

March 16, 2015

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 Sidney E. Dunston, Commissioners Don Lancaster, John M. May, Cedric K. Jones, Harry L. Foy, Jr. and David T. Bunn. Vice-Chairman E. Shane Mitchell was absent.

Chairman Dunston called the meeting to order and asked the Board to consider the following addition to the consent agenda:

- Resolution for Franklin County application for Building Reuse/Existing Building Grant for PZ Associates, Inc. DBA Palziv North America

Commissioner Bunn made a motion to add the resolution to the agenda, seconded by Commissioner Jones. The motion duly carried approval with all present voting "AYE."

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

The following items were approved.

I. CONSENT AGENDA

- A. Releases, Adjustments, Refunds, and Tax Collection Report
- B. Budget Ordinance Amendment #4 (Pursuant to North Carolina General Statute 159-15, the County Finance Officer is requesting a budget ordinance amendment in the amount of \$30,547 for the fiscal year ending June 30, 2015 to amend the General Fund and other funds that have received grants, and appropriate additional funds approved by the Board of Commissioners.)
- C. Resolution for Franklin County application for Building Reuse/Existing Building Grant for PZ Associates, Inc. DBA Palziv North America

RESOLUTION FOR FRANKLIN COUNTY APPLICATION FOR BUILDING REUSE / EXISTING BUILDING GRANT FOR PZ ASSOCIATES, INC. DBA PALZIV NORTH AMERICA

WHEREAS, the Franklin County Board of Commissioners has previously indicated its desire to assist in economic development efforts within the County; and,

WHEREAS, the Board of Commissioners has held a public hearing concerning the proposed application for the Building Reuse/Existing Building Grant via the North Carolina Department of Commerce to benefit the expansion project for Palziv North America; and,

WHEREAS, the County has agreed to pursue a formal application; and

WHEREAS, the Board of Commissioners certifies it will comply with all federal, state, and local laws, rules, regulations and ordinances applicable to the project and to the grants pertaining thereto,

NOW, THEREFORE BE IT RESOLVED, BY THE FRANKLIN COUNTY BOARD OF COMMISSIONERS THAT:

- 1) Franklin County is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Building Reuse/Existing Building Grant for Economic Development to benefit Palziv North America and that,
- 2) The County of Franklin will arrange financing for the County matching funds portion of the costs of the project if approved for a grant and that,
- 3) Angela L. Harris, in her capacity as County Manager, is authorized to sign all documents pertaining to the grant that do not require the signature of the Chief Elected Official.

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.

Bruce Allen, 992 Mays Crossroads Road, Franklinton, NC

- Mr. Allen commented on the airport engineering agreement to be considered as Item 8 on the evening's agenda. He stated the original plan for airport expansion had been abandoned and asked why.
- He asked if there are potential tenants for the new expansion and stated ten people requested to build hangars since 2009, but said only one had been constructed.
- Mr. Allen suggested the airport expansion project be tabled until it is certain there is money available to continue, until answers are provided as to why the expansion method changed, where funding will come from and whether or not people are committed to the project.

Dewey Botts, 675 Howard Tant Road, Zebulon, NC

- Mr. Botts invited the Board and public to attend the Franklin County Historic Homes Tour and shared brochures relative to the event.

3. PUBLIC HEARINGS

Unified Development Ordinance Text Amendment (UDO)

The Board was asked to conduct a public hearing and consider adoption of a text amendment to the UDO to amend Section 2-2: Definition of Basic Terms and Section 29-2: Other Requirements to allow for Cluster Mailbox Units (CBU).

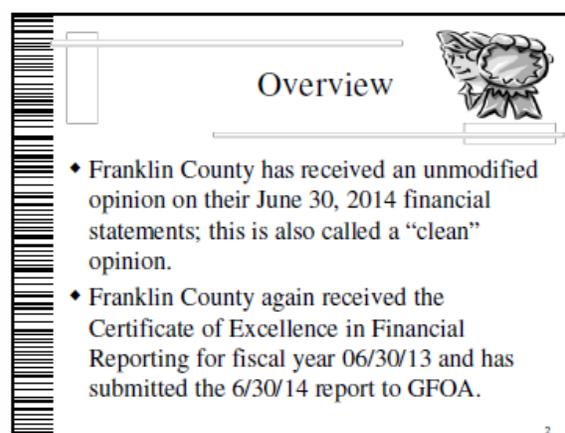
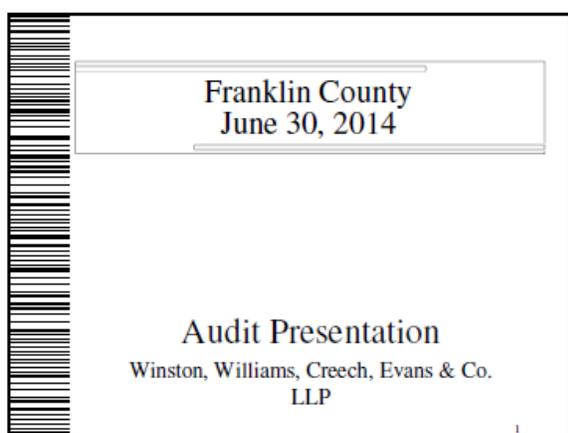
Planning and Inspections Director Scott Hammerbacher provided a brief explanation of the amendment before the Chairman opened the public hearing at 7:22 P.M. The hearing was closed with no comments offered from the public.

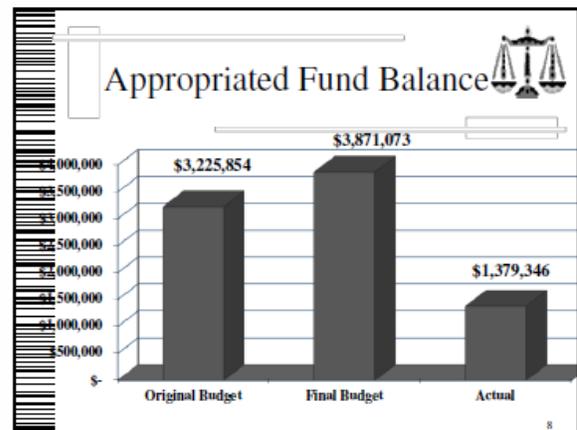
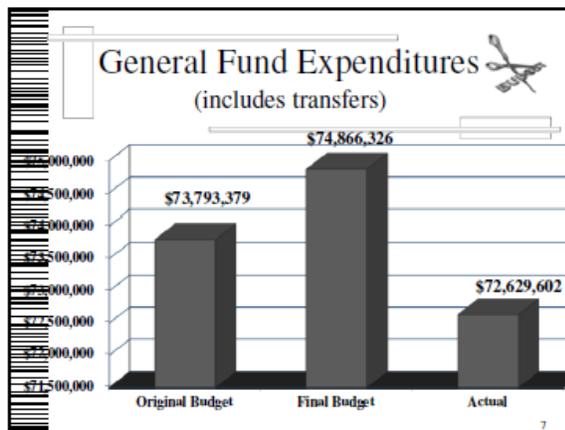
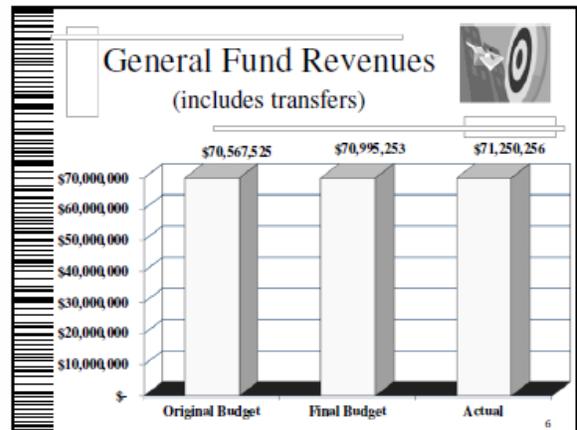
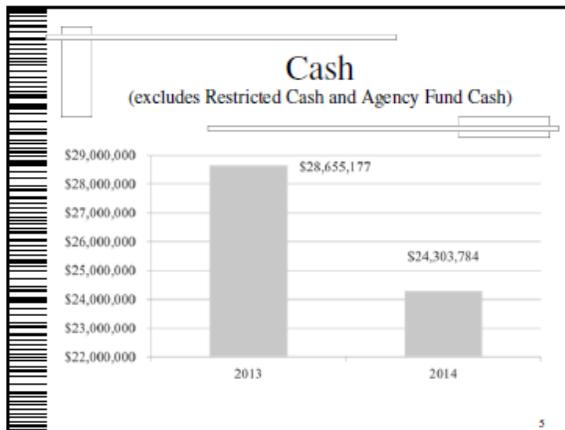
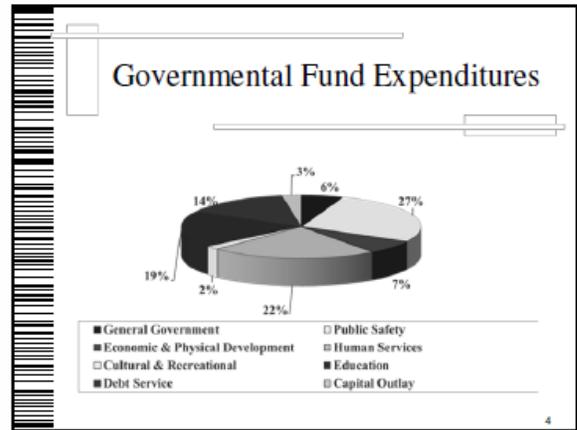
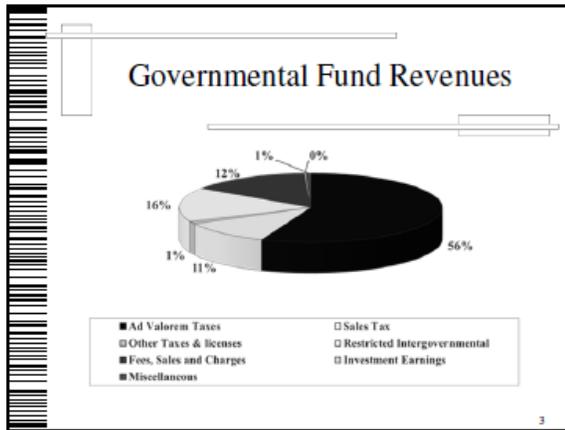
Commissioner Lancaster then made a motion to approve the text amendment, seconded by Commissioner May. The motion duly carried approval with all present voting "AYE."

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 2014.

Mr. Winston's presentation follows.



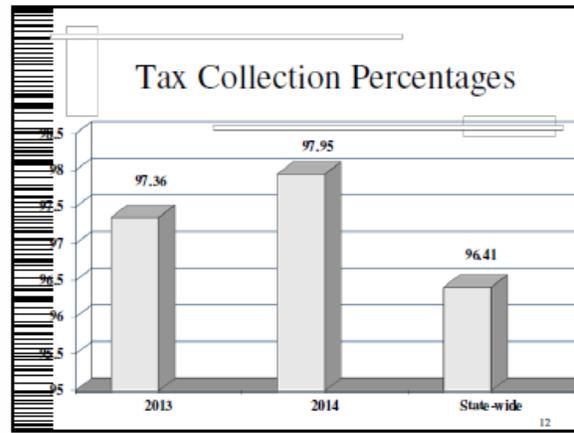
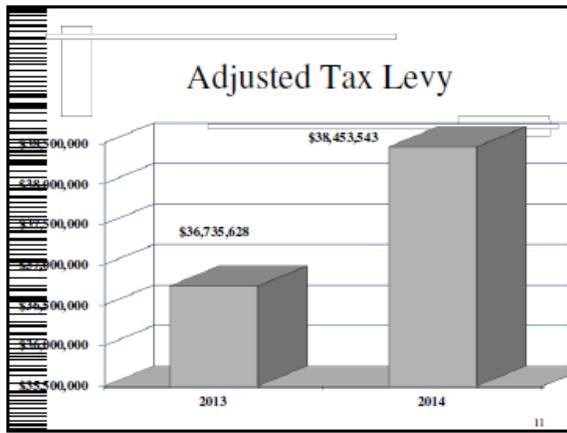


General Fund - Fund Balance Available for Appropriation Statistics

	2013	2014
Fund Balance Available for Appropriation	\$ 17,599,161	\$ 15,945,824
Expenditures (includes transfers)	69,553,631	72,629,602
FBA as a % of Expenditures	25.30%	21.95%
Statewide Avg (per LGC statistics)	26.28%	29.34%

General Fund - Fund Balance Unassigned

	2014	2013
Unassigned Fund Balance	\$ 8,832,006	\$ 12,714,798
Expenditures	72,629,602	69,553,631
Unassigned Fund Balance %	12.16%	18.28%

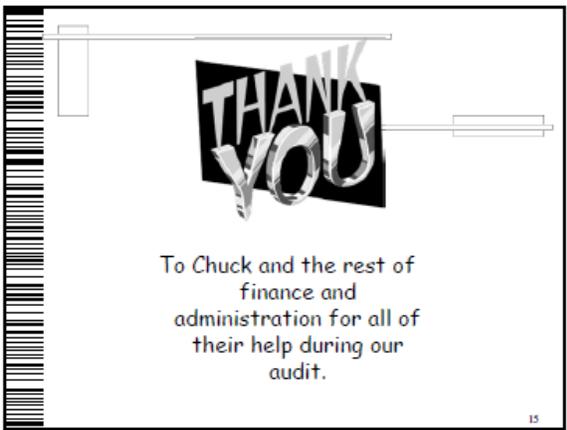


Average Tax Rate and Debt per Capita

	Franklin County	Statewide	
Average Tax Rate	.8725/\$100	.6168/\$100	
	2014	2013	Change
Total Debt per Capita	\$ 1,454	\$ 1,588	(\$ 134)

Proprietary Funds

	Water and Sewer Fund	
	2014	2013
Operating Revenues	\$ 8,539,025	\$ 8,863,609
Operating Expenses	6,176,878	5,878,677
Operating Income (Loss)	2,362,147	2,984,932
Nonoperating Revenues/Expenses	(470,886)	(515,822)
Capital contributions	-	298,969
Transfer to General Fund	(499,997)	(400,000)
Change in net position	\$ 1,391,264	\$ 2,368,079



Mr. Winston reminded the Board to be cautious of its fund balance as it moves forward in the budget process.

Commissioner Lancaster made a motion to accept the audit report as presented. The motion was seconded by Commissioner Jones and duly carried approval with all present voting “AYE.”

5. RESOLUTION APPROVING TERMS OF A REFINANCING MODIFICATION TO TWO EXISTING BANK LOANS WITH BB&T

The County has the opportunity to refinance \$7,093,999 and save approximately \$491,123 in interest over the life of the two existing loans with BB&T.

Commissioner Lancaster made a motion to approve the resolution approving the terms of refinancing with BB&T, seconded by Commissioner Bunn. The motion was seconded and duly carried approval with all present voting “AYE.”

RESOLUTION APPROVING TERMS OF RE-FINANCING

WHEREAS, Franklin, North Carolina (the "County") has determined to change the terms of the Payment Schedules to that Financing Agreements and Deed of Trusts (the "Original Agreement") granted to F. Louis Loyd, III (the "Deed of Trust Trustee") for the benefit of Branch Banking and Trust Company ("BB&T") for contracts #9933001374-00003 and -00004; and

WHEREAS, the changes to the terms of the Payment Schedule include revising the interest rates from 3.69% to 1.85% for loan 00003 maturing on 12-22-18 and 3.97% to 2.74% for loan 00004 maturing on 6-22-25; and

NOW, THEREFORE BE IT RESOLVED by the governing body of the County of Franklin, North Carolina that the proposed changes to the Payment Schedule of the Original Agreement and hereby approved and the officers designated to sign financing documents are hereby authorized and directed to take such action as may be necessary to effectuate such changes. All other terms and conditions of the Original Agreement and the Payment Schedule thereof remain in full force and effect.

6. RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION (LGC) REQUESTING THE LGC SELL BONDS AT PRIVATE SALE AND APPROVING THE SUCCESSFUL BIDDER IN CONNECTION WITH THE SALE AND ISSUANCE OF REVENUE BONDS OF THE COUNTY

The County will be financing for the purchase of the Franklinton water/sewer utility system. According to former Finance Director Chuck Murray, First Tennessee Bank provided the lowest proposal with an interest rate of 2.83%. The County plans to borrow \$2.6 million for 10 years at level principal. First Citizens Bank had a proposal of 2.96% and BB&T came in at 3.03%.

Commissioner Lancaster asked if First Citizens still processes the County's deposits at an affordable rate. Mr. Murray agreed and stated First Citizen's saves the county approximately \$1500 per month in service charges.

Commissioner Lancaster then made a motion to approve the resolution and accept First Citizens Bank proposal.

Mr. Murray stated his belief the low bidder could be deviated from but approval would be required of the Local Government Commission.

Commissioner Lancaster restated his motion to approve the resolution and accept First Citizens Bank's proposal contingent upon Local Government Commission approval. The motion was seconded by Commissioner May and duly carried approval with all present voting "AYE."

7. ESTABLISHMENT OF FRANKLIN COUNTY HISTORIC PRESERVATION COMMISSION

The Board was asked to establish a commission and subsequently seek Certified Local Government status by the North Carolina State Historic Preservation Office.

Richie Duncan, Existing Industry Coordinator, stated she is seeking permission to take the next step in the process prior to the creation of an ordinance that will soon be drafted.

Commissioner Lancaster made a motion to establish the Franklin County Historic Preservation Commission, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."

8. AIRPORT ENGINEERING AGREEMENT

Triangle North Executive Airport is starting the final design for the Industrial Area Development – Phase I. This design engineering will complete the Phase I Design and provide estimates and bidding information for construction. This project has been approved by the North Carolina Department of Transportation (NCDOT) for funding under the Vision 100

program. The proposed fee for this phase is \$102,176. The portion to be paid by the County is \$10,217.

Airport Manager Steve Merritt noted the County received a grant approximately three-and-a-half years ago to purchase 62 acres off the north end of the airport known as the Anne Gordon property. He said next steps are to develop the property. He also said the project was part of the Transportation Improvement Plan (TIP) and approved by the Airport Commission.

Mr. Merritt stated the airport has been saving money (\$150,000 per year) for three years to have the ability to start the project. The first phase includes clearing and grubbing the existing property, moving the fence, putting in utilities and paving the taxiway and ramp in order for the construction of hangars. He noted the Fayard hangar approved a year-and-a-half ago has been successful. He said the hangar has been busy and that rent and property taxes have been paid in a timely fashion.

Mr. Merritt said the airport would build the taxiway and path to the hangar space. The owner would build the hangar and occupy it for a period of years, pay property tax (on the building and contents) the county would not otherwise receive.

Mr. Merritt was recently approached by two individuals seeking lease agreements, but he informed them the project must be bid and underway first.

Mr. Merritt stated NCDOT has approved engineer's rates and the quantity of work to be done. Next steps include approval by commissioners and the payment of \$10,217 in order to reach the phase where the project can be bid for construction.

Commissioner Lancaster noted there are stipulations regarding a neighboring historic property known as Cascine Plantation. Mr. Merritt insured the Board the project is in full compliance with any regulations set forth by the State Preservation Office.

Commissioner May asked if there were any stipulations within the grant agreement that would encourage the county to move forward immediately with developing the property. Mr. Merritt stated the grants are only good for three years. After the expiration of three years, the grant funding would no longer be available. Grants will mature in July, 2015.

Commissioner Foy referred to comments made earlier in the evening by Mr. Bruce Allen who referred to another section of the airport he felt was developable. Mr. Merritt stated the drawing shown by Mr. Allen was four years old and reminded the Board the Airport Commission voted for four years to continue the project. He further stated the purpose of buying the Anne Gordon property was to do this particular development because it provided space to build hangars and said it is why the property was purchased.

Commissioner Lancaster noted each year the plan came before the Board as part of the TIP.

Commissioner Bunn inquired as to where the requested \$10,217 would be drawn from. Mr. Merritt stated the funding would be taken from the airport budget.

Commenting that Triangle Skydiving Center would be located within the middle of the development, Commissioner Dunston inquired about safety concerns. Mr. Merritt said he had no safety concerns with the way the plans are currently drawn.

Mr. Merritt stated \$150,000 of the grant money must be expended by July, 2015. County Manager Angela L. Harris inquired of the project's timeline and asked how much work could be accomplished before July. Mr. Merritt said as soon as the Board agrees to move forward, engineers could begin conducting the final environmental statement. He said bid documents should be complete within six weeks, with two weeks to bid the project.

Mr. Merritt said the final \$300,000 could be spent upon reauthorization. He said after bids are complete they would be presented to NCDOT before awarding bids during the summer of 2015. He noted this phase of the project would simply provide additional space for parking larger aircraft.

Commissioner Dunston commented on his understanding that only \$50,000 of state/county funding was available for use as of June 30. Mr. Merritt stated he was not certain how those accounts work, but said the county had \$16,667 budgeted each year for matching the \$150,000 we accept. He said none of the \$16,667 had to be spent because none of the grant money was used last year.

Former Finance Director Chuck Murray stated the \$16,667 had not been budgeted in the fund for the last two years, but stated the \$10,217 was in fact available.

Commissioner Jones then made a motion to execute work authorization, seconded by Commissioner May. The motion carried approval 5 to 1 with Commissioner Foy voting "NO."

9. OTHER BUSINESS

No additional items of business were discussed.

10. 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 indicated the Board was invited to attend a recognition breakfast sponsored by the Franklin County United Way. The county is expected to be recognized as a "pacesetter." The event is scheduled for March 26, 2015 from 8:00 – 10:00 A.M.

Commissioner Foy: No comments were offered.

Commissioner Bunn: No comments were offered.

Commissioner May: No comments were offered.

Commissioner Jones: No comments were offered.

Commissioner Mitchell: Commissioner Mitchell was absent.

Commissioner Dunston: No comments were offered.

Commissioner Lancaster: Commissioner Lancaster attended a recent meeting of the Parks and Recreation Advisory Board. He said the group received a presentation about the cotton mill project in Franklinton and the desire to locate a passive park there for citizen use. He said discussions will continue with a future recommendation to the Commissioners.

County Manager Angela L. Harris: No comments were offered.

II. CLOSED SESSION

The Board was asked to enter into closed session pursuant to the following North Carolina General Statutes:

- A. NCGS 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.

Commissioner Lancaster made a motion to enter into closed session pursuant to NCGS 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. The motion was seconded by Commissioner Jones and carried 5 to 1, with Commissioner Foy voting “NO.”

- B. NCGS 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.

Commissioner May made a motion to enter into closed session pursuant to NCGS 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. The motion was seconded by Commissioner Jones and carried 5 to 1, with Commissioner Foy voting “NO.”

At approximately 8:09 P.M., the Board entered closed session.

Following closed session at approximately 8:41 P.M., Commissioner Bunn made a motion to enter back into open session, seconded by Commissioner May. The motion duly carried approval with all present voting “AYE.”

At 8:43 P.M., Commissioner Foy made a motion to adjourn, seconded by Commissioner May. The motion duly carried with all present voting “AYE.”

Sidney E. Dunston, Chair

Kristen G. King, Clerk to the Board