ADOPTED

JUN 23 2026

Gaston County Board
of Commissioners

GASTON COUNTY COMMISSIONER'S COURT

NORTH CAROLINA MAY 12, 2026

The Gaston County Board of Commissioners (BOC) met in Special Session on May 12, 2026, at 7:04 pm, immediately following its Work Session, in The Harley B. Gaston, Jr. Public Forum, Gaston County Courthouse.

Vice-Chairman Bob Hovis presided with Commissioners Jim Bailey, Cathy Cloninger, Allen R. Fraley, Tom Keigher and Scott Shehan in attendance.

Chairman Chad Brown was not in attendance.

Others present included Matthew Rhoten, County Manager; David Goldberg, County Attorney; and Donna S. Buff, Clerk to the Board.

Upon request of Vice-Chairman Hovis, Mr. Jonathon Morrow, Methodist Conference Associate, led those assembled in the Invocation and Commissioner Fraley led in the Pledge of Allegiance during the preceding Work Session.

Public Hearing - FY2026-2027 Gaston County Proposed Budget

Vice-Chairman Hovis announced the Public Hearing as advertised; explained procedures to be used; called for the motion to enter into Public Hearing.

On motion introduced by Commissioner Shehan and seconded by Commissioner Keigher, the BOC unanimously entered into Public Hearing.

Vice-Chairman Hovis introduced the County Manager for comments.

The County Manager expressed appreciation for the participation of both the Board and the public throughout the process and offered to answer any questions from the Board.

Vice-Chairman Hovis called for questions from the BOC; hearing none, called for citizen comment.

The following individuals spoke in support of the Gaston County School's proposed budget request: Ms. Brittany Elkin, Gastonia, NC; Ms. Samantha Easters, Gastonia, NC; Ms. Taylor Sanders, McAdenville, NC ***and removal of Confederate statue from the courthouse***; Ms. Summer Nunn, Gastonia, NC; Ms. Theresa DiBartolomeo, Belmont, NC; Mr. & Mrs. Andrew (Lisa) Reichel, Belmont, NC.

** The following individuals spoke during the preceding Work Session under Citizen Recognition regarding funding for Gaston County Schools: Ms. Stephanie Hartman, Mr. Charles Ball, Ms. Dr. Brenda Eskridge, Ms. Ann Doss Helms.*

Vice Chairman Hovis announced that public comments had concluded and thanked those who participated, noting that while the Board shares many of the concerns expressed, some matters are beyond the Board's control.

He reported that Gaston County Schools had provided its budget request before the meeting and he had not had an opportunity to fully explore it. He highlighted information regarding their FY26 funding sources, totaling $498,463,255.89, including approximately $231.9M in State funding, $68.2M in County funding, $29.1M in Federal funding, $24.9M from other sources, $119.9M for capital outlay, and $24.3M for child nutrition. He stated that this was the first time he had seen a comprehensive breakdown of all school funding sources and thanked Superintendent Houchard for providing the information.

Vice-Chairman Hovis then invited additional comments or questions from the BOC.

Commissioner Shehan asked whether HIL Consultants (Hurd, Isenhour, Lopes, LLC) remained engaged with Gaston County Schools and requested an update on its findings and recommendations.

Superintendent Morgen Houchard responded that HIL remained involved and had conducted several onsite reviews. He explained that the firm's current work focuses on investigative and financial reviews to assist with closing out the current fiscal year and evaluating budget processes.

Dr. Houchard stated that HIL's primary concern continues to be the School System's financial software and reporting processes, noting that staff are often required to manually reconcile financial information due to reporting inaccuracies associated with the Oracle/CherryRoad system. He further stated that HIL has repeatedly identified accounting and reporting errors, including issues that were not discovered until after the fact, and continues to review financial processes and controls. He noted that HIL's findings consistently indicate that the School System has not received accurate financial reporting in a timely manner.

Commissioner Shehan asked how long HIL was expected to remain involved.

Dr. Houchard stated that the firm's initial engagement included assistance with year-end financial activities and development of the proposed budget. He noted that the School System continues to seek a Chief Financial Officer, a position that has remained vacant since February, and indicated that HIL would continue providing support until a qualified candidate is hired, if needed.

In response to further questions, Dr. Houchard advised that HIL was expected to remain through the fiscal year ending June 30 and could continue beyond that date if necessary. He also noted that the firm would be willing to present its findings to both the Board of Education and the Board of Commissioners.

Commissioner Shehan requested that, upon completion of HIL's work, a summary of its findings and recommendations be provided to the Board of Commissioners, County Manager, and staff to assist in understanding the issues identified and any proposed corrective actions.

Dr. Houchard agreed and indicated that reports could be shared upon completion. He further stated that HIL's reports consistently conclude that additional funding is needed from available funding sources.

Commissioner Shehan also requested that the Schools present their budget information to the BOC in advance of future meetings if possible.

Dr. Houchard responded that state law required the School System to submit its budget request to the County by May 15. He explained that changes to the budget assumptions required staff to identify and address an approximately $8 million funding gap, which extended the time needed to finalize the proposal presented to the Board.

Vice Chairman Hovis noted that the Board had previously requested an executive summary of HIL's findings to better understand the issues identified and their causes.

Vice-Chairman Hovis called for additional questions and for any additional citizen comment.

The following individuals spoke in support of the Schools budget request: Ms. Allison Carpenter, Belmont, NC; Ms. Kathleen Finch, Gastonia, NC; Ms. Hannah Sanii, Gastonia, NC and also removal of Confederate statue from courthouse.

Vice-Chairman Hovis announced that the Public Hearing had concluded.

On motion introduced by Commissioner Bailey and seconded by Commissioner Shehan, the BOC unanimously closed the Public Hearing.

<u>To Consider Adoption of the FY2027 Gaston County Budget</u>

Gaston County Unified Fire Protection District Order to Levy and Collect Ad Valorem Tax:

2026-149 Commissioner Hovis - To Adopt a Resolution to Approve the FY26-27 Order to Levy and Collect Ad Valorem Tax for the Gaston County Unified Fire Protection Service District and Set the FY26-27 Rates for the Long Shoals and South Gastonia Fire Protection Districts to Zero

On motion introduced by Commissioner Keigher and seconded by Commissioner Fraley, the BOC approved **2026-149** as follows and set forth herewith:

The vote carried as follows:
Ayes: Commissioners Cloninger, Fraley, Hovis, Keigher, Shehan
Nay: Commissioner Bailey
Absent: Commissioner Brown

WHEREAS, the Gaston County Board of Commissioners created the Gaston County Unified Fire Protection Service District under Part I, Article 16 of Chapter 153A of the North Carolina General Statutes; and,

WHEREAS, the Board of Commissioners is authorized by the same law to levy and collect a tax in said district; and,

WHEREAS, the Board of Commissioners finds, based on the total valuation of taxable property in the Gaston County Unified Fire Protection Service District, an estimated collection rate, and the total budgets submitted for contracting fire departments of the Gaston County Unified Fire Protection Service District that the tax rate for the Gaston County Unified Fire Protection Service District should be levied at $0.115 (11.5¢) per $100 valuation of the assessed and taxable property for an estimated levy of $13,495,449.

NOW, THEREFORE, BE IT RESOLVED by the Gaston County Board of Commissioners that:

1) The FY 2026-2027 tax for the Gaston County Unified Fire Protection Service District, established under Chapter 153A of the North Carolina General Statutes, is levied at the rate of $0.115 per $100.00 of assessed and taxable property.

2) The FY 2026-2027 tax for the South Gastonia and Long Shoals Fire Protection Districts, established under Chapter 69 of the North Carolina General Statutes, shall be set to a zero rate.

3) That any tax receipts collected more than the budgeted allocation shall be retained by the County in an account earmarked for the Gaston County Unified Fire Protection Service District.

To Adopt the FY2026-2027 Gaston County Budget:

Vice-Chairman Hovis called for a motion to approve the Recommended FY27 Gaston County Budget.

Commissioner Keigher introduced a motion for discussion and Commissioner Bailey provided the second.

Vice Chairman Hovis opened the floor for Board discussion.

Commissioner Fraley noted his longstanding connection to public education, stating that his wife had served as an assistant teacher at Cherryville Elementary for 20 years, his sister-in-law had taught at the school for more than 30 years, his daughter is a teacher, and he regularly visits local schools through his church's backpack ministry. He stated that these experiences provided him with personal insight into the challenges facing schools.

He noted that it was his understanding that adoption of the County Manager's recommended budget would result in Gaston County Schools eliminating approximately 185 additional positions, in addition to 83 positions previously eliminated, for a total of approximately 268 positions. The reductions would affect a variety of positions, including central office staff, assistant principals, teachers, media specialists, counselors, nurses, social workers, custodial staff, and clerical personnel.

Referring to a recent meeting with Superintendent Dr. Morgen Houchard, Commissioner Fraley stated that a flat County appropriation would, in Dr. Houchard's view, critically impair the School System. He expressed concern about the loss of experienced local educators and stated that, while he did not believe raising taxes or simply spending more money would necessarily solve every problem, he was not prepared to support a budget that could result in school closures and additional personnel reductions.

He further noted that school closures and staff reductions could send a negative message to prospective businesses and families considering locating in Gaston County. He noted the County's success in recruiting major employers and stated that educational challenges receiving local, state, and national attention could affect perceptions of the community.

In conclusion, Commissioner Fraley stated that he believed the County and Board of Education could identify a mutually acceptable solution through continued communication and collaboration. He suggested that support for a local sales tax referendum could provide additional revenue for education and noted that the upcoming property revaluation could also affect future funding decisions. He encouraged continued discussions among the Board of Commissioners, Board of Education, staff, educators, and citizens to identify a path forward that would best serve Gaston County.

Commissioner Shehan stated that, like Commissioner Fraley, he comes from a family of educators and understands the challenges facing public education. He emphasized the importance of protecting the educational system and noted that the Board had previously provided additional funding when it determined that assistance was warranted. He referenced Commissioner Fraley's request at the previous meeting for staff to evaluate options for increasing school funding. He noted that staff had provided a range of alternatives, including reductions to non-mandated County services and potential property tax rate increases. He indicated that he could not support a tax increase, expressing the view that County taxpayers are already sufficiently burdened.

He also pointed out that the County's next property revaluation is scheduled for 2027 and asserted that the Schedule of Values adopted during the 2023 revaluation understated certain commercial and industrial property values, resulting in reduced tax base revenue. He stated that the Board is committed to addressing those valuation issues during the next revaluation process and recapturing the associated revenue, which he estimated at approximately $15M annually. Commissioner Shehan acknowledged that such action would not resolve the current funding challenge but stated that it would provide a plan for addressing similar issues in the future.

Commissioner Bailey thanked those in attendance and stated that he had compared Gaston County to four counties with similar characteristics. He noted that Gaston County allocates approximately 19% of its budget to public education, compared to an average of approximately 33.5% among the comparison counties. He further stated that those counties achieve average proficiency rates in math, reading, and science that are approximately 15 percentage points higher than Gaston County's and referenced comments made during the meeting regarding local reading proficiency levels. He also pointed out that some of the comparison counties have lower tax rates and generate less revenue than Gaston County while dedicating a larger share of their budgets to public education.

He noted that teachers are State employees and stated that he had heard the General Assembly had reached agreement on a State budget that would provide increased teacher salaries. While he believes those increases may help, he stated that Gaston County continues to lag behind many counties in local teacher supplements. He also noted his personal connection to education through his daughter, who is a teacher, and his previous service as a school director with the State through the criminal justice and community college systems.

Commissioner Bailey stated that some responses he had received from fellow Commissioners regarding school funding had been to follow the County Manager's recommendation and maintain established practices. He expressed his view that, because the County Manager serves at the direction of the Board, Commissioners should provide policy direction rather than simply follow tradition.

He stated that he would like the County Manager to identify opportunities to reduce the size of County government and redirect resources toward public education and public safety. He further stated his belief that financial management issues within the School System during the COVID-19 period had contributed to the need for the County's previous $10M funding assistance, noting that the funding shortfall developed over time and ultimately required County intervention. He concluded by reiterating that public education and public safety should remain the County's highest priorities when allocating resources.

Commissioner Cloninger thanked teachers and school personnel for sharing their concerns and expressed appreciation for their dedication in the face of operational and staffing challenges. She noted that Gaston County has limited revenue resources and stated that many property owners are opposed to additional tax increases, while some may support them.

She pointed out that, under State law, the Board of Commissioners is not permitted to direct how the School System allocates its funding. She expressed concern that the Board does not have a sufficiently clear picture of how requested funds would be used and emphasized the importance of forward-thinking, solution-oriented approaches to strengthen public education rather than maintaining the status quo.

Commissioner Cloninger noted that, while she strongly supports teachers and school staff, she was not comfortable at that time approving additional funding without clearer information regarding how the funds would be allocated. She requested clarification on whether additional funding would be directed toward teacher and staff salaries, classroom operations, or other basic operational expenses, stating that such information was necessary for her to fully evaluate the request.

Dr. Houchard stated that Gaston County Schools has received a flat operating budget since the 2021-2022 school year, noting that the approximately $2.5M in additional County funding received during that period was directed entirely to teacher supplements. He stated that the cumulative effect of inflation, as measured by the Consumer Price Index (CPI), has significantly increased costs, citing inflation rates of 8% in 2023, 4% in 2024, 3% in 2025, and 2.4% in 2026; the cumulative impact over five years equates to approximately $11M in local funding and asserted that a flat budget does not account for inflation, cost-of-living increases, or longevity adjustments.

A flat budget would prevent the replacement of five-year-old Chromebooks through the School System's replacement cycle and, if the Board of Education's $60M budget request is not funded, it would require the elimination of an additional 75 positions beyond the 262 positions already cut.

Regarding capital funding, Dr. Houchard stated that the School System's capital request was reduced from $2.27M in the prior year to $1.2M. He noted that the funding level equates to approximately $0.24 per square foot to maintain school facilities that average more than 40 years in age, compared to an industry standard of approximately $1.35/per square foot.

Local funding supplements State and federal education funding and supports positions beyond State allotments. As an example, he stated that State funding provides 32 assistant principal positions for the School System's 56 schools and that, absent local funding, only one elementary school and one middle school would have a full-time assistant principal, while three high schools would not. He noted that similar circumstances exist for media assistants, school counselors, nurses, and other support positions.

He further stated that federal COVID-19 funding had allowed the School System to expand services, including positions supporting students' social and emotional needs, but those funds are no longer available. He acknowledged that the School System should have made deeper staffing reductions in prior years, stating that 86 positions were eliminated the previous year when approximately 186 positions should have been cut. He stated that the resulting financial challenges contributed to the School System's request for an additional $10M in County funding, noting that concerns were identified in September, discussed in November, and reached a critical point in March.

Dr. Houchard stated that local funding supports a broad range of student services in addition to classroom instruction and reiterated his belief that another flat budget would not be in the best interest of students. He advised that he had prepared information detailing prior personnel reductions, current staffing levels, and the additional reductions that would be required under another flat budget.

Commissioner Cloninger stated that the funding options available to the Board of Commissioners are limited, making it difficult to determine the best course of action. She noted that the County has previously provided funding to Gaston County Schools from fund balance and, while she does not view fund balance as a long-term solution, stated that she would prefer considering the use of fund balance, supported by a more detailed cost analysis, rather than increasing taxes.

She emphasized the importance of working together to develop a sustainable and workable solution. She acknowledged concerns raised by school officials and members of the public regarding the challenges facing the School System and referenced an email she had received indicating that report cards may need to be picked up in person.

Dr. Houchard stated that mailing report cards costs the School System approximately $30,000 annually, which he equated to the cost of a custodial or teacher assistant position. He stated that parents can access report cards online in real time, pick them up from the school, receive them through their child, or retrieve them during the summer. He pointed out that of the School System's $54.8M in County funding, several major expenses are paid before operational funds are available, including approximately $6.8M for charter schools, $9M for teacher supplements, and between $5.5M and $6M for utilities. He stated that, after those expenditures, less than $33M remains for operations and noted the costs associated with maintaining approximately 5.1 million square feet of facilities.

Commissioner Cloninger noted that the BOC must also exercise fiscal oversight and balance competing priorities, including County services and the impact of funding decisions on taxpayers. She emphasized the importance of transparency, responsibility, and accountability and stated that she remained committed to listening, asking questions, and working collaboratively toward solutions that benefit both the schools and the community. She asked the County Manager what factors had contributed to the School System's inability to meet its financial obligations and needs.

The County Manager responded that, while School officials may have been aware of the loss of Low Wealth funding, the magnitude of the impact may not have been fully understood until later in the year. He stated that the School System was also affected by the loss of ESSER (Elementary and Secondary School Emergency Relief) funds and noted that school systems, counties, and municipalities had to carefully manage COVID-19 relief funding because it was not intended for recurring expenditures, particularly personnel costs. He further stated that challenges involving the School System's financial and payroll systems, including inadequate reporting, may have hindered long-range planning and that those factors appeared to converge at the same time.

Commissioner Cloninger also asked about the proposed increase in teacher salaries in the State budget.

The County Manager responded that the General Assembly had not yet adopted a biennial budget and that the current proposal under discussion includes an approximately 8% teacher salary increase over a two-year period. He noted that the proposal had not been approved and that the final percentage would not be known until a budget is enacted.

Commissioner Keigher stated that he would reserve further comments until after hearing the wording of the motion to adopt the budget. He noted that he had received information that the General Assembly is expected to vote on an approximately 8 percent teacher salary increase, along with a $1,000 bonus for teachers with 16 or more years of experience and a $500 bonus for those with less than 16 years of experience. When combined with statewide average supplements, the proposed changes would result in what he described as the highest average teacher payroll in the southern states. He noted that teaching is a passion rather than a career and expressed appreciation for educators and their work in the classroom. He began his professional career as a teacher in Gaston County in the 1970s and was among the first cohort to receive state certification under a certification program implemented in approximately 1977 or 1978. He noted the challenges of the profession and expressed gratitude to current teachers.

Commissioner Bailey asked what the School System did prior to the availability of federal COVID-19 relief funding.

Dr. Houchard responded that during the COVID-19 period, the School System utilized additional services related to student health, mental health, and support staffing needs. He stated that as federal COVID-19 funding began to phase out, the School System utilized approximately $8M in Low Wealth funding to support positions that had been added during that period. At the start of the current fiscal year, the State indicated that overall funding levels would remain generally flat in the absence of a budget, with the exception of certain programs, including Low Wealth funding, which was adjusted while other major funding streams remained unchanged. This created budgetary pressure as funds previously used to support personnel were reduced or restructured. He further stated that staffing levels had increased during the COVID-19 period and that the School System had previously reduced positions as federal funding ended, while noting that many of the services added during COVID remain necessary.

Commissioner Bailey noted that the student population had declined by approximately 2,000 students over the past five years.

Dr. Houchard stated that the School System anticipates approximately 400 fewer students in the upcoming year. He noted that he participates in discussions with a group of 12 large North Carolina school districts representing approximately 60% of the State's student population and stated that declining enrollment is a statewide trend. A decrease of approximately 440 students would result in an estimated $4M reduction in State funding, in addition to potential impacts on other funding sources tied to enrollment; declining enrollment is being observed across multiple districts throughout the State.

Vice-Chairman Hovis inquired whether the School System had received the Low Wealth Supplemental Funding estimate from the Department of Public Instruction (DPI) for FY 2026–2027.

Dr. Houchard responded that preliminary planning estimates ranged from approximately $3M to $5M, with a projected figure of approximately $3.2M, noting the amount was still subject to confirmation.

Vice-Chairman Hovis stated that he had seen a DPI worksheet reflecting approximately $4M.

Dr. Houchard explained that Low Wealth funding is based on a comparison of county property values across the state, with the State providing equalization when local tax capacity is lower. He stated that when property values increase in a county and tax rates do not adjust proportionately, the State formula adjusts funding based on local fiscal capacity. He further noted that since Gaston County's most recent revaluation, approximately 35 other counties have completed their revaluations, which has increased their property values and could positively affect Gaston County's relative position in the formula and resulting funding outcomes.

Vice-Chairman Hovis asserted that funding changes were not solely attributable to revaluation and that he did not believe the mathematical relationship fully accounted for the shift from approximately $10M to approximately $998,000 in additional funding. He noted that the formula is complex, not developed by the County, and not fully understood locally, and referenced concerns regarding the use of statistical inputs and methodology.

He stated that he fully supports public education and noted his personal connection to the system. He acknowledged that full recognition of the evolving fiscal conditions had been slow, but pointed out that the Board of Commissioners acted quickly and unanimously to provide a $10M allocation from fund balance to ensure the School System could meet payroll through the end of the school year. He also recalled that the BOC repurposed previously unused bond funds, originally designated for capital purposes, into operational funding for the School System. He noted that this action, combined with other adjustments, represented approximately $3.7M in additional available funding, bringing the total financial impact to nearly $14M.

Dr. Houchard clarified that the funds referenced were originally school capital funds that were converted for operational use.

Vice-Chairman Hovis stated that the BOC retains authority over such funding decisions and noted that similar discretion exists at the State level regarding the allocation of targeted revenue sources. He recalled prior discussions regarding the potential repurposing of a quarter-cent sales tax that is designated for transportation purposes, similar to the County's use of sales tax revenue to support bond financing, including the $250 million bond issuance for public school capital needs.

In conclusion, Vice-Chairman Hovis stated that the Board does not need to resolve all funding issues during the budget cycle and suggested that additional evaluation could occur following further collaboration between stakeholders. Any adjustments to staffing or program levels should be evaluated for long-term sustainability, noting that recurring expenditures require a stable and ongoing funding source, which may include future property tax considerations.

Hearing no additional comments, Vice-Chairman Hovis introduced an amendment to the motion to approve the FY27 Recommended Budget by including a directive that Gaston County and Gaston County Schools' staff work collaboratively to develop a long-range master plan identifying projected staffing and operational needs.

The proposed amendment included a request that the Chairman appoint two County Commissioners to work in conjunction with two members of the Board of Education and staff representatives from both entities to develop the plan.

He explained the purpose of the effort was to create a stable, data-driven approach for addressing the school system's operational and staffing needs, to consider, if necessary, the use of County fund balance as a short-term measure to address funding shortfalls while developing a sustainable long-term funding strategy.

After seeking clarification on the procedure for the amendment, Vice-Chairman Hovis advised that the amendment required a second and, if adopted, the Board would then vote on the main motion "as amended."

Commissioner Keigher seconded the proposed amendment.

Vice-Chairman Hovis opened the floor for further discussion and asked the County Manager if this would be a prudent course of action.

The County Manager responded affirmatively, stating that staff works well with the school system and would be willing to engage in a collaborative process to identify needs and report findings back to the Board.

Vice-Chairman Hovis called for the vote.

On motion introduced by Commissioner Hovis and seconded by Commissioner Keigher, the amendment of the original motion was approved by a vote of 5-1. The motion carried as follows:

Ayes:	Commissioners Cloninger, Fraley, Hovis, Keigher, Shehan
Nay:	Commissioner Bailey
Absent:	Chairman Brown

Vice-Chairman Hovis asked Dr. Houchard if he had any comments or questions.

Dr. Houchard indicated his willingness to provide any additional information needed. He acknowledged the County as the funding source and emphasized his responsibility to request adequate funding in the best interest of students, including support for staff and services.

The Board proceeded to the vote on the amended main motion.

On motion introduced by Commissioner Keigher and seconded by Commissioner Shehan, the FY27 Recommended Budget was approved as amended.

The motion carried as follows:

Ayes:	Commissioners Cloninger, Fraley, Hovis, Keigher, Shehan
Nay:	Commissioner Bailey
Absent:	Chairman Brown

Vice-Chairman Hovis called for a motion to adopt the Budget Ordinance.

2026-150 Commissioner Brown – To Adopt the FY2026-2027 Gaston County Budget Ordinance

On motion introduced by Commissioner Keigher and seconded by Commissioner Fraley, the BOC approved **2026-150.**

The motion carried as follows:
Ayes: Commissioners Cloninger, Fraley, Hovis, Keigher, Shehan
Nay: Commissioner Bailey
Absent: Chairman Brown

and as set forth herewith:

BUDGET ORDINANCE
FISCAL YEAR 2026-2027
GASTON COUNTY, NORTH CAROLINA

BE IT ORDAINED by the Board of Commissioners of Gaston County, North Carolina:

SECTION I. BUDGET ADOPTION 2026-2027. There is hereby adopted a budget for the County of Gaston for the fiscal year beginning July 1, 2026 and ending June 30, 2027, a summary of which is included as Exhibits I (funding sources by fund and revenue type) and II (appropriations by fund and function) herein on page 4. The budget is hereby adopted by fund on a functional basis. The County Manager is directed to finalize the line-item detailed budget, at which time that document shall be incorporated herein as if fully set out verbatim and referred to hereinafter as the "2026-2027 Gaston County Budget."

SECTION II. TAX RATE LEVY 2026-2027. There is hereby levied for fiscal year 2026-2027 a tax rate of 59.9 cents per $100.00 of assessed valuation.

SECTION III. SALARIES. The 2026-2027 Gaston County Budget fully funds longevity and a 3% cost-of-living adjustment for eligible employees.

SECTION IV. BUDGET OFFICER AND FINANCE OFFICER. In accordance with the Local Government Budget and Fiscal Control Act, the County Manager has prepared a budget which contains a General Fund, a Community Investment Fund, a Debt Service Fund, a Capital Improvements Fund, a Social Services Beneficiaries Fund, a Tourism Fund, a Property Revaluation Fund, a Courthouse Parking Fund, an Emergency Telephone Fund, a Unified Fire Protection Service District Fund, a Deeds of Trust Fund, a Civil Process Fund, a Fines and Forfeitures Fund, a Solid Waste Enterprise Fund, and a Self-Insurance Fund.

The County Manager is designated as the Budget Officer of the County and the Finance Director is designated as Finance Officer. As provided by G. S. 159-25 (b), the Board is authorized to require two signatures on each check or draft that is made on County funds. The signature of the County Manager and the Finance Officer shall be the authorized signatures of the County. The Deputy County Manager shall have signatory authority in the absence of the County Manager and the Finance Officer shall designate signatory authority to a responsible individual on their staff in their absence.

SECTION V. TRANSFERS OF FUNDS BETWEEN OBJECT ACCOUNTS. Line item changes are authorized only with the approval of the Board of Commissioners as required by law, except as provided below. The Budget Officer is authorized to transfer monies from one line item appropriation to another within the same fund in accordance with provisions of G.S. 159-15.

In compliance with Resolution 2003-321, upon making such transfers, the Manager shall accumulate them to be forwarded to the Clerk to the Board on or before the agenda deadline for the next regular scheduled Board of Commissioners meeting so that said transfers may be placed in the agenda and recorded in the minutes of said meeting. Budget Change Requests included in the agenda are for information purposes and will not be discussed by the Board at the meeting unless a Budget Change Request pertains to a resolution that is on the Board's agenda for that meeting. Nothing in this resolution in any way affects the County Manager's authority to make budget transfers by the amount provided in the Budget Ordinance.

Movement of funds between expenditure categories (personnel, operating, capital and debt service) may be requested by departments, but require approval of the Budget Officer or their designee. No lapsed salary can be used to fund other operational expenditures without the Budget Officer or their designee approval. Movement of funds to purchase unbudgeted capital items requires approval of the Budget Officer or their designee.

SECTION VI. OBLIGATIONS FROM THE PRIOR YEAR. As provided by G.S. 159-13 (b), any funds of a capital or operating nature for which bids have been received or contracts executed in previous fiscal years are hereby re-appropriated. All unpaid encumbrances, ongoing projects that are assigned a project number, capital improvement projects, and any other items which have been approved by the Board of Commissioners, such as grants, are hereby reappropriated and are to be added to this approved budget.

SECTION VII. SCHOOL BUDGET. Current Expense - The Gaston County Board of Commissioners approves an operating allocation of $54,001,704 for the Gaston County Board of Education. In addition, the Board approves $2,200,224 for School Resource Officers assigned to schools, as well as $65,000 for the Commissioners' School of Excellence.

Capital/Debt Service Funds - The Gaston County Board of Commissioners appropriates $35,361,046 for the school system's FY 2026-2027 capital and debt service needs, to be allocated as follows: $1,227,000 for capital needs and $35,413,254 for debt service.

SECTION VIII. GASTON COLLEGE BUDGET. In accordance with North Carolina General Statute 115D, Gaston County shall provide, based upon the appropriations herein, funds to Gaston College as needed to meet current fund and capital fund expenditures. The FY 2026-2027 appropriation for Gaston College totals $8,152,991 to be allocated as follows: $6,271,775 for current operating expenses, $797,219 for capital expenses, and $1,083,997 for debt service expenditures.

Reserves for future capital projects shall remain with Gaston County to the credit of Gaston College until requested for payment of duly appropriated obligations. Payment of all capital expenditures shall be made upon presentation of the appropriate invoices to Gaston County.

SECTION IX. APPROVAL OF DEPARTMENTAL BUDGETS. The Board of County Commissioners does hereby approve the amended budget of each department by the County Manager or as amended by this Board on page 4 herein and as more fully detailed in the document to be finalized per Section I above.

SECTION X. CAPITAL IMPROVEMENT FUND. The Board of the County Commissioners does hereby approve the Capital Improvement Fund as budgeted by the County Manager or as amended by this Board on page 4. Accordingly, the Finance Director is authorized to make the proper entries to the County's accounting records as of June 30, 2027 to cause the net balance of the appropriate projects to revert to the Community Investment Fund's fund balance.

SECTION XI. DESIGNATION OF INSURANCE RESERVES AND AUTHORIZATION FOR EXPENDITURES. The Board of Commissioners approves the designation of unspent funds, from General Fund "Insurance" (530024) and "Uninsured Cost" (530025) line items into fund balance titled "Designated for Insurance Reserves".

Adopted this 12th day of May 2026, to become effective on July 1, 2026.

Exhibit I
GASTON COUNTY, NORTH CAROLINA
BUDGET ORDINANCE
FUNDING SOURCES
FOR THE FISCAL YEAR ENDING JUNE 30, 2027

	MAJOR FUNDS				NON-MAJOR SPECIAL REVENUE FUNDS									ENTERPRISE FUND	INTERNAL SERVICE FUND	
FUNDING SOURCE	GENERAL FUND	COMMUNITY INVESTMENT FUND	DEBT SERVICE FUND	CAPITAL IMPROVEMENTS FUND	SOCIAL SERVICE BENEFICIARIES FUND	TOURISM FUND	PROPERTY REVALUATION FUND	COURTHOUSE PARKING FUND	EMERGENCY TELEPHONE FUND	UNIFIED FIRE PROTECTION SERVICE DISTRICT FUND	DEEDS OF TRUST FUND	CIVIL PROCESS FUND	FINES & FORFEITURES FUND	SOLID WASTE FUND	SELF INSURANCE FUND	GROSS FUNDING SOURCES, ALL FUNDS
AD VALOREM TAXES	218,155,809	-	-	-	-	-	-	-	-	13,495,449	-	-	-		-	231,651,258
SALES & OTHER TAXES	43,421,950	30,669,400	-	-	-	1,506,777	-	-	-	-	-	-	-	435,605	-	76,033,732
INTERGOVERNMENTAL & GRANTS	36,099,090	2,000,000	-	-	850,000	-	-	-	-	-	-	-	1,525,000	-	-	40,474,090
FEES, LICENSES, & PERMITS	11,257,000	-	-	-	-	-	-	16,000	462,523	-	52,000	200,000	-		-	11,987,523
SALES, SERVICES, & FEES	23,852,557	-	-	-	-	-	-	-	-	-	48,000	-	-	15,422,334	-	39,322,891
INVESTMENT EARNINGS	10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	10,200,000
MISCELLANEOUS REVENUE	2,742,733	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,742,733
INSURANCE CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-		31,746,802	31,746,802
TRANSFERS IN FROM OTHER FUNDS	-	7,324,438	39,993,838	-	-	-	500,000	-	-	-	-	-	-	-	-	47,818,276
FUND BALANCE APPROPRIATION	-	-	4,190,015	7,657,030	-	-	225,000	-	-	100,000	-	-	-	19,075,088	-	31,247,133
	345,529,139	39,993,838	44,183,853	7,657,030	850,000	1,506,777	725,000	16,000	462,523	13,595,449	100,000	200,000	1,525,000	34,933,027	31,946,802	523,224,438

RECONCILIATION OF GROSS TO NET BUDGET:	
GROSS FUNDING SOURCES, ALL FUNDS	$ 523,224,438
LESS INTERFUND TRANSFERS	$ (47,818,276)
NET BUDGET, ALL FUNDS	$ 475,406,162

Exhibit II
GASTON COUNTY, NORTH CAROLINA
BUDGET ORDINANCE
APPROPRIATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2027

	MAJOR FUNDS				NON-MAJOR SPECIAL REVENUE FUNDS									ENTERPRISE FUND	INTERNAL SERVICE FUND	
FUNCTION	GENERAL FUND	COMMUNITY INVESTMENT FUND	DEBT SERVICE FUND	CAPITAL IMPROVEMENTS FUND	SOCIAL SERVICE BENEFICIARIES FUND	TOURISM FUND	PROPERTY REVALUATION FUND	COURTHOUSE PARKING FUND	EMERGENCY TELEPHONE FUND	UNIFIED FIRE PROTECTION SERVICE DISTRICT FUND	DEEDS OF TRUST FUND	CIVIL PROCESS FUND	FINES & FORFEITURES FUND	SOLID WASTE FUND	SELF INSURANCE FUND	GROSS APPROPRIATIONS, ALL FUNDS
GENERAL GOVERNMENT	59,550,300	-	1,571,255	4,892,811	-	-	725,000	16,000	-	-	100,000	-	-	-	31,946,802	98,802,168
PUBLIC SAFETY	112,176,537	-	-	695,000	-	-	-	-	462,523	13,595,449	-	200,000	-	-	-	127,129,509
EDUCATION	60,838,479	-	17,232,000	2,024,219	-	-	-	-	-	-	-	-	1,525,000	-	-	81,619,698
CULTURAL & RECREATIONAL	10,367,281	-	-	45,000	-	-	-	-	-	-	-	-	-	-	-	10,412,281
HUMAN SERVICES	88,069,741	-	-	-	850,000	-	-	-	-	-	-	-	-	-	-	88,919,741
ENVIRONMENTAL PROTECTION	151,479	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,479
ECONOMIC & PHYSICAL DEVELOPMENT	6,550,884	-	-	-	-	1,506,777	-	-	-	-	-	-	-	-	-	8,057,661
SOLID WASTE	-	-	-	-	-	-	-	-	-	-	-	-	-	34,933,027	-	34,933,027
DEBT SERVICE	-	-	25,380,598	-	-	-	-	-	-	-	-	-	-	-	-	25,380,598
TRANSFERS OUT TO OTHER FUNDS	7,824,438	39,993,838	-	-	-	-	-	-	-	-	-	-	-	-	-	47,818,276
	345,529,139	39,993,838	44,183,853	7,657,030	850,000	1,506,777	725,000	16,000	462,523	13,595,449	100,000	200,000	1,525,000	34,933,027	31,946,802	523,224,438

RECONCILIATION OF GROSS TO NET BUDGET:	
GROSS APPROPRIATIONS, ALL FUNDS	$ 523,224,438
LESS INTERFUND TRANSFERS	$ (47,818,276)
NET BUDGET, ALL FUNDS	$ 475,406,162

COMMISSIONER'S COURT MAY 12, 2026

GASTON COUNTY, NORTH CAROLINA

Adjournment

By unanimous consent, Vice-Chairman Hovis adjourned the Special Meeting of May 12, 2026 at 8:44 pm.

(All aforementioned documents are on file with the Clerk to the Board.)

Bob Hovis, Vice-Chairman Gaston County Board of Commissioners	Donna S. Buff Clerk to the Board

SEAL