

June 11, 2015

The Board of Commissioners of Franklin County, North Carolina, met for a Recessed Meeting at 4:00 P.M. in the Commissioner's Conference Room located in the County Administration Building with the following Commissioners present: Chairman Sidney E. Dunston, Commissioners John M. May, Cedric K. Jones, Harry L. Foy, Jr. and David T. Bunn. Vice-Chairman E. Shane Mitchell and Commissioner Don Lancaster arrived after the start of the meeting at 4:05 P.M.

Chairman Dunston called the meeting to order for the purpose of conducting a budget work session.

I. BUDGET DISCUSSION

A public hearing and workshops have been held on the 2015-2016 budget proposal. The Board continued discussions.

County Manager Angela L. Harris noted earlier presentations outlined budget requests needed, not included in the proposed budget. She asked a group of department heads to expound upon those requests and provide an update to the Board.

Presentations from the following departments were conducted:

- Planning and Inspections
- Information Technology
- Cooperative Extension

Planning and Inspections Director Scott Hammerbacher shared the following presentation outlining department requests specifically as it relates to the needs of Inspections.

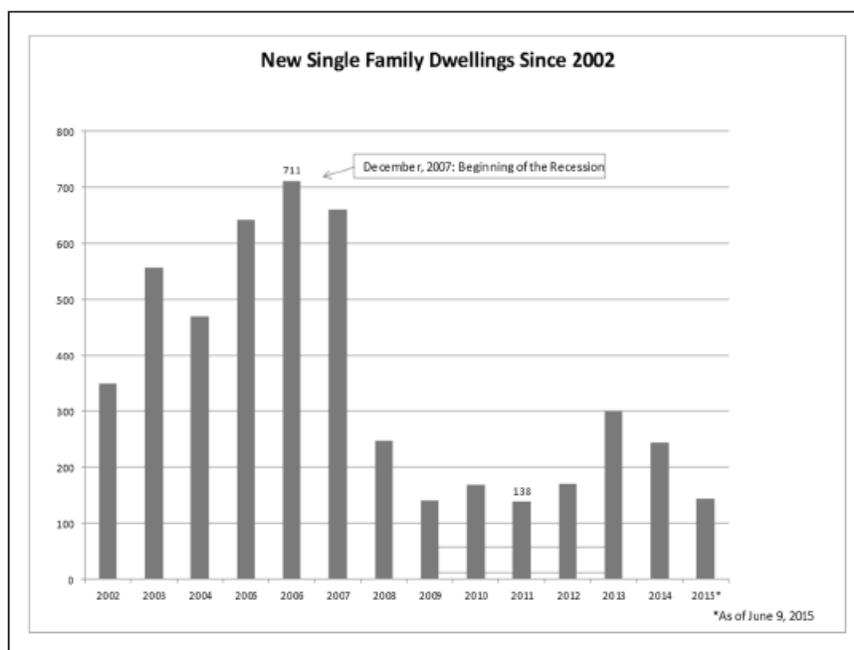
In the past six to seven years, staff has been reduced within the department especially during the downturn of the economy when the workload was decreased. She said trends are changing and asked Mr. Hammerbacher to explain.

**FY 15-16
Inspections Department
Budget Request**

Overview of Requests

- ▶ Requested one work truck (\$22,500)
- ▶ Requested reinstatement of one Administrative Support Specialist (\$38,950)
- ▶ Overall requested budget from previous year increased by approximately \$43,200
- ▶ A budget of \$530,659 was approved for the current fiscal year with revenues at \$650,064 as of June 10th.

Mr. Hammerbacher noted the department has seen an increase in subdivision activity within the county's jurisdiction. He said although the fee structure has not changed since 2006, the department is back to 2006-2007 levels. Single family dwelling permits are down, but there has been a substantial increase in renovations and additions to existing homes.



Overall Permit Trends

Fiscal Year	Number of Building Permits	Total Permits	Inspection Revenues	Total Permit Fees (Inspections, Public Utilities, Env. Health)
2005	1701	2765	\$690,607	\$1,065,782
2006	1770	3031	\$768,010	\$1,294,725
2007	1986	3144	\$1,037,905	\$1,829,285
2008	1646	2399	\$837,005	\$1,311,085
2009	1308	1757	\$449,966	\$699,261
2010	1488	1986	\$611,858	\$891,678
2011	1452	1870	\$359,484	\$568,819
2012	1570	2027	\$423,992	\$667,452
2013	1645	2257	\$522,948	\$929,318
2014	1760	2379	\$658,643	\$1,185,458
2015*	1734	2367	\$650,064	\$1,338,252

* As of June 10, 2015

Inspections Staffing

- ▶ Since 2008, two Code Enforcement Officer positions and one Administrative Support Positions have been eliminated
- ▶ Inspections utilized two Administrative Support Specialists from the early 90's until 2009
- ▶ Zoning Code Enforcement Officer was made full time in current budget
- ▶ Collections of permit fees transferred to Tax Department in 2014
- ▶ Re-assumed fire inspection duties from EMS in 2009

Current Challenges

- ▶ Only one dedicated Administrative Support Specialist
- ▶ Each permit takes approximately 15 to 20 minutes to process.
- ▶ Seasonal spikes
- ▶ Plan review and inspection scheduling
- ▶ Call volume
- ▶ One stop spot for permitting

Mr. Hammerbacher noted the difficulty created when the department's administrative support specialist is either sick or on vacation. Someone must fill-in and be pulled from their own job responsibilities, creating a snowball effect and hindering office workflow.

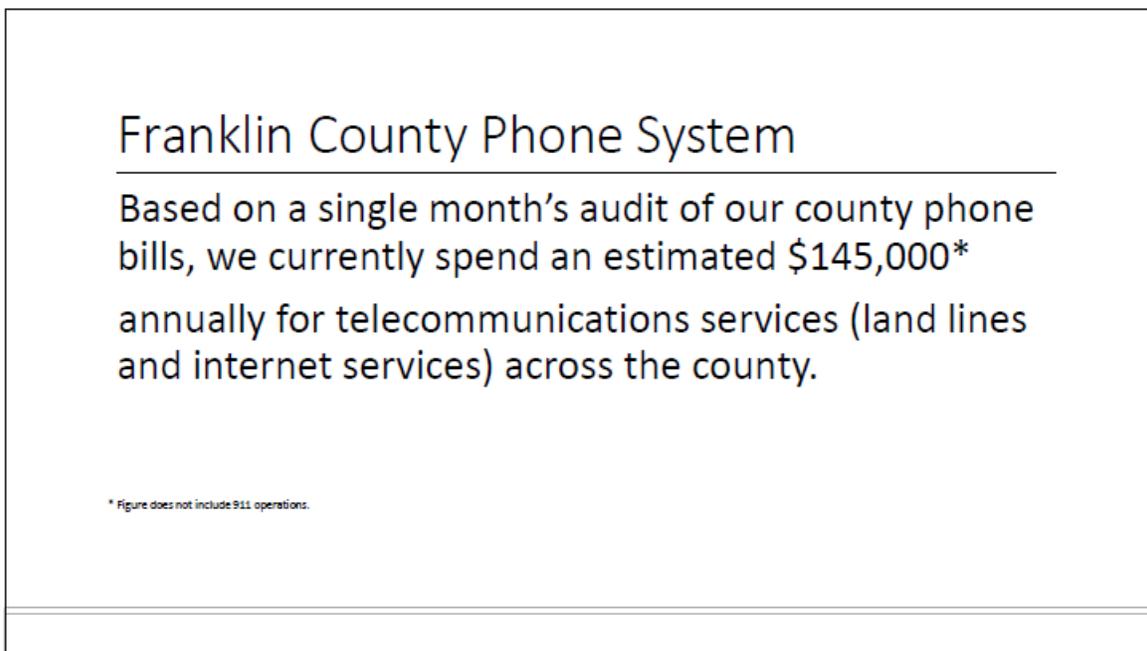
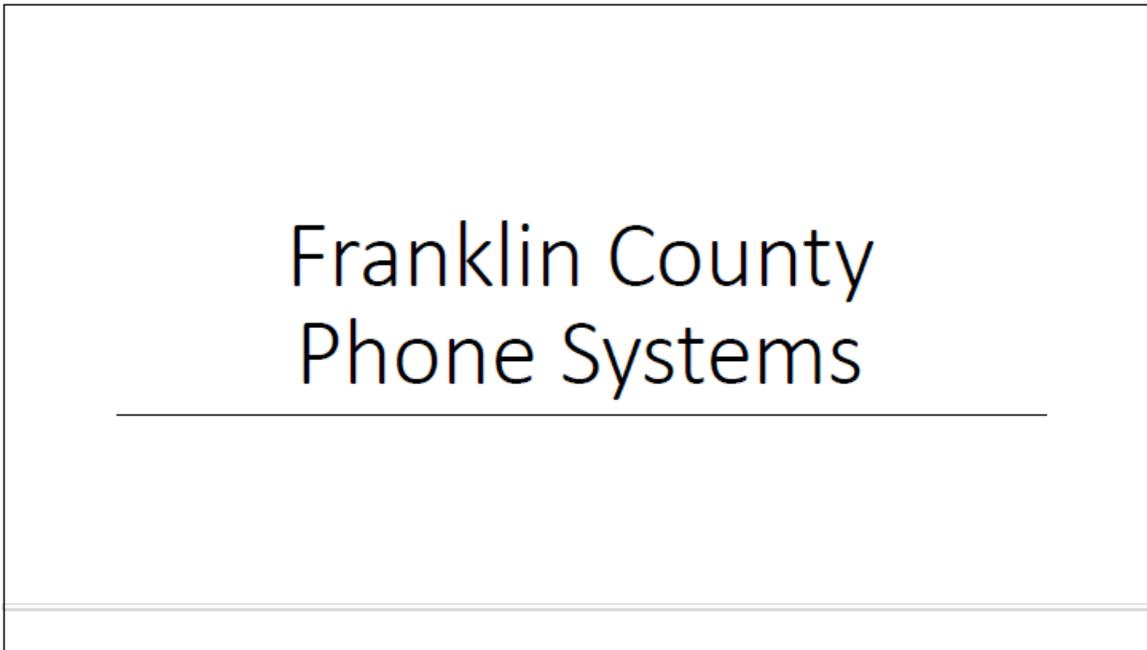
Inspection Department Needs



Mrs. Harris said the needs of the Inspections department were well represented within the department's initial budget request, but some needs had to be forfeited when creating the budget proposal. She feels the county will continue to experience much activity in Inspections based on conversations with realtors and others outside Franklin County staff.

Commissioner Bunn commented on personal experience with the Inspections department. He visits frequently and has noticed delays created when the administrative specialist is out of the office. He suggested the Board fund the staffing request if possible.

Information Technology Director Coy Floyd offered the following presentation highlighting a recent opportunity to accept and implement an upgraded phone system donated by the Local Government Federal Credit Union. Mr. Floyd went onto explain the current phone system and how the new system will improve communication.



Issues with Phone System



Limited access to voicemail (ex. No VM in County Manager or Finance Office)

Difficult to Support

Can't transfer between departments

Long Lead times for relocating employees

No Mobility features

Not Customer Service Friendly ☹️

Voice Over IP Phone System

Hot Desking

Direct Paging

Group Paging

Four Digit Dialing

Call Transfer

Call Park

Call Pickup

Call History

Mobile Extension

Call Forwarding

Call Tagging

Campon

In House Administration

Transfer Calls from one Dept. to another

Auto Attendant or Live operator

Less lines for single phone system

Voicemail to email

Mr. Floyd used the recent relocation of Tax and Planning/Inspections staff as an example of how county services could have benefitted from an upgraded phone system. He stated “hot desking” could have been used to quickly route calls to the new location in minutes rather than days.

He also commented on “mobile extensions” and how they can be used to route calls from a staff person’s desk phone to their mobile device.

Mr. Floyd stated “In House Administration” would allow moves, adds and changes to the system to be conducted in minutes by staff rather than the phone company which takes approximately seven days to complete.

Mr. Floyd stated the opportunity for Franklin to receive the donated system came after continued communication with colleagues across the state. The donated components of the system would save the county over \$200,000 as a new system would cost approximately \$300,000. He said the county would need to purchase additional items to complete the system at an estimated cost of \$80,000.

Mr. Floyd stated the life of the phone system would be 15 years from the date of installation.

Cost Sharing

The Local Government Federal Credit Union has agreed to donate the core components (controller, vm server and handsets) of their gently used system to Franklin County!!!!!!!



What will it cost Franklin County

We will need to purchase additional phones, networking equipment and professional services to get this system fully operational.

The estimated cost for products and services is ONLY \$80,000!

The new VOIP system may also require some additional internet bandwidth at some sites.

Return on Investment



A single phone system will allow us to remove up to 73 incoming trunk lines. That creates a potential savings of \$27,000 per year.

Lower Operating costs could save nearly \$3,000 per year.

With a potential saving of **\$30,000** per year we can realize a full return on our investment in less than **3 years!** 😊

Answer this riddle...



Questions

Commissioner Foy asked why the credit union wishes to donate the system. Mr. Floyd stated the credit union's needs have expanded beyond the capabilities of its current phone system. He said the system could accommodate the needs, but that it was more effective to implement a new phone system. Mr. Floyd followed up by stating numerous counties use the system offered for donation.

Franklin County Cooperative Extension Director Charles Mitchell was then asked to provide a brief update to the Board to inform the Board of a new statewide staffing model.

Mr. Mitchell first commended Mr. Floyd on his efforts to acquire a new phone system. He stated his office is now without one administrative support staff and said voicemail would be particularly critical for his office.

As of July 1, 2015, Cooperative Extension had to release one support staff who was fortunately able to retire. He said the office now meets the statewide goal to have one support staff per office. He said a part-time county funded position is being examined to assist.

Beginning July 1, 2016, all staff must be 50% county fund and 50% state funded. The office will have one support staff, one agriculture agent, half an FCS (Family and Consumer Sciences) agent (to be shared with Warren County) as well as a 4-H agent. Mr. Mitchell will serve as Director and agriculture agent.

Mr. Mitchell stated new options have been examined for the Franklin County Farmer's Market. He said there is funding for a feasibility study to see if the market should be relocated within the

county. He said funding for the study has been sought through the Tobacco Trust Fund. An answer is not expected until October 1, 2015. Mr. Mitchell stated the local Farm Bureau Board has agreed to donate \$10,000 toward the feasibility study. Mr. Mitchell said there is a possibility a new Farmer's Market manager will need to be hired in early 2016. He said the County is responsible for funding the position. The market manager was not recommended in the current budget proposal.

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

Franklin County

FY 2015-2016
Budget Work Session
June 11th, 2015

Franklin County
Current Proposed Budget
Fiscal Year 2015-2016

FY 2015-2016 Proposed Budget	\$75,846,060
FY 2014-2015 Proposed Budget	\$73,270,027
<u>Difference (+)</u>	<u>\$2,576,033</u>

Proposed Budget includes a 12 cent increase in property tax rate for the County .

Franklin County
Current Proposed Budget
Fiscal Year 2015-2016

Current Ad valorem Tax Rate is 87.25 cents per \$100

Proposed Ad valorem Tax Rate is 99.25 cents per \$100

This represents a 12 cent increase in the property tax rate or a 13.8% increase in the property tax rate.

2014-2015 funding compared to 2015-2016
recommended budget – county dollars

Department	2015 County	2016 County	Difference
General Government	4,459,405	5,268,995	809,590
Public Safety	15,827,972	17,099,145	1,271,173
Economic & Phy Dev	1,802,627	1,459,976	(342,651)
Human Services	6,183,697	5,891,156	(292,541)
Cultural and Leisure	1,116,916	1,170,516	53,600
Education	<u>19,751,623</u>	<u>20,628,408</u>	<u>876,785</u>
Total	49,142,239	51,518,196	2,375,957

Franklin County
Additional Revenue – Reduce Tax Rate or
Fund additional items requested?

Revenues: Jail Fees Increase by \$400,000

Recommend increase from \$900,000 to \$1,300,000

The new estimate is based on 50 Federal Inmates and 10 State Inmates.

Summary of Jail Fees over the past few years

Department	Jail Fees		
FYE 2015 Est	790,000	Budgeted at \$1.1 million	
FYE 2014	1,225,963		
FYE 2013	1,189,723		
FYE 2012	1,249,125		
FYE 2011	1,230,291		
FYE 2010	1,876,251		

**Franklin County
Other Potential Revenue
False Alarm Ordinance**

Potential Revenue:

Based on estimates, False Alarm Ordinance could generate \$278,000.

Recommendation: Implement **September 1st, 2015**

Additional Revenue to budget: \$150,000

In future years with experience, this revenue is expected to decrease.

**Franklin County- Slide 1
Additional Revenue – Reduce Tax Rate or
Fund additional items requested?**

Increase in Jail Fees: \$400,000

Increase due to Alarm Ordinance - \$150,000

Reduce EMS Capital Vehicle Line Item - \$50,000

These changes could reduce the tax rate by 1.4 cents or fund additional services by \$600,000

Other Items that BOC can consider that can
reduce tax increase or move funding to other
areas – slide 2

- Four Detention Officers - \$200,260 or .46 cent
- 4 Communicators in E911 - \$193,541 or .44 cent
- Human Resource Position - \$42,186 or .10 cent
- Park Maintenance Position - \$41,115 or .09 cent
- Capital Improvements – Misc. - \$100,000 or .23 cent
- Owens Park – Matching Funds - \$250,000 or .57 cent
- Current Expense - Ed \$500,000 or 1.15 cents
-
- **Could reduce Tax rate by 3.04 cents or increase funding in certain areas (\$1,327,102).**

Other Items that BOC can consider that can reduce tax
increase or move funding to other areas – slide 3

- Board of Elections Capital - \$50,000 or .11 cent
- Tax Assessor Audits - \$50,000 or .11 cent
- Vehicle in Inspections - \$22,500 or .05 cent
- Sheriff Vehicle Increase - \$102,292 or .23 cent
- (reduce from \$372,292 to \$270,000)
- Reduce/Eliminate Home Health - \$200,000 or .46 cent
- Aging Department - \$250,000 or .57 cent
- (fund only what is required match)
-
- **Could reduce Tax rate by 1.53 cents or increase funding in certain areas by \$674,792**

Former Finance Director Chuck Murray stated the Board should consider reducing or eliminating Home Health which costs the county approximately \$200,000 per year. Mrs. Harris stated she would not recommend elimination immediately, but feels it should be on a “watch list” and at the same time continue to market that service. She said the reimbursement picture has changed over the years, but feels the service brings a certain quality of life and health for individuals in our community.

Mrs. Harris does not recommend further cuts within the Aging Department.

Commissioner Mitchell inquired about an SRO (School Resource Officer) vehicle at Franklinton High School and why a new one is requested and/or needed when the vehicle is mostly stationary. Sheriff Kent Winstead said the vehicle has high mileage and said those vehicles are used for transporting students. When school is out of session for summer, SRO’s assist with serving papers and answering calls. Commissioner Mitchell said he does not believe SRO’s need new vehicles at a time when finances are constricted. He feels this area could be cut within the proposed budget.

Sheriff Winstead originally requested 12 patrol vehicles, but said he would work with nine if that is what the Board decides upon.

**Franklin County –
How to reduce the Tax Increase
Summary**

Items presented for consideration that impact
the proposed tax increase:

- Slide 1 – 1.40 cents
- Slide 2 – 3.04 cents
- Slide 3 – 1.53 cents

Total Potential reduction to tax increase – 5.97 cents or
increase funding in certain areas by \$2,601,894

FYE 2015 Fund Balance Estimates

6/30/2014 Fund Balance	Appropriating \$0 in 2016 \$19,607,014	Appropriating \$1,000,000 in 2016 \$19,607,014	Appropriating \$2,000,000 in 2016 \$19,607,014	Appropriating \$4,000,000 in 2016 \$19,607,014
(Less) Reserve By statute	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)
(less) Expenses Revenues (less) Fd Bal. App	(3,087,834) \$0	(3,087,834) (1,000,000)	(3,087,834) (2,000,000)	(3,087,834) (4,000,000)
(less) County Reserves	(1,275,000)	(1,275,000)	(1,275,000)	(1,275,000)
Undesignated Fund Balance 6/30/2015	\$11,444,180 15.10%	\$10,444,180 13.80%	\$9,444,180 12.50%	\$7,444,180 9.9%

**How much revenue is generated
with a tax increase**

- One cent tax increase generates about \$437,600
- Five cent tax increase generates about \$2,188,000
- Ten Cent tax increase generates \$4,376,000
- Twelve Cent tax increase generates \$5,251,200

A brief discussion was had about the request for four Emergency Telecommunicators. Christy Shearin, Communications Director, stated she had asked for four positions, but could work with employing two in peak hours or hiring two in July and two in January if a delay is helpful financially.

Commissioner Lancaster asked staff to examine permitting fees and what other counties charge. He suggested an adjustment in fees might fund the position request for the Inspections department.

Commissioner Bunn inquired about the bare minimum fund balance percentage the county could operate on. He was informed that although not ideal, eight percent is the lowest percentage suggested.

Commissioner Foy suggested the county should be more efficient and frugal with fund balance throughout the year.

Commissioner May agreed with Commissioner Foy but reminded the Board that sometimes there are unforeseen expenses that cannot be budgeted for.

Relative to Owen's Park, Chairman Dunston recommended the \$250,000 match be removed from the budget proposal at this time. It was noted by Assistant County Manager Elton Daniels that Louisburg College has inquired about use of the park for cross country meets. Mr. Daniels stated the current state of the park property would not be accommodating.

Mr. Robinson commented on information he received today regarding a legislative bill, that if approved, would redistribute sales tax. He said if the bill is ever passed it would solve problems for many counties. Mrs. Harris stated part of the legislation would also give the Board of Commissioners the authority to, by referendum, have additional taxing options.

Commissioner Lancaster asked Tax Administrator Dan Williams if he felt a tax audit was necessary at this time. Mr. Williams stated a prudent way to fund the business audit program is to start with seed money and allow it to feed itself throughout the year. He suggested when the money is spent, the audit ends. The purpose of the audit is to identify business personal property that has not been previously identified. It then carries forward to assist the county in future years. He said the discovery and associated penalties would not be substantial at the outset but felt it would be profitable eventually. He said the audit is not statutorily required and not a guarantee of funding.

Chairman Dunston recommended staff consider the funding requests made earlier in the evening by Planning/Inspections, Information Technology and Cooperative Extension and to be prepared to present the impacts of the requests on the budget at its next meeting.

Mr. Robinson reminded the Board that as a CPA, he advocates for a strong fund balance.

Mrs. Harris also advocated for maintaining a better fund balance if the Board wishes to consider constructing a more efficient building (county complex) as opposed to maintaining and repairing a number of old buildings.

The Board also requested an examination of increasing availability fees for Solid Waste.

At 6:08 P.M., Commissioner Bunn made a motion to recess the meeting until June 15, 2015 at 3:00 P.M. in order to conduct a budget work session. The motion was seconded by Commissioner Lancaster and duly carried approval with all present voting "AYE."

Sidney E. Dunston, Chair

Kristen G. King, Clerk to the Board

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