

May 19, 2014

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

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

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

The following items were approved.

1. CONSENT AGENDA

- A. May 5, 2014 Minutes
- B. May 6, 2014 Minutes
- C. Authorization for Hale Artificier Fireworks to discharge pyrotechnics at Lake Royale for upcoming July 4th celebrations to be held on July 5, 2014
- D. Releases, Adjustments, Refunds, and Tax Collection Report

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 HEARINGS**A. Novozymes North America**

Novozymes North America, Inc. is considering an expansion at its existing business located in Franklin County. The planned expansion is an increase in manufacturing and equipment at its existing facility. The total investment that will be made by Novozymes North America, Inc. is \$31,000,000. The tax valuation of the new investment is currently calculated at up to \$31,000,000. The expansion will provide for retention of the existing 545 jobs in Franklin County while expanding the capacity of the existing facility. Following the incentive policy and for competitive reasons, the Economic Development Commission requested a 3% incentive of the increase in tax valuation. For this expansion the 3% would equal up to \$930,000. The incentive would be paid over a four year time period at an amount up to \$232,500 per year.

Franklin County's Existing Industry Coordinator Richie Duncan shared the following PowerPoint presentation.

NOVOZYMES NORTH AMERICA, INC.

- ▶ Requesting approval of incentive for expansion at existing Franklinton site of Novozymes North America, Inc.

INCENTIVE REQUEST

- ▶ Tax valuation estimate of investment:
 - \$31,000,000.00
- ▶ 3% of estimated tax valuation:
 - \$930,000.00
- ▶ Paid over four (4) year time period:
 - \$232,500.00 per year (maximum amount)

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

QUESTIONS

NOVOZYMES NORTH AMERICA, INC.
77 PERRY CHAPEL RD., FRANKLINTON



Adam Monroe, President
Novozymes Americas

Following Ms. Duncan’s presentation, Adam Monroe, Novozymes Americas President, shared the following presentation.

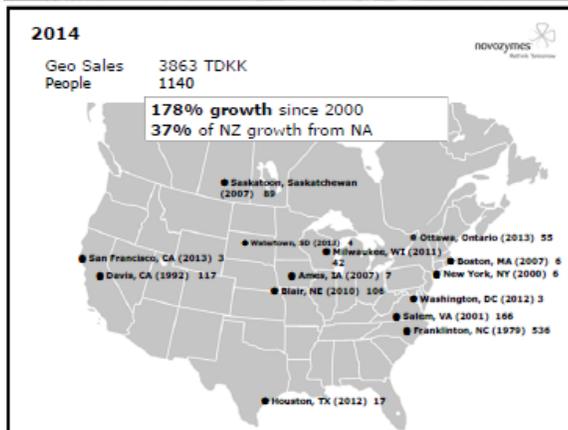
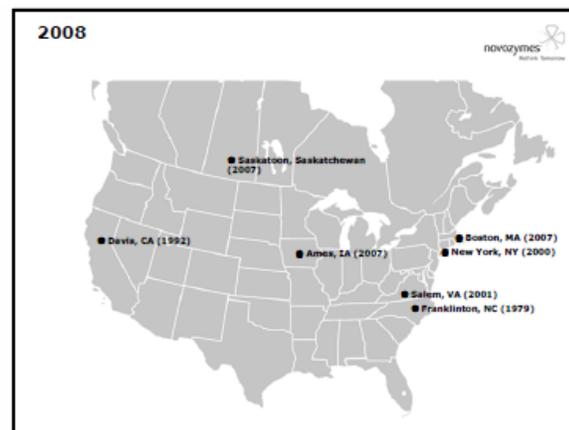
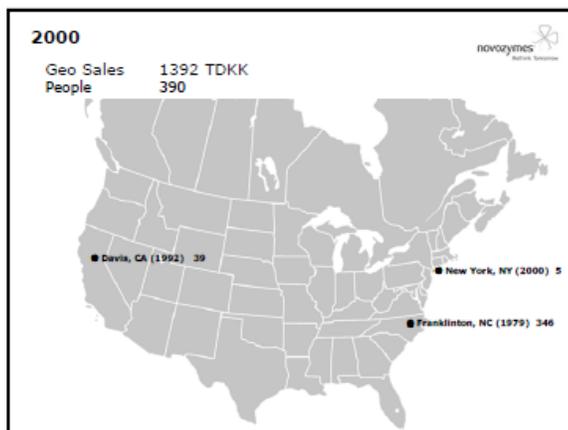


Welcome and Overview
Executive Team Leadership Meeting
North America

1977
We started in a soybean field...



\$15 Million Investment
45 Employees
Raleigh Population: 150,000



Q1 2014 Summary

Strong first quarter performance

- 11% organic sales growth (DKK=7%). Strong as expected, driven by household Care, Bioenergy and solid performance across markets
- 30% EBIT growth driven by one-time effect from The BioAg Alliance and better than expected underlying earnings development
- The BioAg Alliance net impact on EBIT margin in Q1 positive with around 4 %-points
- DKK 2,230 million in free cash flow bef. acquisitions

Important business milestones

- The BioAg Alliance approved and initiated
- Biopharma: Veltsis® albufuse technology platform for half-life extension gets first market approval

FY-2014 profit expectations increased

- EBIT growth: + 8-10%
- EBIT margin: ~26%
- Net profit growth: + 8-10%
- 6-9% organic sales growth unchanged. Sales growth in DKK adjusted to 4-6% due to currencies

DKK 2 Bn share buy-back program initiated

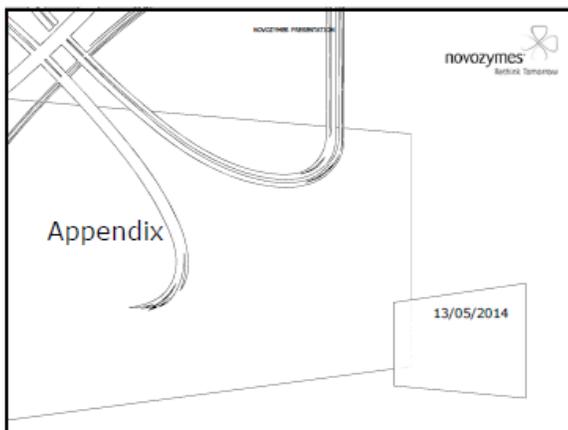
- DKK 313 million spent in Q1, 2014.
- DKK 2 billion to be spent in total in 2014

Sales and organic growth
Q1 2012-Q1 2014

Q1 2012	Q1 2013	Q1 2014
3,778	2,943	3,083
0%	5%	15%

EBIT and EBIT margin
Q1 2012-Q1 2014

Q1 2012	Q1 2013	Q1 2014
680	708	922
24.5%	24.5%	30.4%
+1%		+10%



References

CBO report on the US economy

Geographic sales from annual reports

	2000	Growth	2003	Growth	2013/2000	2013/2000	% of delta
NZ	2035		11168		539%	4713	
EA	1392	28%	3583	33%	258%	2171	35%
EMEA	1150	43%	4579	37%	304%	2429	39%
AP	80	20%	2284	28%	2834	2244	28%
LA	30	22%	1170	22%	382%	769	12%
	5083	100%	11748	100%	6713	4713	100%

Chairman Dunston opened and closed the public hearing at approximately 7:22 P.M. with no public comments offered.

Commissioner Mitchell then made a motion to approve a \$930,000 incentive to be paid over four years at up to \$232,500 per year only after taxes are paid by Novo. The motion was seconded by Commissioner Lancaster and duly carried approval with all present voting "AYE."

Chairman Dunston then called for a ten minute recess and called to order the Board of Equalization and Review. He acknowledged Dan Williams, Tax Administrator, for comments.

Mr. Williams reported there are no unresolved appeals before the Board of Equalization and Review although he said that is subject to change. He recommended adjournment of the 2014 Board of Equalization and Review, but stated it could be reconvened if needed pursuant to North Carolina General Statute 105-322.

Commissioner Foy made a motion to adjourn the 2014 Board of Equalization and Review, seconded by Commissioner Dunston. The motion duly carried approval with all present voting "AYE."

Chairman Dunston then reconvened the Board's regular meeting.

B. Atlantic Corporation

Atlantic Corporation is considering an expansion of their existing business, Atlantic Packaging, in Youngsville. The planned expansion is the construction of a 31,700 square foot warehouse in the front of their existing building. The total investment that will be made by Atlantic Corporation is \$1,100,000. The tax valuation of the new investment is \$716,000. The expansion will provide for retention of the existing 22 jobs in Franklin County while expanding the footprint of the existing facility to increase distribution and warehousing. Following the incentive policy, the Economic Development Commission requested a 3% incentive of the increase in tax valuation. For this expansion the 3% would equal up to \$21,480. The incentive would be paid over a four year time period at \$5,370 per year.

Franklin County's Existing Industry Coordinator Richie Duncan shared the following PowerPoint presentation.

ATLANTIC CORPORATION

- ▶ Requesting approval of incentive for expansion at existing Youngsville site of Atlantic Packaging

**PROPOSED EXPANSION:
165 WEATHERS ST., YOUNGVILLE**



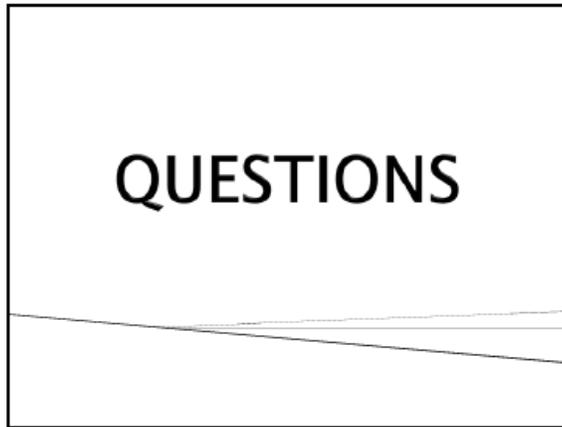
INCENTIVE REQUEST

- ▶ **Proposed investment estimate:** \$1,100,000.00
- ▶ **Construction of:** 31,700 sq. ft. warehouse
- ▶ **Job Retention:** 22 jobs

INCENTIVE REQUEST

- ▶ **Tax valuation estimate of investment:**
 - \$716,000.00
- ▶ **3% of estimated tax valuation:**
 - \$21,480.00
- ▶ **Paid over four (4) year time period:**
 - \$5,370.00 per year (maximum amount)

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



Chairman Dunston opened and closed the public hearing at approximately 7:31 P.M. with no public comments offered.

Commissioner Lancaster then made a motion to approve a \$21,480 incentive to be paid over four years at \$5,370 per year only after taxes are paid by Atlantic Corporation. The motion was seconded by Commissioner May and duly carried approval with all present voting "AYE."

C. Road Name Change – State Road 1202

Following a public hearing, the Board will be asked to consider renaming Mount Olive Church Road to Mount Olivet Church Road in order to clarify any confusion whereas residents along this roadway are currently using both road names as their address. The public hearing will be held pursuant to North Carolina General Statute 153A-239.1.

Planning and Inspections Director Scott Hammerbacher, stated all affected property owners (74 properties) had been properly notified of the hearing. He stated the road was adopted as Mt. Olive Church Road in 1988, but stated a church located on the road goes by the name of Mount Olivet Church. Mr. Hammerbacher stated his request to clarify came after many citizens complained about difficulties obtaining driver's licenses and passports. He asked the Board to conduct the hearing and consider renaming Mount Olive Church Road to **Mount Olivet Church Road**.

Chairman Dunston opened the public hearing at 7:38 P.M.

Willie C. Williams, 97 Mount Olive Church Road, Franklinton, NC

- Mr. Williams lives on Mount Olive Church Road and stated the road name had been changed in 2011 without proper approval. Neither the Board of Commissioners nor staff recalled such a change and Mr. Hammerbacher confirmed he would follow up with the North Carolina Department of Transportation as to why the road name may have been altered.

With no further comments, Chairman Dunston closed the public hearing.

Commissioner Mitchell then made a motion to rename Mount Olive Church Road to Mount Olivet Church Road. The motion was seconded by Commissioner Foy and duly carried approval with all present voting "AYE."

D. Road Name Change – State Road 1733

Following a public hearing, the Board will be asked to consider renaming Sanders Road to Saunders Road in order to clarify any confusion whereas residents along this roadway are currently using both road names as their address. The public hearing will be held pursuant to North Carolina General Statute 153A-239.1.

Planning and Inspections Director Scott Hammerbacher, stated all affected property owners (10 properties) had been properly notified of the hearing. He asked the Board to conduct the hearing and consider renaming Sanders Road to **Saunders Road**.

Chairman Dunston opened the public hearing at 7:44 P.M.

Fred Saunders, 83 Saunders Road, Spring Hope, NC

- Mr. Saunders stated his parents moved to the area many years ago as tenant farmers. He said the road was formerly known as "Route 1, Spring Hope" until the time the County elected to name the road after his family. He asked the Board to make the correction at no cost.

With no further comments, Chairman Dunston closed the public hearing.

Commissioner Foy then made a motion to rename Sanders Road to Saunders Road. The motion was seconded by Commissioner Lancaster and duly carried approval with all present voting "AYE."

4. MEMORANDUM OF UNDERSTANDING WITH METROPOLITAN PLANNING ORGANIZATION

According to Planning and Inspections Director Scott Hammerbacher, the current Memorandum of Understanding (MOU) for the Metropolitan Planning Organization (MPO) must be amended to reflect updates in federal law, changes to the MPO boundary, and modernization of key terms and provisions. The MPO planning area boundary was recently expanded to include the Town of Archer Lodge as well as additional area in Johnston County. Changes include updating the name of the Transportation Advisory Committee (TAC) to be referred to as the "Executive Board", updating the number of TCC voting members to be 1 per 100,000 population (per the recommendation of the MPO's Organizational Review Committee), adding the Town of Archer Lodge as an official member, and moving specific weighted voting numbers and TCC representation numbers to be referenced in the Executive Board and TCC Bylaws, respectively.

Commissioner Lancaster made a motion to approve/amend the MOU, seconded by Commissioner Bunn. The motion duly carried with all present voting "AYE."

5. RESOLUTION SUPPORTING THE REMEDIATION OF WATER CONTAMINATION RELATED TO COAL COMBUSTION WASTE AND REMOVAL OF COAL COMBUSTION WASTE

The Board was asked to consider approval of the resolution below.

**RESOLUTION
SUPPORTING THE REMEDIATION OF WATER CONTAMINATION RELATED TO COAL COMBUSTION WASTE AND
REMOVAL OF COAL COMBUSTION WASTE**

WHEREAS, the Franklin County Board of Commissioners recognizes that a sustainable environment is critical to the citizens, the economy and the need for a supply of clean water within the Dan River Basin region in Virginia and North Carolina; and

WHEREAS, coal combustion waste impoundments are located within the Dan River Basin at Belews Creek Steam Station, Dan River Power Station, Roxboro Power Station, and Mayo Power Station; and

WHEREAS, coal combustion waste contains toxicants such as arsenic, lead, mercury, cadmium, chromium, and selenium, and the toxicants in coal combustion waste are linked to cancer and neurological damage in humans, as well as harm to wildlife, especially water-dwelling species; and

WHEREAS, on February 2, 2014 approximately 39,000 tons of coal combustion waste and millions of gallons of contaminated water spilled into the Dan River and the Dan River Power Station near the City of Eden, and

WHEREAS, streams of polluted water are discharging into waterways from unlined coal combustion waste ponds, and pollutants are leaching from the bottom of the unlined coal combustion waste impoundments into ground water and from there into waterways, and

WHEREAS, there is concern that destructive effects upon the Dan River watershed by coal combustion waste will result in additional strain upon the financial resources of local, state and federal governments, through increased expenditures on public health, social services programs, financial assistance, and subsidies and will render the millions already spent in economic development ineffective; and

WHEREAS, it is critical that the remediation of the Dan River Power Station spill continues, and the coal combustion waste and related contaminants are removed from the river; and

WHEREAS, cleaning up the Dan River Power Station spill is not enough to achieve the primary goals of preventing such a spill from happening again and stopping the potential ongoing pollution of waterways; and

WHEREAS, the remediation of the Dan River Power Station and removal of coal combustion waste and contaminants continues to be of the utmost importance.

NOW, THEREFORE, BE IT RESOLVED, that the Franklin County Board of Commissioners supports the immediate remediation of the Duke Energy coal combustion waste spill at the Dan River Power Station near Eden, NC through removal of coal combustion waste from the river, streams and creeks that have been negatively impacted and further supports removal of coal combustion waste stored at all coal combustion waste ponds near all waterways in the Dan River Basin.

NOW, THEREFORE, BE IT RESOLVED, the Board urges the North Carolina General Assembly to adopt legislation prohibiting the placement of any additional waste into any existing coal ash ponds.

NOW, THEREFORE, BE IT RESOLVED, the Board urges the North Carolina General Assembly to adopt legislation requiring all coal ash in North Carolina be moved to safe, dry, lined storage away from water resources, with leachate collection systems and appropriate groundwater monitoring.

BE IT FURTHER RESOLVED, the Board urges the North Carolina General Assembly to require that Duke Energy pay for the cost of the cleanup both at Dan River and the other coal ash ponds across the state, and that the cost not be passed on to ratepayers.

BE IT FURTHER RESOLVED, the Board urges the North Carolina General Assembly to fund the North Carolina Department of Environment and Natural Resources at a level that allows them to adequately and responsibly monitor coal ash sites.

BE IT FURTHER RESOLVED, the Board calls upon all other municipal and county governing bodies of North Carolina to pass similar resolutions to this one.

BE IT FURTHER RESOLVED, that copies of this resolution are sent to our legislative delegation and to the leadership of the North Carolina General Assembly.

ADOPTED this the 19th day of May, 2014.

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

6. APPOINTMENTS

A. Child Fatality Prevention Team

The Board was asked to appoint Jeff Lewis (Emergency Medical Services provider or Firefighter), Susan Handel (local law enforcement officer) and Pamela Gilliam (parent of a child who died before reaching age 18) to the Child Fatality Prevention Team.

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

B. Department of Social Services Board

The Board was asked to appoint Mary Solomon to the Department of Social Services Board for a three year term.

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

C. Juvenile Crime Prevention Council

The Board was asked to reappoint Meg Wyatt (at large) and Chief Kent Winstead (Chief of Police in the County) to the Juvenile Crime Prevention Council.

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

7. OTHER BUSINESS

DCA Monthly Performance Status Report (11-D-2447)

The status report was for information only. Board action was not required.

8. 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 commented on the recent passing of Franklin County citizen Willie Frank Bartholomew. He said Mr. Bartholomew served Franklin County all of his life in various capacities such as the Forestry Service, White Level Fire Department and National Guard.

Commissioner Jones: Commissioner Jones reported he attended a recent meeting of the Mental Health Board. He also attended a recent meeting of the Board of Health.

Commissioner Mitchell: No comments were offered.

Commissioner Dunston: Commissioner Dunston attended a recent Town Hall meeting sponsored by North Carolina Representative Bobbie Richardson relative to the coal ash situation on the Dan River which affects Franklin as it flows into Kerr Lake.

Commissioner Lancaster: No comments were offered.

County Manager Angela L. Harris: Mrs. Harris commented on the passing of Willie Bartholomew. She acknowledged his service on the Planning Board from 1995-2012. She also asked the Board to continue praying for Emergency Medical Services Director Jeff Lewis whose father passed recently as well as Public Utilities Director Bryce Mendenhall whose mother-in-law recently passed. Mrs. Harris commented on a recent

EMS (Emergency Medical Services) Recognition Ceremony and shared photographs of the event. She said the week of May 18-24, 2014 is National EMS Week.

9. 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)(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.
- B. 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)(5). The motion was seconded by Commissioner Mitchell and approved with a 6 to 1 vote with Commissioner Foy voting "NO."

Commissioner Mitchell made the motion to enter into closed session pursuant to NCGS 143-318.11(a)(3). The motion was seconded by Commissioner May and approved with a 6 to 1 vote with Commissioner Foy voting "NO."

At 8:01 P.M., the Board entered into closed session.

Following closed session, Commissioner Bunn made a motion to enter back into open session, seconded by Commissioner Lancaster. The motion duly carried with all present voting "AYE."

No action was taken following closed session.

At 8:43 P.M., Commissioner Bunn made a motion to adjourn, seconded by Commissioner Lancaster. The motion duly carried with all present voting "AYE."

Sidney E. Dunston, Chair

Kristen G. King, Clerk to the Board

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