

## February 20, 2012

The Board of Commissioners of Franklin County, North Carolina, met for its Regular Meeting at 7:00 P.M. in the Commissioner's Conference Room located in the County Administration Building with the following Commissioners present: Chairman E. Shane Mitchell, Vice-Chairman Robert L. Swanson, Sidney E. Dunston, Donald C. Lancaster, Harry L. Foy, Jr. and David T. Bunn. Commissioner Penny McGhee was absent.

Chairman Mitchell asked the Board to consider amending the agenda to remove the closed session from the agenda and to add the following two items:

- Initial Results Regarding Franklin County 2012 Revaluation Project
- Appointment: The Board is asked to consider the reappointment of Mr. Fred Keller to represent private industry on the Kerr-Tar Workforce Development Board. The term is two years.

Commissioner Lancaster made the motion to amend the agenda, seconded by Commissioner Foy. The motion duly carried with all present voting "AYE."

Chairman Mitchell asked the Board to consider approval of the consent agenda.

Commissioner Dunston made the motion to approve the consent agenda, seconded by Commissioner Swanson. The motion duly carried with all present voting "AYE."

The items approved are as follows.

### 1. CONSENT AGENDA

- A. February 6, 2012 Minutes
- B. Proclamation Celebration 100 Years of Girl Scouting
- C. Releases, Adjustments, Refunds, and Tax Collection Report
- D. Resolution Approving Financing Terms (Financing of Equipment for Water and Sewer)

#### Item 1-B

#### A PROCLAMATION CELEBRATING 100 YEARS OF GIRL SCOUTING

**WHEREAS**, March 12, 2012, marks the 100th anniversary of Girl Scouts of the USA, which began in 1912 when Juliette "Daisy" Gordon Low gathered 18 girls in Savannah, Georgia, to provide them the opportunity to develop physically, mentally, and spiritually; and,

**WHEREAS**, for 100 years, Girl Scouting has helped build millions of girls and women of courage, confidence, and character who act to make the world a better place; and,

**WHEREAS**, the award-winning Girl Scout Leadership Program helps girls discover themselves and their values, connect with others, and take action to make the world a better place; and,

**WHEREAS**, the Girl Scout Gold Award, the highest honor in Girl Scouting, requires girls to make a measurable and sustainable difference in their community and honors leadership in the Girl Scout tradition; and,

**WHEREAS**, core programs around Science, Technology, Engineering, and Math (STEM), environmental stewardship, healthy living, financial literacy, and global citizenship help girls develop a solid foundation in leadership; and,

**WHEREAS**, through the dedication, time, and talent of thousands of volunteers of different backgrounds, abilities, and areas of expertise, the Girl Scout Program is brought to more than 70,000 girls in grades K-12 across the state of North Carolina; and,

**NOW, THEREFORE**, we, the commissioners of Franklin County, do hereby applaud Girl Scouts for 100 years of leadership and community service to our state and our county, and proudly proclaim March 11-17, 2012, as "Girl Scout Week in Franklin County."

Item 1-D

**Resolution Approving Financing Terms**

**WHEREAS:** The County of Franklin (the "County") has previously determined to undertake a project for the financing of Kubota Compact Excavator, and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The County hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated February 7, 2012. The amount financed shall not exceed \$52,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.79%, and the financing term shall not exceed thirty-six (36) months from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the County are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by County officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The County shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The County hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The County intends that the adoption of this resolution will be a declaration of the County's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The County intends that funds that have been advanced, or that may be advanced, from the County's general fund, or any other County fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of County officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

**2. COMMENTS FROM THE PUBLIC**

This was the time set aside by the Board of Commissioners to allow individuals five minutes to address the Board on issues concerning the county. No comments were offered.

**3. PUBLIC HEARING**

Incentive Request for K-Flex, USA

K-Flex, USA is considering an expansion of their business in Franklin County to consolidate their warehousing with their manufacturing in one location. The total investment that will be made by K-Flex, USA should they move forward with expansion

in Franklin County will be an estimated \$10,560,000. The tax valuation of the new investment is \$7,766,600 and the four-year tax yield on the new investment is \$232,998.

K-Flex currently employs 145 full time employees with up to 65 seasonal temporary employees. While the expansion is not slated to add employees, staff said retaining existing jobs in Franklin County is important.

Following the County's Economic Incentive Policy guidelines and for competitive reasons, the Economic Development Commission requested consideration of a three-percent incentive to be paid over four years at \$58,249.50 per year.

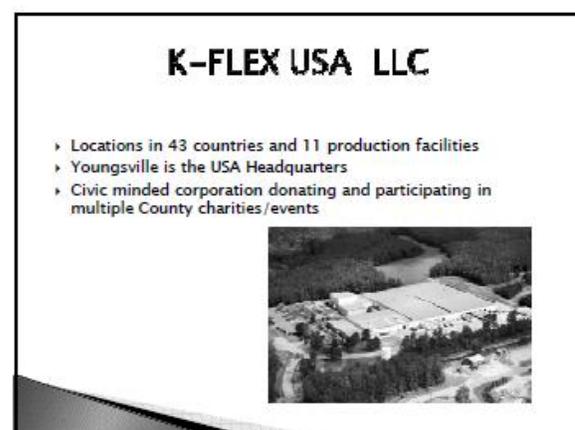
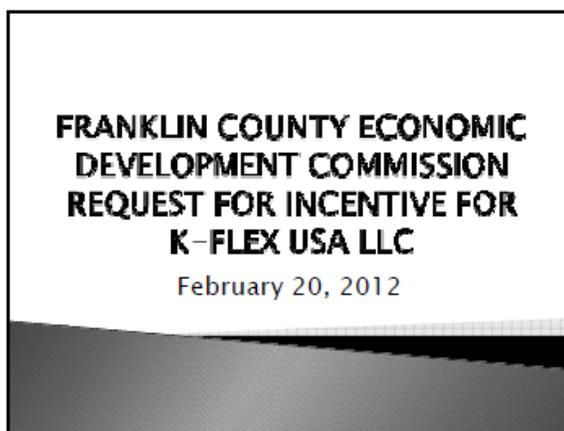
At 7:04 P.M., Chairman Mitchell opened the public hearing.

**Roger Lytle, 571 Williams White Road, Zebulon, NC**

- Mr. Lytle made no comments for or against the incentive request, but asked that the correct Franklin County Incentive Policy be posted online. He said the policy currently posted does not include an issued or revised date and mentioned the incentive policy online calls for the creation of new jobs rather than the retention of jobs. He stated the document does not match the process the County is "apparently" following. Mr. Goswick stated the incentive policy calls for job creation and retention.

At 7:07 P.M., Chairman Mitchell closed the public hearing.

Economic Development Director Ronnie Goswick offered the following presentation.



**INCENTIVE REQUEST**

- ▶ Proposed investment estimate: \$10,560,000.00
- ▶ Construction of a 160,400 sq. foot facility
- ▶ Retains existing jobs and consolidates all in one location

**INCENTIVE REQUEST**

- ▶ Tax valuation estimate of investment: \$7,766,600.00
- ▶ 3% of proposed investment: \$232,998.00
- ▶ Paid over four (4) year time period: \$58,249.50/year

▶ Note: Paid only after taxes paid by company. Exact amount of incentive based on actual tax value increase.

**QUESTIONS**

Commissioner Foy said the County's tax rate is too high at fifty-percent higher than the average county in North Carolina. He said companies often look at tax rates when considering location and said he felt the tax rate is harmful when trying to create jobs or bring in new business and industry. He said he hopes K-Flex will succeed, but said he is not in favor of the incentive or any government bailout.

In response, Mr. Goswick stated incentives are necessary in order to be competitive with other counties in North Carolina. He stated Franklin has an opportunity to retain a great company that has many options for its expansion including a move to an adjacent county or a move to another state.

Commissioner Lancaster agreed with Commissioner Foy in his preference not to utilize incentives, but doing so was necessary and said he wants to keep jobs in Franklin County.

Commissioner Dunston thanked K-Flex for being in Franklin despite high tax rates and said he hopes the business will stay for its expansion. He stated no one prefers to pay higher taxes or pay out more money, but said doing so is worth it in order to retain 145 jobs. He thanked representatives of K-Flex for attending the board meeting.

Commissioner Dunston made a motion to approve a three-percent incentive for K-Flex, USA to be paid over four years at \$58,249.50 per year. The incentive is contingent upon the expansion and retention of the current level of 145 full-time positions. The motion was seconded by Commissioner Swanson and approved with a 5-2 vote. Commissioners Bunn and Foy voted "NO."

#### **4. INITIAL RESULTS REGARDING FRANKLIN COUNTY 2012 REVALUATION PROJECT**

Tim Cain with Assessment Solutions, Inc. provided the following information illustrating countywide impact of the Franklin County Reappraisal Project effective January 1, 2012. Assessment Solutions has completed its review process and valuation notices

are in the process of being mailed. The informal appeal process is expected to begin immediately.

65 Medford Drive, Youngsville  
Parcel Identification: 034757  
Neighborhood: F10E



Sold Date: 11/7/03  
Sold Price: \$149,500

Assessed Value (1/1/04): \$150,764 (1.0085)

Sold Date: 5/25/07  
Sold Price: \$175,000 (0.8615)

Sold Date: 6/30/11  
Sold Price: \$163,000 (0.9249)

Assessed Value (1/1/12): \$159,630 (0.9793)

85 Wembley Court, Youngsville  
Parcel Identification: 033606  
Neighborhood: F10E



Sold Date: 7/2/01  
Sold Price: \$148,500

Assessed Value (1/1/04): \$143,302 (0.9650)

Sold Date: 8/3/07  
Sold Price: \$178,000 (0.8051)

Sold Date: 6/29/10  
Sold Price: \$155,500 (0.9216) – SHORT SALE

Assessed Value (1/1/12): \$162,170 (1.0429)

415 Eagle Stone Ridge, Youngsville  
Parcel Identification: 038395  
Neighborhood: D05F



Assessed Value (1/1/04): \$141,261

Sold Date: 10/5/07  
Sold Price: \$175,000 (0.8072)

Sold Date: 5/25/11  
Sold Price: \$147,000 (0.9610)

Assessed Value (1/1/12): \$145,760 (0.9916)

60 Meadow Lane, Franklinton  
Parcel Identification: 031675  
Neighborhood: C04A



Assessed Value (1/1/04): \$171,133

Sold Date: 4/16/07  
Sold Price: \$217,000 (0.7886)

Sold Date: 9/28/10  
Sold Price: \$202,500 (0.8451)

Assessed Value (1/1/12): \$200,440 (0.9898)

521 Sagamore Drive, Louisburg  
Parcel Identification: 023444  
Neighborhood: LRWF



Assessed Value (1/1/04): \$230,618

Sold Date: 11/3/06  
Sold Price: \$434,500

Assessed Value (1/1/12): \$353,130

507 Sagamore Drive, Louisburg  
Parcel Identification: 022173  
Neighborhood: LRWF



Sold Date: 12/11/02  
Sold Price: \$319,000

Assessed Value (1/1/04): \$175,589 (0.5504)

Sold Date: 2/14/06  
Sold Price: \$420,000 (0.4181)

Assessed Value (1/1/12): \$277,320

Mr. Cain stated he anticipated a countywide increase of approximately fourteen-percent largely due to increases in land. He said conversely dwellings are up approximately four-percent. He stated values are now below the highest levels of 2007, but they have not fallen below the levels of Franklin County's last revaluation in 2004.

Mr. Cain stated informal appeals are a critical component of the revaluation process and said it is important to have conversations with taxpayers, to make sure the process is transparent and to ensure the process is done correctly.

Commissioner Foy asked if the total revaluation would be increased or decreased. Mr. Cain stated it has increased approximately fourteen-percent.

Commissioner Swanson asked if the value of land in the eastern part of the County is valued the same. Mr. Cain stated it was not and said the County was segmented into seven valuation areas. He said the north and east is one area to itself that has experienced little change. Mr. Cain stated the most important aspect of revaluation is not valuation per se, but rather equalization. He said this process has re-equalized the tax burden where it should be. For example, he said land in Youngsville and Franklinton is appreciating at a faster rate than land in Justice.

Commissioner Foy asked if the total valuation was up or down in the northeast quadrant. Mr. Cain replied it remained about the same.

No action was requested or taken.

## **5. APPOINTMENTS**

### **A. Adult Care Home Community Advisory Committee**

The Board was asked to consider the appointment of Ms. Betty Ayscue to serve as the Industry Nominee on the Adult Care Home Community Advisory Committee. The appointment was a recommendation by the Regional Ombudsman Kimberly Hawkins. The initial term is one year.

Commissioner Dunston made the motion to appoint Ms. Betty Ayscue to the Adult Care Home Community Advisory Committee. The motion was seconded by Commissioner Swanson and duly carried approval with all present voting "AYE."

### **B. Juvenile Crime Prevention Council**

The Board was asked to consider appointing Bunn Police Chief Kent Winstead (Chief of Police in the County) and Mr. Lee Jeffreys (Faith Community representative) to serve on the Juvenile Crime Prevention Council. The term length is two years.

Commissioner Lancaster made the motion to appoint Mr. Kent Winstead and Mr. Lee Jeffreys to the Juvenile Crime Prevention Council. The motion was seconded by Commissioner Foy and duly carried approval with all present voting "AYE."

### C. Kerr-Tar Workforce Development Board

The Board was asked to consider the reappointment of Mr. Fred Keller to represent private industry on the Kerr-Tar Workforce Development Board. The term is two years.

Commissioner Foy made the motion to reappoint Mr. Fred Keller to the Kerr-Tar Workforce Development Board. The motion was seconded by Commissioner Dunston and duly carried approval with all present voting "AYE."

## 6. OTHER BUSINESS

No new business was discussed.

## 7. BOARD, MANAGER AND CLERK'S COMMENTS

This was the time set aside for the Board of County Commissioners, the County Manager, and the Clerk to the Board to report on various activities. The Board may also discuss other items of interest.

**County Clerk Kristen G. King:** Mrs. King reminded the Board there is only one regular meeting scheduled for the month of March, 2012. That meeting will be held on March 19, 2012 at 7:00 P.M. The Board will attend the Cooperative Extension's Annual Report scheduled for 5:30 P.M. on March 19, 2012 as well. Additionally, she mentioned a public meeting scheduled for March 6, 2012 from 6:00-8:00 P.M. at the Old Franklinton High School in downtown Franklinton. The topic of discussion will be the proposed US1 Corridor Study from Park Avenue in Youngsville to the Vance County Line.

**Commissioner Lancaster:** No report was offered.

**Commissioner Dunston:** Commissioner Dunston attended the STEM Video Challenge on February 9, 2012 at Franklinton High School. He stated the event is a benefit to the County.

**Commissioner Foy:** Commissioner Foy attended the STEM Video Challenge on February 9, 2012. He commended Ms. Laureen Jones (Franklin County Schools) for her efforts in organizing the event. Commissioner Foy also attended a ceremony earlier in the day (February 20, 2012) at Triangle North Executive Airport at which Mr. Barry Davis, age 88, was honored and recognized for his military service. Commissioner Foy stated Mr. Davis was an Ace pilot in World War II.

**Commissioner Bunn:** No report was offered.

**Commissioner Mitchell:** No report was offered.

**Commissioner McGhee:** Commissioner McGhee was absent.

**Commissioner Swanson:** No report was offered.

### **County Manager Angela L. Harris:**

- Mrs. Harris provided a handout to the Board regarding the generation referred to as Generation Z. She recently attended training that focused on understanding generational differences.
- Mrs. Harris commented on the Kaizen Event recently held at the Health Department. As a result of the exercise, opportunities to eliminate non necessary steps in the process were identified resulting in shorter visit for clients. Some standardization of materials and equipment was also identified. Mrs. Harris stated the entire process is ongoing and said she would forward a final report to the Board when it was finalized.

- Mrs. Harris commented on an event held earlier in the day (February 20, 2012) at Triangle North Executive Airport in honor of World War II veteran Barry Davis. She thanked local media for covering the story and commented that media coverage was also provided by the News & Observer, UNC-TV and News Channel 14.
- Mrs. Harris referenced the March 6, 2012 public meeting regarding the proposed US1 Corridor Study from Park Avenue in Youngsville to the Vance County Line. Commissioner Lancaster encouraged attendance.

**8. CLOSED SESSION (This item was removed from the agenda.)**

~~A. Approval of Closed Session Minutes from February 6, 2012~~

~~B. North Carolina General Statute 143-318.11 (a)(5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.~~

At 7:35 P.M., Commissioner Dunston made a motion to adjourn, seconded by Commissioner Foy. The motion duly carried with all present voting "AYE."

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E. Shane Mitchell, Chair

Kristen G. King, Clerk to the Board