

February 6, 2017

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 Cedric K. Jones, Vice-Chairman Sidney E. Dunston, Commissioners Michael S. Schriver, Harry L. Foy, Jr., David T. Bunn and Shelley L. Dickerson. Commissioner John M. May was absent.

Chairman Jones called the meeting to order and asked the Board to consider approval of the consent agenda.

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

The following items were approved.

I. CONSENT AGENDA

- A. January 17, 2017 Minutes
- B. Annual Report of Unpaid Taxes that are liens on Real Property
- C. Approval of CPT codes (approved by Board of Health on January 24, 2017)
- D. Budget Amendment #8 (Pursuant to North Carolina General Statute 159-15, the County Finance Officer is requesting a budget ordinance amendment in the amount of \$1,646 for the fiscal year ending June 30, 2017 to amend the Health Department for additional revenue and expenditures.)
- E. Surplus of Glock 17 pistol (serial #VUS276) valued at approximately \$200 to sell to retiring officer Susan Handel in the amount of \$1

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. RIGHT OF WAY AND EASEMENT REQUEST

Tony King, Assistant Louisburg Town Administrator, asked the Board to donate and convey necessary right of way and easements on County property to facilitate sidewalk construction per NCDOT project C-5568.

Mr. King noted the town acquired matching funds to install new sidewalks at various locations in Louisburg. One project would extend sidewalks from South Main Street to Highway 56 and wrap around Bickett Boulevard at a cost of \$650,000. A second project would build sidewalks from First Citizens Bank to Sheetz, up Johnson Street at a cost of \$300,000.

The town requested the required right-of-way to help facilitate building the sidewalk as well as construction easements that would allow workers to travel across county property during construction.

Mr. King noted the temporary construction easement would only be in place during construction allowing encroachment on the property. There will be no modifications to the land through the construction easement. If there is any damage, he noted the town would provide repair including reseeding of grass if warranted. He said anything that happens in the temporary construction area will be restored back to its pre-construction state.

Mr. King said the town is required by law to send the county a letter stating it would provide a professional appraisal and make an offer (of the value of the appraisal) under the Uniform Act. The letter would be submitted later in the week. However, he did ask the county to consider donating the right of way and easements. He said the cost for the project would not be an 80/20 match like the others and so it would be more expensive for the town. He said the town would likely pay approximately \$150,000 to \$160,000 toward the project and that any donation would be helpful.

Mr. King noted a handrail will be installed that will run the entire length of the sidewalk on the north side to offer a safety barrier from the hill.

Commissioner Dunston asked if a handrail would be installed alongside existing steps adjacent to the sidewalk project. Mr. King stated the town did not request a handrail be included in the project approved by the Department of Transportation (DOT). He indicated he would ask DOT to consider including the steps into the project but could not guarantee approval under grant stipulations.

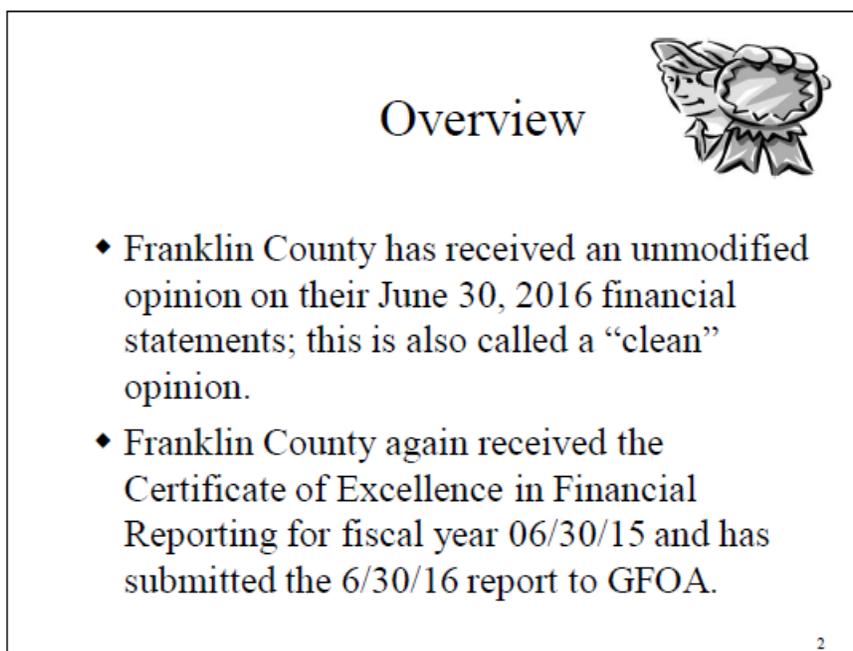
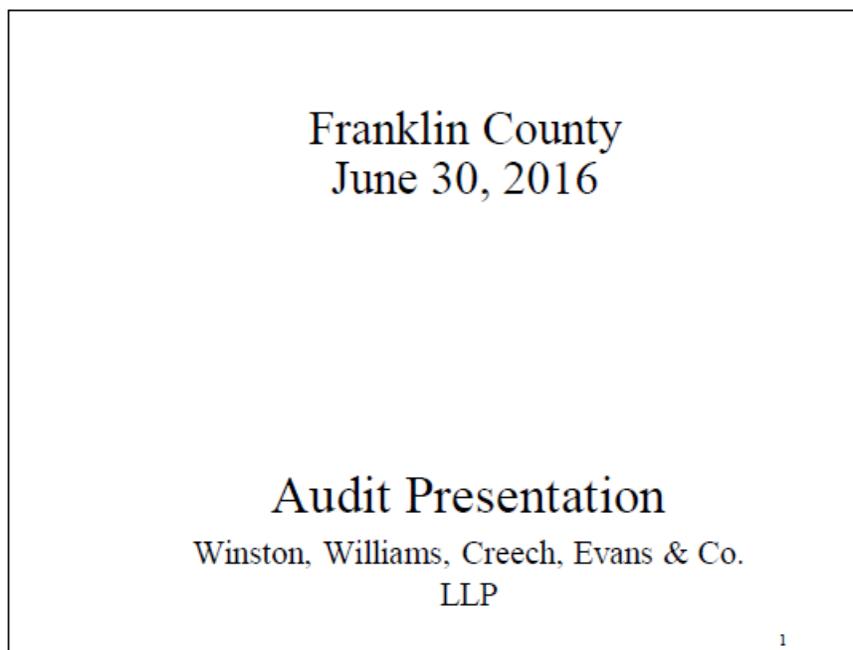
Commissioner Schriver asked the town to add the county to the certificate of insurance for additional coverage. Mr. King agreed.

Commissioner Dunston made a motion to donate and convey the necessary right of way and easements on county property to facilitate sidewalk construction, seconded by Commissioner Foy. The motion duly carried approval with all present voting "AYE."

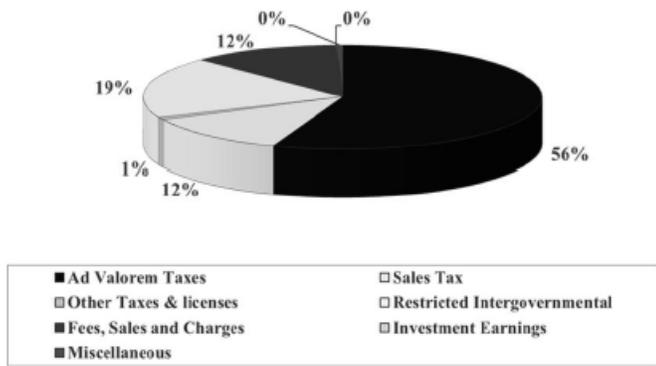
Construction is projected to begin late summer or early fall.

4. AUDIT PRESENTATION

Jim Winston of the auditing firm Winston, Williams, Creech, Evans and Company, LLP, Certified Public Accountants presented the annual audit report for the fiscal year ending June 30, 2016. Finance Director Mitchell Robinson also gave a brief financial overview of FYE 2016.

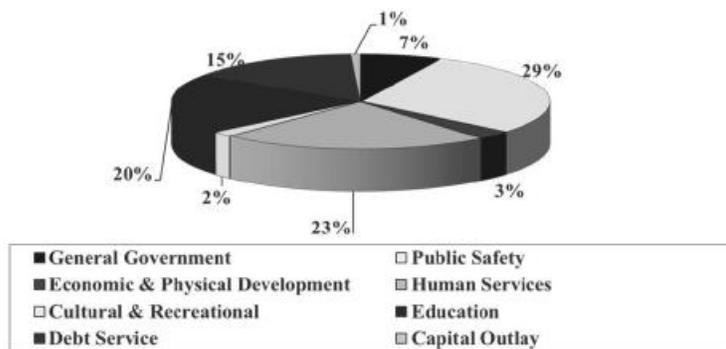


Governmental Fund Revenues



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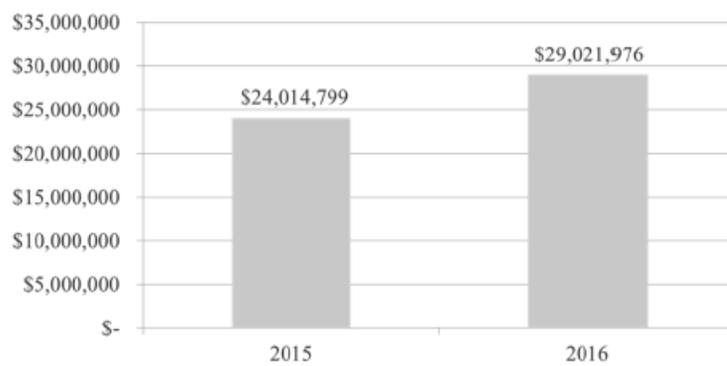
Governmental Fund Expenditures



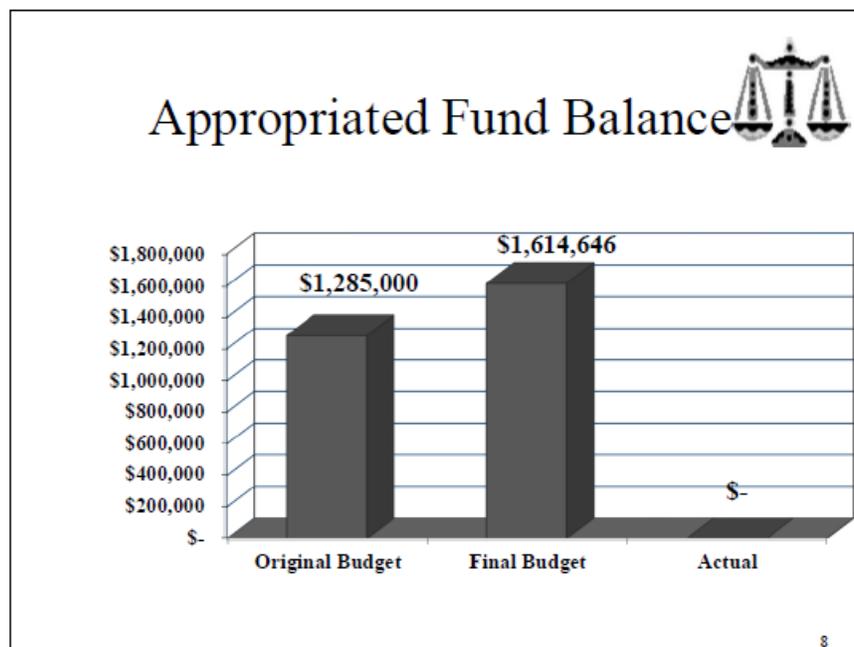
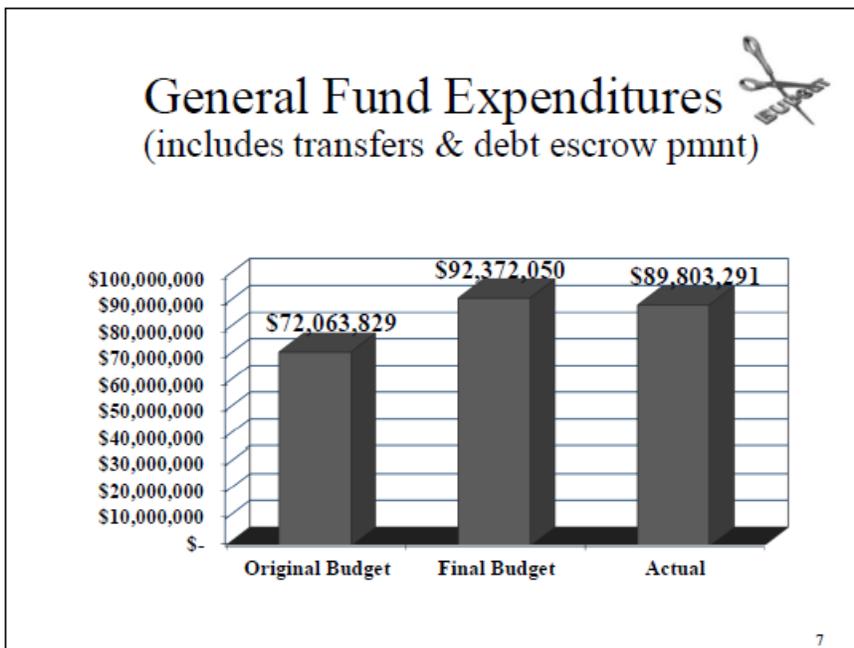
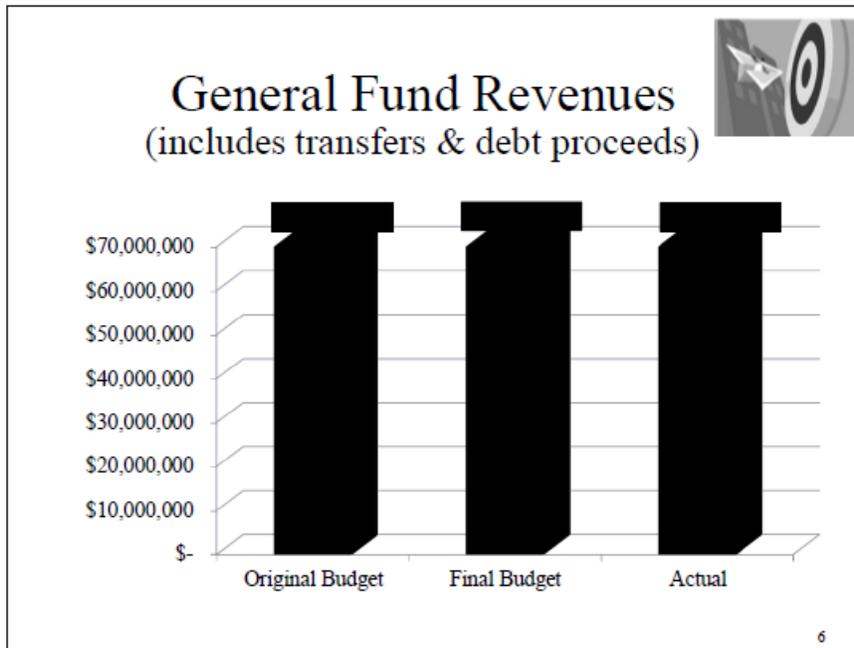
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Cash-All Funds

(excludes Restricted Cash and Agency Fund Cash)



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General Fund - Unassigned Fund Balance

	2015	2016
Unassigned Fund Balance Available for Appropriation	\$ 10,466,697	\$ 15,546,250
Unassigned Expenditures (includes transfers)	74,656,871	73,415,949
Unassigned FBA as a % of Expenditures	14.02%	21.18%

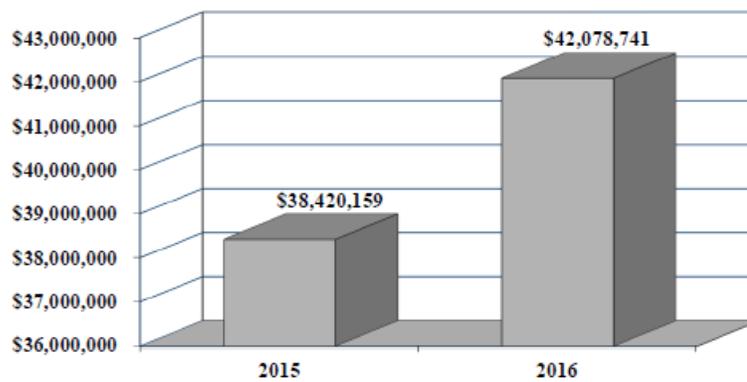
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General Fund - Fund Balance Available for Appropriation Statistics

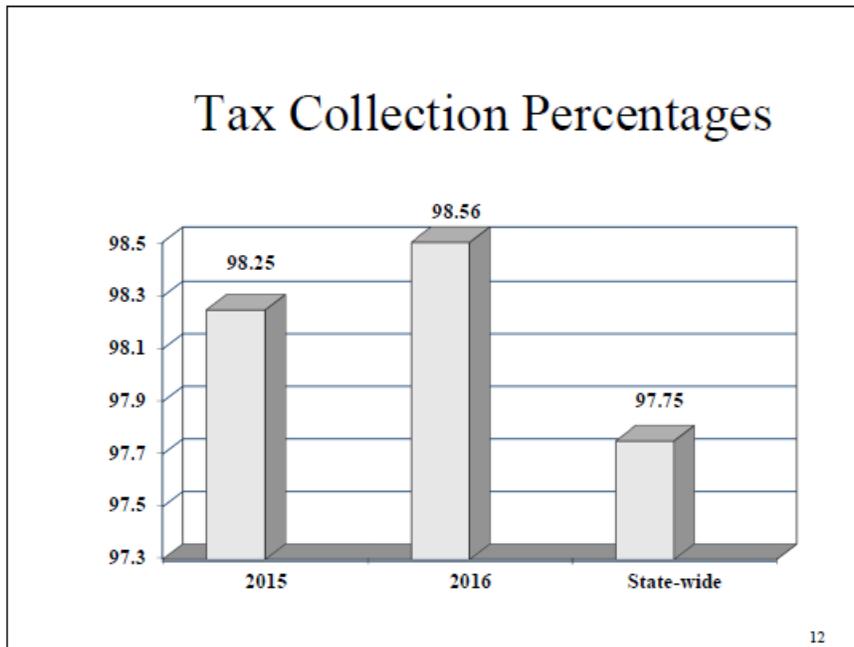
	2015	2016
Fund Balance Available for Appropriation	\$ 15,051,646	\$ 19,213,077
Expenditures (includes transfers)	73,756,871	73,415,949
FBA as a % of Expenditures	20.41%	26.17%
Statewide Avg (per LGC statistics)	29.78%	30.27%

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Adjusted Tax Levy



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Proprietary Funds

	Enterprise Funds	
	2016	2015
Operating Revenues	\$ 12,922,301	\$ 9,289,897
Operating Expenses	<u>11,059,591</u>	<u>6,816,359</u>
Operating Income (Loss)	<u>1,862,710</u>	<u>2,473,538</u>
Non-operating Revenues/Expenses	(275,733)	(448,391)
Capital contributions	<u>1,422,261</u>	<u>149,932</u>
Change in net position	<u>\$ 3,009,238</u>	<u>\$ 2,175,079</u>



To Mitchell and the rest
of finance and
administration for all of
their help during our
audit.

County Finance Director Mitchell Robinson offered the following presentation to the Board.

Franklin County North Carolina Fiscal Year 2015-2016 Comprehensive Annual Financial Report

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- Performance of the County**
1. (Page 11-13) **Auditor's Opinion** – The County's financial statements present fairly, in all respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. **The county received an "unmodified" opinion which is the best possible opinion.**
 2. (Page 167) **Internal Control Over Financial Reporting** – Auditors found **two items noted as a material weakness** in Internal Control over Financial Reporting. (Restatement of debt owed to GF from Water/Sewer to a receivable/payable) and a receivable not set up in prior years from an industry.
 3. (Page 168-170) **Compliance and Other Matters** – Auditors performed tests on the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. **No material weakness** was noted. **Two** Significant Deficiencies were noted on the Department of Social Services resulting in only \$210 in questioned costs.
 4. **Statistical Section: (pg 126-158.)** – Contains 10 consecutive years of financial and statistical information.
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Franklin County Financial Summary – All Governmental Funds (page 31)

Expenditures:

<u>Gen. Govt.</u>	<u>Pub. Safety</u>	<u>Economic & Phys. Dev.</u>	<u>Human Services</u>	<u>Cultural & Recrea.</u>	<u>Education</u>	<u>Capital</u>	<u>Debt</u>	<u>Total</u>
\$ 5,388,439	22,709,419	2,230,098	18,018,799	1,363,550	15,962,007	627,976	11,536,858	\$77,837,146

Revenues:

<u>Prop. Taxes</u>	<u>Sales tax</u>	<u>Other Taxes & E-911 Fees</u>	<u>Intergov.</u>	<u>Sales & Serv.</u>	<u>Invest. Earn.</u>	<u>Misc. Rev.</u>	<u>Total</u>
\$45,395,778	9,838,229	737,971	15,369,151	9,824,427	50,357	388,286	\$81,604,199

Other Financing Sources:

Issuance of Debt (refinance)	\$ 18,005,000
Debt payment to escrow (refinance)	(16,338,537)
Total of Other Financing Sources	1,666,463
<u>Net Change to Fund Balance (all funds)</u>	<u>\$ 5,433,516</u>

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Franklin County Fund Balance Summary

	<u>General Fund</u>	<u>Other Govt. Funds</u>	<u>Total Fund Bal.</u>
• At 7/1/15	\$ 24,862,691	\$ 2,322,207	\$27,184,998
• FY Changes	3,989,787	1,443,729	5,433,516
• Restatements	<u>(1,018,902)</u>	<u>-0-</u>	<u>(1,018,902)</u>
• Fund Bal <u>6/30/16</u>	\$27,833,576	\$ 3,766,036	\$31,599,612
• <i>Percent to Budget</i>	38.6%		
• Unassigned FB	\$15,546,250		
• <i>Percent to 2016 Actual</i>	21.18%		

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Summary of Unassigned General Fund Fund Balance

<u>Fiscal Year</u>	<u>Amount of Fund Balance</u>	
Fiscal Year 2015-2016	15,546,250	21.18%
Fiscal Year 2014-2015	10,466,697	14.02%
Fiscal Year 2013-2014	8,832,006	12.24%
Fiscal Year 2012-2013	12,714,798	18.30%
Fiscal Year 2011-2012	13,201,066	19.30%
Fiscal Year 2010-2011	12,757,375	18.99%
Fiscal Year 2009-2010	13,312,790	21.29%
Fiscal Year 2008-2009	14,545,686	22.72%
Fiscal Year 2007-2008	11,455,767	17.85%
Fiscal Year 2006-2007	13,157,668	22.06%
Fiscal Year 2005-2006	12,146,678	22.93%

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Key Department Analysis- General Fund:

<u>Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
• Total Budgeted Exp.	\$75,901,142	\$73,332,384	\$2,568,758
• Total Budgeted Rev.			
net trans. & Debt Refi	<u>74,286,496</u>	<u>77,117,342</u>	<u>2,830,846</u>
• Budget Impact		(+)	\$5,399,604

	<u>Budgeted</u>	<u>Actual</u>
• <u>Fund Balance Budgeted</u>	<u>\$1,614,646</u>	<u>-0-</u>

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**Water and Sewer Fund Summary (Non-GAAP)
For F.Y.E. June 30th, 2016**

ex. D-1

	<u>F.Y.E. 2016</u>	<u>F.Y.E. 2015</u>
• Total Sales for water were:	\$6,058,678	\$ 5,496,957
• Total Sales for sewer were:	2,584,625	2,729,896
• Fees, Charges, and & Other were:	1,042,119	1,023,044
• <i>Debt Proceeds</i>	-0-	2,600,000
• Total Revenues and Transfers:	<u>\$9,685,422</u>	<u>\$11,849,897</u>
• Water Purchases were:	\$3,268,127	\$3,121,852
• Debt Service payments:	1,767,221	1,877,270
• Operating and Capital expenses: 2015 includes \$3.2 mil Franklinton	3,546,855	5,935,643
• Transfer to General Fund	-0-	910,000
• Total Expenditures were:	<u>8,582,203</u>	<u>11,844,765</u>
• Revenues over Expenditures:	<u>\$ 1,103,219</u>	<u>\$ 5,132</u>
• Depreciation on system:	<u>(1,298,221)</u>	<u>(1,149,121)</u>
• <i>Profit/(Loss)</i>	<u>(139,050)</u>	<u>(1,143,989)</u>

**Solid Waste Fund Summary (Non-GAAP)
For F.Y.E. June 30th, 2016**

ex. D-3

	<u>F.Y.E. 2016</u>
• Solid waste availability fees:	\$2,044,306
• Landfill operating revenue:	1,218,688
• Operating grants:	170,399
• Miscellaneous revenue:	18,020
• Total Revenues:	<u>\$3,451,413</u>
• Salaries and expenditures:	\$3,234,370
• Capital Outlay:	92,510
• Total Expenditures:	<u>3,326,880</u>
Revenues over Expenditures:	124,533
• Depreciation on system:	<u>172,865</u>
• <i>Profit/(Loss)</i>	<u>(48,332)</u>
• <u>GAAP Profit (ex. 7) \$22,680</u>	

County's Debt Service at 6/30/2016

	<u>6/30/15</u>	<u>6/30/16</u>
• Total Bonded Debt	\$ 52,745,000	\$ 49,011,000
• Lease financing agreements	\$ 12,541,556	\$ 10,202,007
• Certificates of Participation	\$ 9,150,000	\$ 8,445,000
• Water and Sewer	\$ 12,734,619	\$ 11,027,267
• <u>Total Debt</u>	<u>\$ 87,171,175</u>	<u>\$ 78,685,274</u>

Statistical Section

• **Statistical Section**

Last ten year comparisons of budget and other good information. (Pages 121-157)

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2015-2016 Effective Tax Rates:

Dept. Of Revenue has not updated yet.

http://www.dornc.com/publications/effective_rates.html

Tax Rate 92.50 Cents

2016 Sales Ratio is .9269 (ex. House sells for \$150,000 – tax value on average would be \$139,035).

(.9269 * \$.9250) = 85.74 Cents (Effective Tax Rate)

Last year - Franklin County Sales ratio was .9497

(.9497 * \$.9250) = \$.8785 (Effective Tax Rate)

Any Questions?

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Commissioner Bunn made a motion to consider acceptance of audit report as presented, seconded by Commissioner Foy. The motion duly carried approval with all present voting “AYE.”

5. SHERIFF’S DEPARTMENT POSITION REQUEST

Sheriff Kent Winstead requested funding to create a full-time evidence technician position. The office has employed a part-time employee to manage the evidence room since May, 2016.

Sheriff Winstead stated large sums of money, guns and items are coming into the office that need to be managed by full-time staff in order to properly manage the evidence room. He said the Sheriff's Office has funding available through unfilled positions and stated the position will be budgeted in the upcoming year.

Commissioner Schriver made a motion to approve the request to create a full-time evidence technician position (currently a part-time position). The motion was seconded by Commissioner Dickerson and duly carried approval with all present voting "AYE." The position will be covered until June 30, 2017 and considered in the budgeting process.

6. PLANNING & INSPECTION POSITION REQUEST

Scott Hammerbacher, Planning & Inspections Director, asked the Board to consider an allocation of funding to allow for an additional Code Enforcement Officer position.

Mr. Hammerbacher essentially asked for the reinstatement of a position lost following the downturn of the economy. Now that economic conditions have improved it has proven difficult to serve citizens optimally without the additional position.

Commissioner Bunn made a motion to approve an additional Code Enforcement Officer position. The motion was seconded by Commissioner Dunston and duly carried approval with all present voting "AYE."

7. RADIO PROJECT UPDATE

Emergency Communications Director Christy Shearin and Nick Tusa with Tusa Consulting provided an update on the Radio Project.

Mr. Tusa verified workmanship at the new Youngsville site is in conformance with the contract and is extremely well done. He does not yet possess coverage test data from Harris following a drive test conducted two weeks prior in the Youngsville area. He said there was also a voice quality test conducted with representatives from the Youngsville Fire Department. A meeting was held with representatives earlier in the day and indicated they went specifically to areas where in the past there were communication problems in Youngsville and surrounding areas. He said those areas tested very well showing no issues with communication.

Mr. Tusa said there is still work to do. He noted Harris had inadvertently not installed the paging transmitters at the Youngsville site. The issue has now been resolved and Harris is committed to installing the equipment.

Mr. Tusa said the coverage objective was 95% countywide and said that expectation had previously been met everywhere except Youngsville. He expects the latest test data will meet coverage requirements because of the location of the site and expects to receive results in the near future.

No action was requested or taken.

8. BACK-UP PSAP UPDATE

Emergency Communications Director Christy Shearin provided an update on the back-up PSAP (public safety access point) requirement and progress to meet this requirement.

Originally the plan involved the use of other buildings but a revised plan was submitted to the state and approval was granted earlier in the day. Mrs. Shearin indicated Halifax County would answer 911 calls for Franklin, process the calls and relay them via a radio talk group.

She stated she would still need to purchase approximately \$7,000 in equipment that may be covered by 911 funds that would have to be reviewed by the state analyst. No other financial impacts are expected.

An agreement between Franklin and Halifax will need to be signed and is expected to be implemented well before the state's July 1, 2017 deadline.

No action was requested or taken.

9. APPOINTMENTS

A. Airport Commission

Commissioner Dunston nominated John Allers for reappointment.

Commissioner Foy made a motion to approve the nomination, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

B. Board of Adjustment

Commissioner Schriver nominated Robert Carlson for reappointment
Commissioner Dunston nominated Dewey Botts for reappointment.

Commissioner Foy made a motion to approve the nominations, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

C. Economic Development Commission

Commissioner Schriver nominated Matthew Winslow for reappointment.
Commissioner Dunston nominated Robert Sykes for reappointment.
Commissioner Bunn nominated Darrell Smith for appointment.

Commissioner Foy made a motion to approve the nominations, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

D. Emergency Medical Services Advisory Committee

Commissioner Dunston nominated Zollie Gill for reappointment.

Commissioner Foy made a motion to approve the nomination, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

E. Parks and Recreation Advisory Board

Commissioner Schriver nominated W.G. Arnold for reappointment.
Commissioner Dunston nominated Jack Edgerton for reappointment.

Commissioner Foy made a motion to approve the nominations, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

F. Planning Board

Commissioner Schriver nominated William Holden and Steven Buescher for reappointment.
Commissioner Dunston nominated Robert Mann and Mary Solomon for reappointment.

Commissioner Foy made a motion to approve the nominations, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

G. Solid Waste Education Task Force

Commissioner Schriver nominated Ed Harris for appointment.
Commissioner Dunston nominated Pierre Giani for reappointment.

Commissioner Foy made a motion to approve the nominations, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

H. Tourism Development Authority

Commissioner Dunston nominated Dee Patel for reappointment.
Commissioner Dickerson nominated Cedric Jones for reappointment.

Commissioner Foy made a motion to approve the nominations, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

10. **OTHER BUSINESS**

County Manager Angela L. Harris asked the Board to consider a motion to approve architectural and design work for Phase 2A at Louisburg High School.

According to Mrs. Harris when commissioners granted approval for the Board of Education to move forward with school projects and issue the remaining \$11.4 million in bonds, staff understood if funding was available Phase 2 would be examined and the school board would come back for discussion. She noted approval of the architectural and design work would not constitute approval of the project itself.

Commissioner Dunston made a motion to approve architectural and design work for Phase 2A at Louisburg High School not to exceed \$175,000. The motion was seconded by Commissioner Schriver and duly carried approval from all present voting "AYE."

Funding for the architectural and design work would come from bond monies.

11. **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: No comments were offered.

Commissioner Foy: No comments were offered.

Commissioner Bunn: No comments were offered.

Commissioner May: Commissioner May was absent.

Commissioner Jones: Commissioner Jones attended a recent meetings of the Board of Health, Five County Mental Health and Capital Area Metropolitan Planning Organization. Commissioner Jones also congratulated Clerk to the Board Kristen G. King for recently receiving recertification as a North Carolina Certified County Clerk.

Commissioner Schriver: Commissioner Schriver commented he and Commissioner Dickerson had a recent opportunity to become educated on public utilities in the county. He said he is beginning to see the complexity of appropriating natural resources and noted there is much hard work being done by the Public Utilities Advisory Committee.

Commissioner Dunston: No comments were offered.

Commissioner Dickerson: No comments were offered.

County Manager Angela L. Harris: Mrs. Harris commented on the following:

- Mrs. Harris attended a recent conference for city and county managers.
- Mrs. Harris noted staff had kicked off budget meetings with department heads and said she would begin scheduling sessions for commissioners.

At approximately 8:47 P.M., Commissioner Bunn made a motion to adjourn, seconded by Commissioner Dunston. The motion duly carried approval with all present voting “AYE.”

Cedric Jones, Chair

Kristen G. King, Clerk to the Board