separation, and the County's future growth.
 - Conducted an on-site review with Department heads to gather feedback before finalizing grade assignments (January 2024).
- Implementation:** With finalized grade assignments, we prepared implementation calculations across 4 scenarios that will assist your organization in adopting the new classification and compensation system.



10

Pay Plan

Pay Plan Development

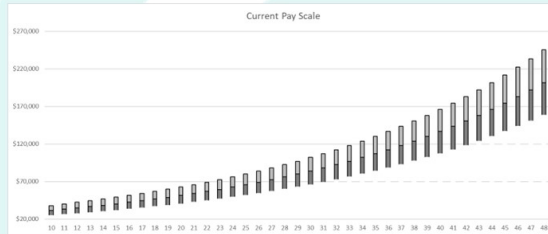
- Baker Tilly led discussions with the County's project team with regards to the number of pay plans, type of pay plans, and design of pay plans.
- Determination for the number of pay plans an organization needs may be influenced by the diversity of jobs, diversity in grading procedures, internal equity versus external competitiveness, and even your organizational culture.
- The County currently utilizes three pay structures (General, EMS & Detention, and Sheriff).
- Baker Tilly recommended the adoption of three pay plans:
 - General= 211 positions
 - EMS= 9 positions
 - Sheriff & Detention= 20 positions
- All pay plans were aligned to the midpoints at 105% of market (lead market compensation philosophy).

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Pay Plan Design

Current Pay Plan

GRADE	MINIMUM	MIDPOINT	MAXIMUM	Range Spread	Mid Diff
10	\$24,785	\$31,304	\$37,824	55%	6.0%
11	\$26,027	\$33,179	\$40,332	55%	5.0%
12	\$27,318	\$34,831	\$42,344	55%	5.0%
13	\$28,664	\$36,592	\$44,479	55%	5.0%
14	\$30,123	\$38,498	\$46,693	55%	5.0%
15	\$31,630	\$40,329	\$49,028	55%	5.0%
16	\$33,211	\$42,244	\$51,477	55%	5.0%
17	\$34,883	\$44,254	\$54,040	55%	5.0%
18	\$36,616	\$46,685	\$56,754	55%	5.0%
19	\$38,444	\$49,624	\$59,693	55%	5.0%
20	\$40,377	\$51,470	\$62,593	55%	5.0%
21	\$42,388	\$54,044	\$65,700	55%	5.0%
22	\$44,507	\$56,746	\$68,955	55%	5.0%
23	\$46,731	\$59,584	\$72,436	55%	5.0%
24	\$49,074	\$62,571	\$76,089	55%	5.0%
25	\$51,532	\$65,700	\$79,869	55%	5.0%
26	\$54,080	\$68,978	\$83,867	55%	5.0%
27	\$56,797	\$72,418	\$88,039	55%	5.0%
28	\$59,653	\$76,057	\$92,460	55%	5.0%
29	\$62,633	\$79,896	\$97,079	55%	5.0%
30	\$65,762	\$83,842	\$101,922	55%	5.0%
31	\$69,041	\$88,039	\$107,038	55%	5.0%
32	\$72,483	\$92,435	\$112,378	55%	5.0%
33	\$76,119	\$97,054	\$117,990	55%	5.0%
34	\$79,943	\$101,922	\$123,901	55%	5.0%
35	\$83,942	\$107,013	\$130,085	55%	5.0%
36	\$88,139	\$112,365	\$136,591	55%	5.0%
37	\$92,530	\$117,975	\$143,421	55%	5.0%
38	\$97,153	\$123,876	\$150,588	55%	5.0%
39	\$102,021	\$130,072	\$158,123	55%	5.0%
40	\$107,112	\$136,566	\$166,020	55%	5.0%
41	\$112,477	\$143,408	\$174,340	55%	5.0%
42	\$118,089	\$150,573	\$183,057	55%	5.0%
43	\$124,000	\$158,098	\$192,196	55%	5.0%
44	\$130,209	\$166,009	\$201,807	55%	5.0%
45	\$136,710	\$174,306	\$211,902	55%	5.0%
46	\$143,546	\$183,022	\$222,488	55%	5.0%
47	\$150,723	\$192,172	\$233,622	55%	5.0%
48	\$158,259	\$201,782	\$245,304	55%	5.0%



- Open plan (no defined steps), 39 grades (numbered 10-48)
- Consistent 55% range spreads (distance from min to max)
- Consistent 5% midpoint differential (distance between each grade at the midpoint)

12

Pay Plan Design

Proposed General Pay Plan



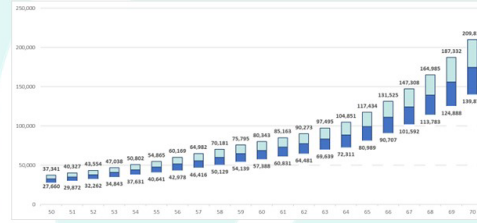
Each dot represents a benchmark position where the total SAFE score and market average midpoint intersects.
 The dark blue line is the "line of best fit" through all of the dots.
 The remaining lines represent the proposed pay plan.
 This does not reflect grade assignments.

13

Pay Plan Design

Proposed General Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
50	\$27,660	\$32,500	\$37,341	35.00%	
51	\$29,872	\$35,100	\$40,327	35.00%	8.00%
52	\$32,262	\$37,908	\$43,554	35.00%	8.00%
53	\$34,843	\$40,941	\$47,038	35.00%	8.00%
54	\$37,631	\$44,216	\$50,802	35.00%	8.00%
55	\$40,641	\$47,753	\$54,865	35.00%	8.00%
56	\$42,978	\$51,573	\$60,169	40.00%	8.00%
57	\$46,416	\$55,699	\$64,982	40.00%	8.00%
58	\$50,129	\$60,155	\$70,181	40.00%	8.00%
59	\$54,139	\$64,967	\$75,795	40.00%	8.00%
60	\$57,388	\$68,965	\$80,343	40.00%	6.00%
61	\$60,831	\$72,997	\$85,163	40.00%	6.00%
62	\$64,481	\$77,377	\$90,273	40.00%	6.00%
63	\$69,639	\$83,567	\$97,495	40.00%	8.00%
64	\$72,311	\$88,581	\$104,851	45.00%	6.00%
65	\$80,989	\$99,211	\$117,434	45.00%	12.00%
66	\$90,707	\$111,116	\$131,525	45.00%	12.00%
67	\$101,592	\$124,450	\$147,308	45.00%	12.00%
68	\$113,783	\$139,384	\$164,985	45.00%	12.00%
69	\$124,888	\$156,110	\$187,332	50.00%	12.00%
70	\$139,874	\$174,843	\$209,811	50.00%	12.00%



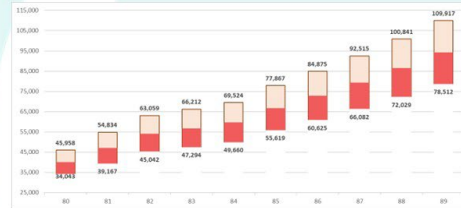
- Open plan (no defined steps), 19 grades
- 35-50% range spreads
- 6-12% midpoint differential
- Aligned to 105% of market midpoints

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Pay Plan Design

Proposed EMS Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
80	\$34,043	\$40,000	\$45,958	35.00%	
81	\$39,167	\$47,000	\$54,834	40.00%	17.50%
82	\$45,042	\$54,050	\$63,059	40.00%	15.00%
83	\$47,294	\$56,753	\$66,212	40.00%	5.00%
84	\$49,660	\$59,592	\$69,524	40.00%	5.00%
85	\$55,619	\$66,743	\$77,867	40.00%	12.00%
86	\$60,625	\$72,750	\$84,875	40.00%	9.00%
87	\$66,082	\$79,298	\$92,515	40.00%	9.00%
88	\$72,029	\$86,435	\$100,841	40.00%	9.00%
89	\$78,512	\$94,214	\$109,917	40.00%	9.00%



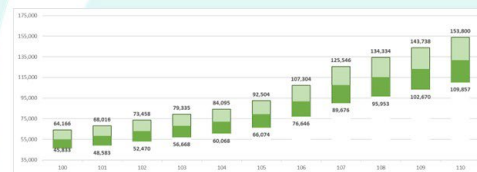
- Open plan (no defined steps), 10 grades
- 35-40% range spreads
- 5-17.5% midpoint differential
- Aligned to 105% of market midpoints

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Pay Plan Design

Proposed Sheriff & Detention Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
100	\$45,833	\$55,000	\$64,166	40.00%	
101	\$48,593	\$59,300	\$68,016	40.00%	6.00%
102	\$52,470	\$62,954	\$73,458	40.00%	8.00%
103	\$56,668	\$68,001	\$79,335	40.00%	8.00%
104	\$60,068	\$72,081	\$84,095	40.00%	6.00%
105	\$66,074	\$79,289	\$92,504	40.00%	10.00%
106	\$76,646	\$91,975	\$107,304	40.00%	16.00%
107	\$89,676	\$107,611	\$125,546	40.00%	17.00%
108	\$95,953	\$115,144	\$134,334	40.00%	7.00%
109	\$102,670	\$123,204	\$143,738	40.00%	7.00%
110	\$109,857	\$131,828	\$153,800	40.00%	7.00%



- Open plan (no defined steps), 11 grades
- 40% range spreads
- 6-16% midpoint differential
- Aligned to 105% of market midpoints

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Pay Plan Development

Grade Assignments

Positions were assigned based on the following:

- Internal equity (job evaluation scores)
- External equity (market midpoints)
- Existing equity (current midpoints and grade groupings)
- Career progressions
- Supervisor / Subordinate separation

The following information is NOT considered:

- The person in the position
- Performance
- Length of service
- Existing employee salary

☐ Preliminary grade assignments were reviewed with the County's project team to ensure positions were assigned to the correct grade and address any outliers.

☐ Next, grade assignments were reviewed as a group with the County's leadership. Some follow up information was needed to reevaluate positions or consider relevant data to finalize grade assignments.

Pay Plan Development

Implementation Scenarios

Criteria considered in developing implementation scenarios:

- The County's desired position within its defined market
- Pay policies / practices that might dictate an employee's placement within their range
- Employee's years in position and service to the County
- Pay compression within classifications

Of 497 employees (general plan), years in position spans from 0 to 15 years with an average of 4.45 years (and median of 2 years).

Distribution of Employee by Years in Position

Years in Position	Number of Employees
1	120
2	30
3	30
4	25
5	20
6	20
7	20
8	25
9	25
10	10
11	10
12	15
13	5
14	5
15	30

Pay Plan Development

Implementation Scenarios

Baker Tilly prepared 4 scenarios for Burke County to consider in its adoption of the new classification and compensation plan.

- No employee will receive a pay decrease as a result of the study.
- Implementation cost reflects base pay in US dollars. Benefits and pay differentials are not included.

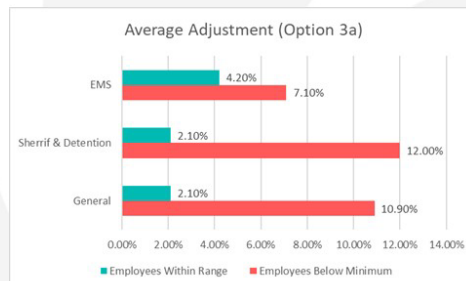
Implementation Scenarios for all three pay plans (General, Detention/Sheriff, and EMS):

1. Employees below the minimum would move to the minimum. If any employee's current salary is within the proposed range, they would retain their existing salary.
2. Employees below the minimum would move to the minimum or receive a 2% adjustment (whichever is greater), capped at the maximum of their pay range. If any employee's current salary is higher than that calculation, they would retain their existing salary.
3. Employees below the minimum would move to the minimum or receive a 2% adjustment (whichever is greater), then all employees would receive a .5% adjustment multiplied by their years in position, capped at 15 years. If any employee's current salary is higher than that calculation, they would retain their existing salary.

Implementation Scenarios

Option 1 - Move to Minimum			
	# of Staff	Current Salary	% Increase
Totals	716	\$34,918,852.83	4.1%
Employees Below Minimum	403	\$16,953,279.18	8.4%
Employees Within Range	305	\$17,421,293.03	0.0%
Employees Above Maximum	8	\$544,280.62	0.0%
Option 2 - Greater of Minimum or 2%			
	# of Staff	Current Salary	% Increase
Totals	716	\$34,918,852.83	5.2%
Employees Below Minimum	403	\$16,953,279.18	8.6%
Employees Within Range	305	\$17,421,293.03	2.0%
Employees Above Maximum	8	\$544,280.62	0.0%
Option 3a: Greater of Min or 2% + .5% per Year			
	# of Staff	Current Salary	% Increase
Totals	717	\$35,036,744.83	5.9%
Employees Below Minimum	403	\$16,953,279.18	10.0%
Employees Within Range	306	\$17,539,185.03	2.1%
Employees Above Maximum	8	\$544,280.62	0.0%

- For 716 staff, the current payroll is approximately \$34,918,852.83. This figure includes 41 vacant full-time positions.
- Option 2 (Average Adjustment for Impacted Employees):
 - General Plan= 6.1%
 - Sheriff & Detention= 7.3%
 - EMS= 3.7%
- Average Range Penetration:
 - General Plan= 30.4% (Avg tenure 4.45 yrs)
 - Sheriff & Detention= 19.3% (Avg tenure 2.9 yrs)
 - EMS= 35.1% (Avg tenure 3.7 yrs)



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Conclusion

We urge Burke County to:

- Adopt the recommended position title and classification adjustments.
- Adopt the proposed pay plans with grade assignments.
- Adopt an implementation scenario that addresses the County's compensation philosophy, business goals, and that is fiscally sustainable.
- Continue efforts to maintain the classification and compensation system:
 - Routinely review positions, job descriptions, and market conditions.
 - Adjust the pay structure and salaries, annually, to keep pace with the market.
 - Adopt general or merit increases, annually, to reward employees and ensure advancement through assigned pay ranges.

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Methodology

Next Steps

Project Completion

- A final report will document the methodology used to conduct the study, our findings, and recommendations.
- Presentation of the results to elected officials, senior leadership, employees, and/or designated staff as desired.
- All project documentation will be delivered.
- We will provide training to HR staff to administer and maintain the new classification and compensation system-including the SAFE® job evaluation process.
- Baker Tilly will utilize data captured by employee submitted PAQs as the basis for developing draft job descriptions. This information will have been reviewed and verified by supervisors to ensure completeness and accuracy of the information. Any adjustments to titles, FLSA designations, minimum qualifications, supervision exercised, and Americans with Disabilities Act (ADA)-related information, etc. will be incorporated into the job description drafts.



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Chairman Brittain opened the floor for questions or comments. Commissioner Carswell expressed recruitment and retention challenges within the county. Ms. Towne defined "the market" as comprised of the 14 peer organizations and differentiated between pay policies / practices as well as structural components. There was a discussion on minimum salaries and market averages. Commissioner Carswell shared personal experiences with state step plan pay scales. Ms. Towne emphasized the importance of both the minimum and midpoint definitions. Mr. Epley noted the county's recent shift away from minimum starting salaries to recruiting talent. Clarifications were sought regarding open plans versus step plans. Mr. Epley highlighted the flexibility and affordability of open plans. Concerns were raised about an employee's ability to advance to the midpoint. Strategies for addressing these challenges were outlined. Maintenance procedures and associated costs of implantation options were discussed, with confidence expressed in in-house management in addition to all the options falling within the reserve budget in the prior fiscal year. The cost and benefits of implementation options were considered, with an emphasis on cultural impact and employee loyalty.

Chairman Brittain opened the floor for questions or comments from the audience. Larenda Johnson, Human Resources Director, highlighted potential drawbacks of the step program

compared to an open plan. Mark Delehant, General Services Director, shared an anecdote about an employee's return, indicating the impact of the Board's decisions on staff morale. Sheriff Banks and Chris White, 911 Communications, expressed gratitude for the Board's support and prioritization of their departments. Chairman Brittain emphasized the importance of honest evaluations and encouraged transparency. John Bridgers, Tax Administrator, thanked the Board for its commitment to the county, with Chairman Brittain reciprocating appreciation for everyone's efforts during the budget retreat.

RESULT: NO ACTION TAKEN.

RECESS

There being nothing further, Chairman Brittain called for a motion to recess.

Motion: To recess until 9:00 a.m., March 8, 2024, at Lake James State Park Visitors Center, Nebo, NC.

RESULT: APPROVED [UNANIMOUS]

MOVER: Scott Mulwee, Vice Chairman

AYES: Jeffrey C. Brittain, Scott Mulwee, Randy Burns, and Johnnie W. Carswell

ABSENT: Phil Smith

Approved this 16th day of July 2024.

Scott Mulwee, Vice Chairman
Burke Co. Board of Commissioners

Attest:

Kay Honeycutt Draughn, CMC, NCMCC
Clerk to the Board