Caldwell County
North Carolina
Board of Commissioners Special Meeting

May 6, 2026, at 4:00 PM
City-County Chambers
905 West Avenue NW, Lenoir

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Attendance

Randy T. Church, Chairman
Mike LaBrose, Vice Chairman
Jeff Branch, Commissioner
Donnie Potter, Commissioner
Patrick Starnes, Commissioner
Shane Fox, County Manager
Tony Helton, Chief Financial Officer
Tasha Brown, County Clerk

Call to Order

Chairman Church called the meeting to order at 4:01 PM. Church welcomed everyone in attendance from the public and department heads that were interested in the budget work session. He stated that this meeting was for information purposes for the Board and staff. The formal budget presentation will be held June 1st. He added that there is no public comment at this meeting.

Consent

Chairman Church turned the meeting to County Manager, Shane Fox, to review the consent agenda.

1. **Capital Project Ordinance and Budget Revision for the Bolick Property Purchase**

   This budget revision appropriates $545,000 from the Sales Tax Reinvestment Fund to create a new capital project ordinance for the purposes of purchasing the “Bolick” property located at 4016 Lower Cedar Valley Rd, for economic development purposes.

2. Budget Revision — Firehouse Subs Grant

This budget revision allows the Sheriff's office to accept and spend a grant from Firehouse Subs. The funds will be spent on new AEDs.

Vice Chairman LaBrose made a motion to approve the consent agenda as presented by the County Manager.

The motion carried unanimously.

Agenda Items

3. Budget Workshop and Discussion 2026/2027 Fiscal Year

County Manager, Shane Fox then started the presentation of the Caldwell County Fiscal Year 2026-2027 Budget Workshop Agenda. Starting first with information and budget objectives. The objectives include maintaining or improving service levels, priority based (needs not wants), analysis of financial position (2025-2026), review of prior years and actuals, eye on the future, debt roll – offs, projects, and property tax impacts on citizens. Fox then explained the budget process as an ongoing all year evaluation daily, weekly, monthly, looking at actuals vs. budget. He then recognized the Chief Financial Officer, Tony Helton, his finance staff, and department heads for the work they have done to this point on the budget. He said beginning in March 2026 through May 2026 department head meetings occurred to begin the initial budget preparation. And then on this date May 6th, 2026, the budget workshop. The Manager's recommended budget will be presented June 1st, 2026, to the Board of Commissioners and to the public. With the Public Hearing and budget adoption at the June 22nd, 2026, meeting. Fox then reviewed the last five years, 2022-2026, in the General Fund. Adding that we have seen significant contributions to these areas, public safety, human services, education, economic and cultural, library over the last five years. He then moved to a budget review of the current budget for 2025-2026 including General Fund Highlights. Starting with Communications salary increases, Maintenance – 2 new positions for mowing, refill Bailiff position, Ambulance and 2 QRV's and 2 Vehicles at DSS, new voting scanners and tabulators. Sheriff's Office received 15 marked and 2 unmarked cars and one jail transport, and additional $150,000 and $350,000 to CCC&TI & Caldwell County Schools, and there were some additional changes made right after budget adoption. He then listed those additional changes starting with EMS raises and changes made in July 2025 equaling $1 million annually, Sheriff Department raises made in February 2026 equaling $540,000 annually. He noted the property tax rate was set to .4975 with $54 million collected YTD compared to $48 million collected in the previous YTD. Sales Taxes are up over $1 million YTD, ambulance fees are up approximately $460,000 YTD with our cash position up approximately $5 million through March 2026. Fox noted that we are currently on pace to finish the year with 2% - 3% added to Fund Balance, which is our

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savings account. Fox then reviewed Fund Balance. Noting at 6.30.25 General Fund Balance was at 21.46%. He added that 1% equals approximately $1 million. He said that it is important to know where we are with fund balance going into a new budget. Fox said that the County is ending the year 2025-2026 strong, with revenues up, fund balance up, modest debt rolls off in 2026-2027. He mentioned a couple factors going into the new budget that are mandated, health insurance has increased $1 million, and retirement has increased $2 million. He mentioned that during the meeting with department heads they have asked all departments to hold the line on FTE's if possible, and the property tax rate needs to be evaluated for citizens.

Chairman Church asked if the $2 million for retirement was based on any increases staff may receive in the new year. Fox replied, yes, it does include that based on the current merit system.

County Manager Fox then reviewed General Fund Revenues by Type. With property taxes accounting for 51% of the overall revenues, Department Revenues/Fees 21%, Sales Tax 11%, Appropriated Fund Balance 7%, Vehicle Tax 4%, Other General Fund Revenues 4%, and Transfers In/Installment 2%. He then reviewed the property tax base and the 53% increase from 2022-2027 adding that our neighboring Counties have also seen this type of growth or more. He then added that the property tax rate from 2022-2025 was .63 with a decrease in 2026 to .4975. Caldwell County has the 25th lowest property tax rate in the state.

Commissioner Branch mentioned he believed a few years prior the County was scolded by the auditors Martin Starnes for not having a 20% fund balance in reserves.

Manager Fox replied, yes, the state wants counties to be like their peers.

Commissioner Potter asked if the 20% fund balance would have any impact on borrowing.

Fox replied we are not bonded, no bond rating. So that is where that would factor in. For typical borrowing it's more about your collateral and the amount of the loan. Tony Helton also added that the Local Government Commission typically reviews before any debt borrowing.

Commissioner Potter mentioned the courthouse project, and he would like to see it happen. However, he doesn't want to jump too soon and would like to see where the state can come in and help. He does not want the public to carry the burden on the cost. He doesn't believe it is a project for the very near future.

Chairman Church said that the courthouse project is looming out there. He then asked how much Cleveland County just spent on a new courthouse.

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Fox said it was over $200 million.

Chairman Church stated no one wants to put that in their budget. He added that there have been numerous meetings looking at renovations to the current courthouse. He added that he has heard the citizens loud and clear and the Board is going to do everything they can to get the tax rate down. He said he doesn't know what the fund balance needs to be whether it's 18% or 20%.

Finance Officer Tony Helton added that with COVID and Helene the County was financially prepared and able to float $9 million for Helene because we have reserves.

Chairman Church said he was glad we were prepared. Nature has a way of changing your plans quickly. He noted it is good to be able to plan and be prepared ahead of these things, however he doesn't just want to build a big fund balance at the expense of the taxpayers, which includes the commissioners and staff who also pay property taxes.

Vice Chairman LaBrose said that the prior four years the County maintained the tax rate and even prior to that stayed at .63. With that we were able to add a little at a time to fund balance without raising taxes over an eight-year period. He then added in terms of a long-range project he thinks we should look at the landfill.

Fox said that he plans to discuss the landfill later in the presentation. He added that the Board needed to start thinking through a fund balance policy or an informal percentage goal.

Fox then moved to discuss Sales Tax Revenue, mentioning that overall sales tax revenue projected is up 14% over last year's budget. Actuals were taken into consideration as to what we are expecting to receive this year. Noting that sales tax is an economic driver that needs to be looked at when budgeting. He then introduced Economic Development Director, Ashley Bolick, to share information on retail strategies. Ms. Bolick said that the biggest ask in the EDC budget was for funds to utilize a group called Retail Strategies, to target retail and attract retail and commercial establishments to Caldwell County. She added that her department typically targets commercial and manufacturing and they feel this would be a way to increase sales tax revenue and grow the retail environment in the County. The cost for this program is $55,000.

Vice Chairman LaBrose said that it is good to note that over the last few years the NC Legislature has changed laws for online purchases to go to the point-of-sale location.

Commissioner Potter added that there is a direct coalition between sales tax and growth and you could look at the landfill for the correlation.

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Commissioner Starnes said that he believes the common household probably pays more in sales tax than property tax. If we kept the receipts and tracked them, because whatever you buy is taxed.

Commissioner Potter added that the state of North Carolina is growing and that is a big driver as well.

Manager Fox then moved on to mention fees. He said that we are not planning any changes to the fees for the consumer with building inspections nor the Register of Deeds. He also noted that the building inspections department is a self-sustaining department based on the fees collected. As well as the Register of Deeds department. The only fee change to the consumer is in the EMS department. The current rates we charge are less than our recommended rates. He then introduced Trevor Key, Emergency Services Director. Key said that our billing vendor made the presented chart and they recommend an increase in fees due to the increase in fuel, supplies, medications and operating an ambulance. Fox then said they are constantly trying to figure out a way to lower the subsidy to cover EMS. In the current budget, the break-even cost is $6.5 million for EMS. Changing these rates will add $500,000 to these numbers.

Commissioner Potter asked Trevor Key if they have seen an increase in multiple calls. Key responded that it is a mix, and they have seen a decrease in call volume.

Fox then spoke about all other revenues in the general fund, stating that there were no major changes with other revenues. However, they are watching potential changes with the HR1 Bill (The One Big, Beautiful Bill) for Department of Social Services and the Health Department.

Vice Chairman LaBrose asked what was expected with potential cuts to Medicaid expansion. Department of Social Services Director, Kim Arnett, said that we have no guidance from the state currently that they are going to be cutting administrative reimbursement for Medicaid.

Manager Fox then moved on to discuss the Landfill. He noted there are two revenue sources for the landfill. First is the host fees received from Republic for trash that comes in from outside the County, approximately $1.1 million. The second is methane gas revenue of approximately $600,000 that is received. Fox added that in the previous year the Board voted to move the methane gas revenues to a Capital Project fund for future landfill cost. He stated that he and Jimmy Harrison had met with Republic and the permitted contract timeline for the landfill is 2038, they felt the capacity would be 2050. He mentioned that the County should have a plan several years prior to the contract end date.

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Commissioner Potter asked how much the County was paying to take off TV's and computers now. Chairman Church said at one time it was $500,000. Jimmy Harrison said the cost has come down. Tony Helton then added that the cost was now $50,000.

Chairman Church then made a motion to call a recess at 5:17 PM.

Chairman Church then reconvened the meeting at 5:48 PM.

County Manager Fox then presented an overview of General Fund Expenditures. He mentioned a breakout of how the County spends a dollar with Public Safety being 31%, Human Services 25%, Education 17%, General 14%, Physical Econ. 7%, Debt Service 5% and cultural 2%.

Commissioner Potter noted that our Debt Service is significantly lower than our counterparts.

Fox then discussed the request of the Sheriff's Office for 6 FTE's totaling $523,000 and 5 FTE's for Communications totaling $386,000. The Communications request is tied to the City of Lenoir contract to take over their calls. The Sheriff then spoke and said that the department has asked for 6 employees because the need is there. They wouldn't ask if they didn't them. He added that two of those 6 positions would not require vehicles. He then turned to the Division Captain of Investigations, Shelly Hartley. Hartley said they had been one detective short for several years and now they are short another detective. She stated that the Internet Crimes Against Children detective is bombarded with cases, and they could use five more detectives in this area. Adding the need was desperate and the case load was too large. The Detention Division Captain then spoke and said that they were asking for two new baliff's to help with housing issues at the jail and court transport. We are housing out of County, and the transport is running a lot. He then added that the average daily total housed is 214 and the capacity is 185. Manager Fox stated that there were two areas requesting salary adjustments, Sheriff's Office and Department of Social Services. Then the Patrol Captain spoke; he stated the request for 10% increase was to make Caldwell competitive again. He added that with the increase the department would still be behind our competitor agencies $5,000-$7,000. He said as this number moves out we will start to lose employees. Fox then recognized Kim Arnett, Director of the. Department of Social Services to speak on the salary increase request for her department. Ms. Arnett mentioned that the department is significantly falling behind neighboring counties salaries. She stated the request was for a 10% increase across the board and added that it was a conservative request, she said with that increase they would still be 12% below the top two in comparison for the Income Maintenance Caseworker position and 8-10% below with social worker positions. She stated they are experiencing significant turnover in Child Protective Services.

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Commissioner Potter said that we need to understand the burden. These are educated people, when you look for quality employees you must pay them. Ms. Arnett added that with the high turnover we are losing money on paying to train individuals and then they are leaving for higher pay elsewhere.

Fox then reviewed the annual Merit System program that is based on a 4.0 system. Evaluations of employees are carried out every year. No merit is given if score is 0-2.9, $1,000 is given if the score is 3-3.4, and $2,000 is given when the score is 3.5-4.0. Fox stated that they are not proposing any changes to the benefits. He noted that retirement and insurance are where the majority is spent and both are mandated by the State. Fox then gave a brief review of the benefits offered and provided for employees.

Fox then spoke about Capital Outlay. He mentioned that the capital outlay request was trending down and that the departments were trying to re-purpose and consolidate some equipment to save money. With the total request being $1.72 million. The items that make up that request are from the Sheriff's department for replacement of handguns, SWAT body armor, fleet computers, and 8 marked patrol cars, 3 unmarked, and 1 truck, for EMS an Ambulance remount, and AEDs for public buildings, for Animal Control 2 Ford F-150s, 2 Climate controlled dog boxes, and markings and lighting for trucks, for Information Technology AP replacements for ACE and HHS, 4 Lenovo servers, scanner, switches, and an etherscope network tester. Emergency Services Director, Trevor Key, said that the department is looking to get re-purpose two or three under utilized units with remounts.

Fox then moved on to discuss Debt Service. Fox stated that the General Fund Debt is trending down as debt is paid and rolls off the schedule. He also mentioned that there is no debt in the Water Fund.

Chairman Church asked for clarification, that the Cajah's Mountain EMS Base was built and funded with no debt taken on to cover the cost. Manager Fox replied yes, that is correct no debt owed on that new Base.

Moving on to discuss operating expenses, Fox shared that overall operating expenses are down. Noting that they are down in over half of the 40 departments or areas of the budget compared to last year. As we are trying to find ways to operate for less money while still providing the same or better service levels to the public. He then spoke about special appropriations which include Parks and Ruritan Clubs. He mentioned there had been no change to this except for a request from the Fairgrounds of $12,000 for a 1" water line and 37-yard hydrants installation to improve the grounds. Commissioner Potter mentioned he had spoken with Ron Lackey at the Fairgrounds and he said they are trying to bring more activities to the Fairgrounds and they need some help getting the property up and running to be utilized.

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Mr. Fox then added that the Forestry Service has requested an increase of $37,000. This increase is to cover the local portion of the truck cost. They are requesting this to purchase a new truck and our local amount would be $37,000. Fox said these were the only two requests in the special appropriations for the new budget.

Mr. Fox then moved on to discuss Education requests. Starting with CCC&TI has requested a total of $4,955,226. The main reason being facilities and staffing and insurance and utilities. They have also requested an additional capital request for $340,000 for a roof for Building A. Fox then said that Caldwell County Schools had requested a total of $17,108,648 up from $14,800,000 in the current year. School Superintendent Dr. Howell was in attendance and spoke. Howell addressed that he wanted the Commissioners to understand that the school system has done their due diligence and plans to cut 35-60 positions this year starting at the central office. He added they also have approximately 50 acres for sale in the Smokey Creek area and if the School Board approves, they will be able to sell the old Dudley Shoals property as well to help offset the fund balance that is being used. He added another reason for the increased request was due to declining enrollment and the increased cost to employee teachers and operate the buildings. Manager Fox added that the cost for School Resource Officer's also continues to increase, with $400,000 being funded through a State grant and the total cost being $1.6 million. Dr. Howell thanked the Commissioners for what they do in covering the School Resource Officers for every school. Dr. Howell added a possible one-time request for a safety issue in the Dudley Shoals area, with a traffic concern getting in and out of the school. Potentially looking into adding additional emergency access which would cost $150,000 at least. Commissioner Starnes asked the Sheriff to elaborate on the issue with one way in and out at Dudley Shoals School. The Sheriff replied it is an issue that has not been addressed. Starnes asked if it was an issue for them to only have one way in and out for an emergency, or school shooting. The Sheriff said that they would find another way in if there was a shooting. Commissioner Branch asked if the access road would be used by all to go around the school. Dr. Howell stated that the access road would be for emergency use only.

Manager Fox then gave a brief review of the meeting thus far.

Commissioner Potter then mentioned that he would like to see some discussion around a COLA for employees. He feels that the merits are good and reward an individual employee but he feels having a COLA helps us maintain our salary ranges.

Fox then moved on to discuss the Water Fund. He mentioned that the County will have a proposed 5% increase from the City of Lenoir, whom most of the water is purchased from. With this increase the average of 3,000 gallons would increase the monthly bill by $1.45. He then listed comparison costs with other Counties. He noted that this fund is debt free. Commissioner Branch said that millions had been spent

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recently, to update the water tanks. Fox then said yes, the newest water tank just went online and we now have access to an online mapping system to lines and meters. Adding that the water system has over 10,000 customers, with a great crew.

Fox then moved to review Fire Departments. After looking over all fire departments, he noted that only one fire department has requested a change, that being the Town of Sawmills. They are requesting to increase the fire tax .03 and the rescue tax .04 for a combined total from .135 to .18. Commissioner Potter asked if the Town of Sawmills lowered their rate last year. Fox said yes, they lowered it .03.

The Opioid Fund was discussed next. The source of revenue is through the settlement that we receive. Approximately $16 million is expected to be received from 2022 – 2038. With 12 years remaining we have a current cash balance of $4 million. The current budget is $815,000 per year which currently employees six individuals in that department. The department has requested a new peer support specialist and a new recovery transport. Trevor Key then added that both requests are for Recovery Court that started in January of 2026 with a lot of participants, ancillary services, and treatment.

Fox stated that the proposed budget would be presented at the June 1st meeting.

Chairman Church thanked everyone for being there and said that the meeting was very informative.

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Adjourn

Commissioner Starnes made a motion to adjourn at 7:12 PM.
The motion carried unanimously.