

**June 18, 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., Cedric K. Jones and David T. Bunn.

Chairman Mitchell welcomed Dr. Stelfanie Williams, Vance Granville Community College President, to the meeting.

Chairman Mitchell called the meeting to order and asked the Board to consider adding Budget Amendment #5 to the Consent Agenda as Item 1-D.

Commissioner Lancaster made a motion to add Item 1-D to the consent agenda, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE."

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

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

The items approved are as follows.

**1. CONSENT AGENDA**

- A. June 4, 2012 Minutes
- B. June 5, 2012 Minutes
- C. Releases, Adjustments, Refunds and Tax Collection Report
- D. Budget Amendment #5 (Pursuant to North Carolina General Statute 159-15, the County Finance Officer is requesting a budget ordinance amendment in the amount of \$227,000 for the fiscal year ending June 30, 2012 to amend the General Fund, Water and Sewer Fund and CDBG Fund to reflect additional funding required and grants and revenues received.)

**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.

**John May, 273 Dorsey Road, Louisburg, NC**

- Mr. May encouraged the Board to select a location in an area east of Louisburg for its next park or recreational facility.

**3. PUBLIC HEARINGS**

A. 2012-2013 Proposed Budget

This was the time scheduled to hear public comments on the proposed 2012-2013 budget.

Chairman Mitchell opened the public hearing at 7:08 P.M.

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

- Mr. Lytle encouraged the Board to avoid an immediate vote on the proposed budget for 2012-2013. He said the Board should examine additional ways to reduce spending as well as wasteful spending. Mr. Lytle stated he did support the COLA (cost of living adjustment) for staff included in the proposal.

**Dee Sams, 217 North Main Street, Franklinton, NC**

- Ms. Sams encouraged the Board not to approve the budget proposal. She said there must be more ways to cut spending and stated a rainy day fund is needed in order to save money.

**Jeremy Neal, 2859 White Level Road, Castalia, NC**

- Mr. Neal stated he would like to see the property tax rate reduced. Mr. Neal stated he supported the COLA (cost of living adjustment) for County employees, but said the proposal for COLA was not adequate. He said employees last received a COLA in 2008 and commented on furloughs County employees had endured.

Chairman Mitchell closed the public hearing with no further comments at 7:15 P.M.

Commissioner Dunston then made the motion to approve the 2012-2013 budget ordinance as presented levying a general fund rate of eighty-seven and 25 tenths per one hundred dollars valuation of property listed for taxes as of January 1, 2012 and approval of a general fund budget totaling \$70,779,854 reflecting no tax rate increase. The motion was seconded by Commissioner Swanson and duly carried approval with all present voting "AYE."

**B. ROAP (Rural Operating Assistance Program)**

Franklin County is eligible to receive \$165,197 in funding for fiscal year 2012-2013 from the North Carolina Department of Transportation for the ROAP. Notice of this hearing was posted in the June 13, 2012 edition of The Franklin Times. The request was for sub allocation of funds to the Department of Social Services, KARTS, and Department of Aging for 2012/2013 allocation.

Chairman Mitchell opened the public hearing at 7:21 P.M.

**Dee Sams, 217 North Main Street, Franklinton, NC**

- Ms. Sams asked if ROAP monies come from the Federal Government and if there are any "strings attached" to it. Department of Social Services Director Nicki Perry stated there are no "strings attached" and stated the funding comes from the North Carolina Department of transportation.

Chairman Mitchell closed the public hearing at 7:23 P.M.

Commissioner Swanson made a motion for the County to approve and submit the ROAP application. The motion was seconded by Commissioner Dunston and duly carried approval with all present voting "AYE."

C. UDO Text Amendment - Article 20A. Franklin County Stormwater Ordinance

The Board was asked to consider adoption of a text amendment to the Franklin County Unified Development Ordinance (UDO) to amend Article 20A. Franklin County Tar-Pamlico River Basin Stormwater Ordinance for Nutrient Control which will be revised to become the Franklin County Stormwater Ordinance incorporating the Falls Lake Watershed Ordinance and needed revisions and updates.

Following discussion of the item, Planning and Inspections Director Scott Hammerbacher stated the State of North Carolina had informed his office the amendment must be approved and in place by July 1, 2012.

Commissioner Mitchell and Lancaster said the amendment hinders development.

Chairman Mitchell opened the public hearing at 7:40 P.M.

No comments were offered and the hearing closed at 7:40 P.M.

Commissioner Dunston stated the purpose of the text amendment is to protect water quality and made a motion to approve the amendment, seconded by Commissioner Swanson. The motion carried 4 to 3, with Commissioners Bunn, Foy and Lancaster voting "NO."

D. Incentive Request: Triangle Metalworks, Inc.

Triangle Metalworks, Inc. is considering a relocation of their business from Wake to Franklin County. The relocation would bring eight full-time employees and two part-time employees. The total investment by Triangle Metalworks is estimated to be \$1,068,000. Following the County's Economic Development Incentive Policy guidelines and for competitive reasons, the Board was asked to consider a three-percent incentive for the new investment at a total value of \$32,040 to be paid over four years at \$8,010 annually.

Commissioner Lancaster asked if Triangle Metalworks, Inc. meets the criteria of the recently amended incentive policy. Ronnie Goswick, Economic Development Director, confirmed it did meet criteria and that if thresholds are not met, incentives will not be paid. Incentives are tied to the amount of investment and number of jobs created.

Commissioner Lancaster made a motion to approve the incentive seconded by Commissioner Swanson.

The Board was reminded of its obligation to conduct a public hearing and Commissioners Lancaster and Swanson withdrew their motion.

At 7:47 P.M., Chairman Mitchell opened public hearing.

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

- Mr. Lytle asked if the newly amendment incentive policy had been posted on the County's web site. Mr. Lytle was informed by Economic Development Commission staff the policy was scheduled to be online this week.

Chairman Mitchell closed the public hearing at 7:48 P.M. with no further comments offered.


Commissioner Lancaster then made the motion to approve an economic development incentive for Triangle Metalworks, Inc. in the amount of \$32,040 to be paid over four years at \$8,010 annually. The motion was seconded by Commissioner Swanson and duly carried approval with all present voting "AYE."

**INCENTIVE REQUEST**

**TRIANGLE METALWORKS**

**June 18, 2012**

**TRIANGLE METALWORKS - 1423  
WAIT AVE., WAKE FOREST, NC**



**PROPOSED RELOCATION -  
12 CRAFTSMAN DR., YOUNGSVILLE**



**TRIANGLE METALWORKS**

- ▶ Jobs: 8 Full Time/2 PT/\$14.00 per hour
- ▶ Estimated amount of investment = \$1,068,000
- ▶ Tax valuation on new investment = \$1,255,000
- ▶ Tax yield on new investment over four (4) years = \$10,040 per year X four (4) years = \$40,160.00

**EDC INCENTIVE REQUEST**

- ▶ For competitive reasons, the EDC respectfully requests approval of:
  - 3% of estimated investment
  - 3% of \$1,068,000 = \$32,040.00
  - Paid over four (4) years = \$8,010.00 per year
  - Must create required # of jobs/incentive paid only after taxes are paid

**QUESTIONS**

**4. JOINT RESOLUTION APPROVING THE DISSOLUTION OF FIVE COUNTY MENTAL HEALTH AUTHORITY AND ESTABLISHMENT OF AN AREA AUTHORITY FOR THE NEW FIFTEEN COUNTY CATCHMENT AREA**

Valerie Hennike, Five County Mental Health Area Director, presented the joint resolution and asked for the Board to consider its approval.

Ms. Hennike stated the other four counties that comprise Five County Mental Health Authority had already approved the resolution for dissolution. Doing so, she said, would allow the establishment of an area authority for the new fifteen county catchment area pursuant to House Bill 916, 2011 North Carolina Session Laws 264.

A proposed governance structure has been created to represent the catchment area, but Ms. Hennike said State Legislators determine governance structure. The proposed structure may not give Franklin County representation on the governance board. Appointments to the governance board are made by the local oversight board which is comprised of fifteen members representing the fifteen county catchment area.

**Board of Commissioners of Franklin County**

**Joint Resolution Approving the Dissolution of  
Five County Mental Health Authority and  
Establishment of an Area Authority for the  
New Fifteen County Catchment Area**

**June 18, 2012**

**WHEREAS**, House Bill 916, 2011 N.C. Session Laws 264, was enacted by the General Assembly of North Carolina effective June 23, 2011, and requires that the 1915(b)/(c) Medicaid Waiver Program be completed statewide by July 1, 2013, and that each LME by such date shall have a minimum population of at least 500,000 within its catchment area, and further requires that all local management entities ("LMEs" or "LME") meet certain additional deadlines to participate in the waiver by either merging with other LMEs or entering into interlocal agreements with other LMEs; and

**WHEREAS**, the provisions of N.C. Gen. Stat. § 122C-115.3 govern the dissolution of an area authority, and said statute requires that a county demonstrate prior to the dissolution of an area authority that continuity of services will be maintained; and

**WHEREAS**, Five County Mental Health Authority ("Five County"), is currently established as a multi-county area mental health, developmental disabilities, and substance abuse authority and LME serving the counties of Franklin, Granville, Halifax, Vance, and Warren ("Five County Catchment Area"); and

**WHEREAS**, PBH is currently established as a multi-county area mental health, developmental disabilities, and substance abuse authority, LME and Managed Care Organization ("MCO") serving the counties of Alamance, Cabarrus, Caswell, Davidson, Rowan, Stanly, and Union, established effective October 1, 2011, by the Joint Resolution of the Boards of Commissioners of each of the affected counties, and in accordance with 2011 N.C. Session Laws 264; and

**WHEREAS**, Orange-Person-Chatham Mental Health, Developmental Disabilities, & Substance Abuse Authority ("OPC") is currently established as a multi-county area mental health, developmental disabilities, and substance abuse authority and LME serving the counties of Orange, Person and Chatham; and

**WHEREAS**, Five County entered into a Management, Merger and Dissolution Agreement dated January 1, 2012, by which PBH was given the duty to perform the obligations under Five County's Contract #205-010, executed October 1, 2011, between Five County and the North Carolina Department of Health and Human Services for the period from January 1, 2012 through June 30, 2012, which further called for the five counties which currently comprise the Five County Catchment Area to jointly establish with PBH and OPC an area authority for Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties ("New Catchment Area"), and Five County shall at that time be dissolved, in accordance with the terms and conditions of the said Management, Merger and Dissolution Agreement by and between PBH and Five County dated January 1, 2012, and with the approval of the Secretary of the N.C. Department of Health and Human Services; and

**WHEREAS**, consistent with the legislative mandate, PBH, an MCO and area authority acting pursuant to Chapter 122C of the North Carolina General Statutes, has been approved by the State of North Carolina to operate as an LME/MCO under North Carolina's 1915(b)/(c) Medicaid Waiver Program to serve the New Catchment Area as a single prepaid inpatient health plan for mental health, intellectual/developmental disabilities and substance abuse services, effective July 1, 2012; and

**WHEREAS**, the Boards of County Commissioners of Franklin, Granville, Halifax, Vance and Warren Counties have previously approved in principle Five County's entering into the Management, Merger and Dissolution Agreement with PBH, and have been asked to approve by joint resolution the establishment of PBH as an area authority for the fifteen counties of the New Catchment Area, as of July 1, 2012; and

**WHEREAS**, Five County, PBH and OPC have jointly and separately recommended to their respective constituent counties a consolidation of those three distinct area programs into one single Area Authority, LME and MCO accountable to the counties of the New Catchment Area; and

**WHEREAS**, the Board of Commissioners of Franklin County finds that the dissolution of Five County and the consolidation of its operations with those of PBH and OPC to serve the New Catchment Area under the 1915(b)/(c) Medicaid Waiver Program is in the public interest and would better meet the needs of persons with mental illness, developmental disabilities and substance abuse issues residing in the region in light of the provisions of 2011 N.C. Session Laws 264; and

**WHEREAS**, upon the dissolution of Five County, the Boards of County Commissioners of Franklin, Granville, Halifax, Vance, and Warren Counties shall appoint the members of the Community Oversight Board for PBH in their respective counties to ensure that PBH properly maintains and provides mental health, developmental disabilities and substance abuse service programs in those counties; and

**WHEREAS**, if at any time PBH fails to provide any mental health, developmental disabilities and substance abuse services deemed necessary by said Counties, then the Counties may provide those services as an in-kind appropriation for purposes of N.C. Gen. Stat. § 122C-115; and

**WHEREAS**, a notice of the regular meeting of the Board of Commissioners has been duly published, and all other legal requirements have been satisfied in order for said Board to approve the consolidation of the area authorities and dissolution of Five County.

**NOW, THEREFORE**, be it jointly resolved as follows:

1. **PURPOSE.** In recognition of the fact that pursuant to the Management, Merger and Dissolution Agreement dated January 1, 2012, PBH has been performing the Five County's obligations under Contract #205-010 with the North Carolina Department of Health and Human Services since January 1, 2012, and as of July 1, 2012, PBH will operate as the LME/MCO in the counties of Franklin, Granville, Halifax, Vance, and Warren, and Five County shall be considered to have dissolved pursuant to N.C. Gen. Stat. § 122C-115.3.

2. **PRINCIPAL OFFICE, LOCAL PRESENCE AND COMMUNITY OVERSIGHT BOARD.** The principal office of PBH, under whatever name it shall be known in the future, shall be located at 4855 Milestone Ave., Kannapolis, NC 28081. The current local offices of Five County will remain at 134 S. Garnett Street, Henderson, NC 27536 and will become the Local Office of PBH following the Effective Date of the Dissolution and has been identified by PBH and shall continue to be identified as "Five County Community Operations Center, a division of PBH." The Board of Commissioners of Franklin, Granville, Halifax, Vance, and Warren Counties, shall appoint the members of the Community Oversight Board for PBH in the Five County Catchment Area to ensure that PBH continues to properly maintain and provide comprehensive mental health, developmental disabilities and substance abuse services programs in said counties in accordance with the Joint Resolution dealing with the governance of the reorganized PBH which to be adopted by the County Commissioners of all counties represented by the New Catchment Area.

3. **COUNTY APPROPRIATIONS.** The County Commissioners of each of the counties in the Five County Catchment Area may from time to time make, in their sole discretion, in kind contributions to and adjustments to the N.C. Gen. Stat. § 122C-115 appropriation for mental health, developmental disabilities and substance abuse services programs taking into consideration the cost of the liabilities to PBH. Said County Commissioners may elect to provide mental health, developmental disabilities and substance abuse services programs, including but not limited to guardianship services, the costs of which shall be treated as in kind contributions to and adjustments to the N.C. Gen. Stat. § 122C-115 appropriation to the LME/MCO.

4. **REPRESENTATIONS OF PBH.** The Counties of the Five County Catchment Area explicitly state that PBH has represented to said Counties that it shall continue at all times to use its best efforts to deliver high quality mental health services to all residents of the Five County Catchment Area within existing finances on and after July 1, 2012. Other terms of the consolidation of Five County with PBH are set forth in the Management, Merger and Dissolution Agreement entered into by and between PBH and Five County, dated January 1, 2012, which terms are hereby incorporated by reference into this Joint Resolution and are acknowledged and accepted by the Board of Commissioners.

5. **AREA BOARD, GOVERNANCE AND FUNCTIONS.** The Counties of the New Catchment Area will adopt prior to July 1, 2012, a Joint Resolution to establish Cardinal Innovations Healthcare Solutions as the new Area Authority as successor to PBH, Five County and OPC LMEs and to operate as a Managed Care Organization and Prepaid Inpatient Health Plan pursuant to the 1915(b)/(c) Medicaid Waiver and 42 C.F.R. § 438.2 as of that date. Said Joint Resolution shall, among other things, set forth the governance and structure of the new

Area Board, and the functions, powers and duties of the new Area Authority and MCO.

6. **CATCHMENT AREA.** The New Catchment Area for PBH, or by whatever name it shall be known in the future, as of July 1, 2012 shall be comprised of the Counties of Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties.

7. **PLAN OF MERGER AND AGREEMENT.** The Area Board of Five County shall enter into a Plan of Merger and Agreement, by whatever name that agreement shall be known, with the Area Boards of OPC and PBH which shall set forth the precise terms and conditions of the consolidation of the three LMEs.

8. **FURTHER ACTIONS.** The Board of Commissioners hereby authorizes the officers and Area Board of Five County to take any and all actions necessary or desirable to effectuate this action consistent with this Resolution.

9. **COUNTERPART RESOLUTIONS.** The Board of Commissioners understands that the same resolution, or one similar to this resolution in all material respects, approving the consolidation and dissolution of the LMEs as described herein has been or shall be adopted by the boards of county commissioners of the other counties affected by this resolution.

Commissioner Dunston asked if the new structure will increase services to end users. Ms. Hennike stated her hope is that it will provide more control over Medicaid funds and how those dollars are spent.

Commissioner Mitchell asked what would result if Franklin opted not to approve the resolution for dissolution. Ms. Hennike said she was uncertain.

Commissioner Lancaster made a motion to approve the joint resolution, seconded by Commissioner Jones. The motion duly carried with all present voting "AYE."

## 5. APPOINTMENTS

### A. Agricultural Advisory Board

The Board was asked to consider the following appointments/reappointments to the Agricultural Advisory Board. Term lengths are three years.

- Linda Maggio (appointment/Sandy Creek Township)
- John C. Conyers (appointment/Youngsville Township)
- Ricky Bell (reappointment/Cedar Rock Township)
- Lucy Ginsburg (reappointment/Dunn Township)

Commissioner Lancaster made the motion to approve the aforementioned appointments/reappointments for three year terms. 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 the appointment of Joe Baisley to the Juvenile Crime Prevention Council. If appointed, Mr. Baisley would fill the position of Local School Superintendent or designee. The term length is two years.

Commissioner Jones made the motion to appoint Mr. Baisley to the Juvenile Crime Prevention Council for a two-year term, seconded by Commissioner Bunn. The motion duly carried with all present voting "AYE."

## 6. 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 report was offered.

**Commissioner Lancaster:** Commissioner Lancaster attended recent meetings of the Economic Development Commission, Airport Commission and Kerr Tar Regional Economic Development Commission. He stated figures released by the Employment Security Commission indicate the unemployment rate is decreasing in Franklin County. He also stated inquiries (via telephone calls) are being made about hub sites. He stated the road currently being constructed that leads to Triangle North Franklin (hub site) and Triangle North Executive Airport is progressing well. Completion is expected by the end of 2012 or early spring of 2013.

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

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

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

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

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

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

**County Manager Angela L. Harris:**

- Mrs. Harris thanked the Board for its support of the 2012-2013 budget proposal. She reminded the Board debt from the Emergency Communications project will soon be coming online (approximately \$1.1 million) and said she appreciated the approval of the COLA (cost of living adjustment) for employees.
- Mrs. Harris stated she would be asking for action at the Board's July 9, 2012 meeting regarding participation in "Quilt Trails of the Tar River", a project of the Franklin County Arts Council.

## 7. CLOSED SESSION

The Board was asked to consider entering into closed session pursuant to the following matters.

- A. Approval of Closed Session Minutes from June 4, 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 the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.
- C. North Carolina General Statute 143-318.11 (a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

At approximately 8:14 P.M., Commissioner Dunston made the motion to enter into closed session pursuant to the statutes listed above. The motion was seconded by Commissioner Swanson. The motion carried 6 to 1, with Commissioner Foy voting "NO."



Following closed session at approximately 9:06 P.M., Commissioner Dunston made a motion to enter back into open session, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

Commissioner Dunston made a motion to approve the Closed Session Minutes of June 4, 2012. The motion was seconded by Commissioner Swanson and duly carried approval with all present voting "AYE."

**8. CONSIDERATION OF SETTLEMENT OF RELEASE OF SECURITY INTEREST IN AIRPORT MAINTENANCE HANGAR**

Chairman Mitchell asked the Board to consider Budget Ordinance Amendment #6 (Pursuant to North Carolina General Statute 159-15, the County Finance Officer is requesting a budget ordinance amendment in the amount of \$176,867 for the fiscal year ending June 30, 2012 to amend the General Fund, Water and Sewer Fund and CDBG Fund to reflect additional funding required and grants and revenues received.)

The motion to approve was made by Commissioner Dunston in the amount not to exceed \$176, 867 (Airport Maintenance Hangar Settlement). The motion was seconded by Commissioner Lancaster. The motion duly carried approval with all present voting "AYE."

Chairman Mitchell removed Item 9 from the agenda.

~~**9. UTILITY ASSET ACQUISITION AGREEMENT UPDATE**~~

~~The Board was given an update regarding the acquisition of the Town of Youngsville's Water and Sewer Utilities.~~

~~ACTION REQUESTED: Receive update and consider possible action.~~

**10. OTHER BUSINESS**

No additional business items were discussed.

At approximately 9:08 P.M., Commissioner Dunston made a motion to adjourn, seconded by Commissioner Bunn. The motion duly carried with all present voting "AYE."

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E. Shane Mitchell, Chair

Kristen G. King, Clerk to the Board

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