

**May 20, 2013**

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 Sidney E. Dunston, Commissioners David T. Bunn, Harry L. Foy, Jr., John M. May, Cedric K. Jones and Don Lancaster.

Chairman Mitchell 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 Jones. The motion duly carried with all present voting "AYE."

The items approved follow.

**1. CONSENT AGENDA**

- A. May 6, 2013 Minutes
- B. 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.

**Mary Ella Hutchinson, 1490 Duke Valentine Wynne Road, Louisburg, NC**

- Ms. Hutchinson commented on the request by the Kerr-Tar Regional Council of Governments (COG) for a one-time special assessment of its member governments. The COG's request was made following the alleged misallocation of approximately \$311,000. Ms. Hutchinson said the Board should further delay a decision since it did not yet have all the facts. She also stated an investigation into the matter was ongoing and feared if the Board did grant the financial request, there would be no guarantee the COG would remain operational following the investigation. Ms. Hutchinson suggested Commissioner Dunston should not vote on the issue as he is a member of the COG Board of Directors. She said Commissioner Dunston had a financial interest in the matter.
- Commissioner Lancaster asked County Attorney Pete Tomlinson if there was a liability policy in place at the COG. Mr. Tomlinson said he had been informed by the COG's attorney Jim Wrenn there is a \$2 million policy that would cover it. Mr. Tomlinson also said all other County Commissioners had been allowed to vote on the same request by the COG.

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

- Mr. Lytle also commented on the request by the Kerr-Tar Regional Council of Governments (COG) for a one-time special assessment of its member governments. He asked each Board member if they had taken individual action since the initial request was considered and tabled on May 6, 2013. In response, Commissioner Lancaster said he had a conversation with COG Chairman Bryan Pfohl. He described Mr. Pfohl as a conservative businessman who assured him a change in policy has been made and the same mistake would not occur again. Commissioner Lancaster said while he does not like the situation at hand he is more comfortable with Mr. Pfohl now serving as Chair. Commissioner Jones stated the information provided in the agenda packet regarding the COG's request came at his request. Mr. Lytle then asked if anyone contacted the federal government via the Economic Development Administration. Mr. Lytle said he spoke with the Atlanta Director Phillip Paradise who commented a full

investigation is underway and that he could release any information at this time. Because the federal government has not yet decided what it will or will not do, Mr. Lytle cautioned the Board. He said if the request is approved and the federal government takes the County's money, he would personally file charges against each Commissioner relative to NCGS 14-230 for not defending citizen's rights or tax dollars. He then asked if the County planned to make the COG's audit report public. Mr. Lytle was informed the audit is already a public document. He also asked for a listing of COG Board of Director's members.

**Vi McCane, 90 Steeple Chase Run, Franklinton, NC**

- Ms. McCain said she was in agreement with the comments made by Ms. Hutchinson and Mr. Lytle. She said if there is an ongoing investigation, the County should not spend taxpayer dollars until the results are made public. Ms. McCain said if the County's yearly obligation to the COG is \$25,000 it should not consider giving the COG even more money until the investigation is complete.

**3. KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS SPECIAL ASSESSMENT REQUEST**

The Kerr-Tar Regional Council of Governments requested a one-time special assessment of its member governments. The request was that each member government pays an additional \$1.39 per capita contribution to the COG before May 31, 2013. The request was required to fully replenish the Revolving Loan Fund. Action on this item was tabled at the Board's May 6, 2013 meeting. Diane Cox, Interim COG Director, was in attendance to answer Board questions.

Commissioner Foy said he has strong reservations about giving money to an organization under investigation. Ms. Cox said the COG received a letter from the EDA (Economic Development Administration) demanding that it sequester funds and immediately place them into a separate bank account. Ms. Cox said the only way the COG could collect funds is by collecting the requested one-time special assessment from member governments as the COG cannot incur debt. Commissioner Foy asked Ms. Cox if she was aware how long it would take to complete the investigation and what may have caused the alleged misuse. Mr. Cox said she did not know how long it would take to complete and that the situation was a matter of expenses incurred that were over and above the budgeted revenue for those expenses over a couple of years. Most were tied directly to one program administered by the COG.

Commissioner Dunston stated funds from the EDA are only part of the benefit the COG brings to counties. He said the COG provides many other benefits to its member governments. Ms. Cox said the COG assists with economic development, transportation planning, funding for Aging services for the region, community development block grants, and infrastructure as well as water and sewer improvements.

Commissioner Foy said looked into the history of the COG which was established in the early 1970's. He said business operated successfully prior to COGs and that it would continue even if COGs were no longer in existence.

If the Board approves the request for the one-time payment, Commissioner Mitchell asked if there would be any return on the fee or payback in the future. Ms. Cox said there had been some discussion within the Executive Committee and felt confident the Board would do what it could to keep future assessments low, but said she could not guarantee a full return.

As a member of the COG Board of Directors, Commissioner Dunston said when the misuse of funds was made known, the Board of Directors immediately took action to correct the mistakes that had already occurred. He said the Board immediately contacted the EDA, attempted to set up a payment plan to avoid effecting member governments, however the federal government was adamant it wanted its money back immediately. He said funds were pulled from the revolving loan fund and that all other programs would not necessarily be affected.

Commissioner Lancaster said he wanted to make sure he understood that a liability policy was in place. Ms. Cox stated a D&O (Directors and Officers liability insurance) policy is in place through the North Carolina Association of County Commissioners that covers the Board of Directors and the officers.

At the request of Commissioner May, County Manager Angela Harris and Economic Development Director Ronnie Goswick shared ways the COG is beneficial to the County including a significant role in Home Community Care Block Grants, Economic Development grants, elderly transportation and others. She said the COG had been an extension of county government in many ways and played a vital role during her tenure in county government. Mr. Goswick said he had worked with the COG for many years and made reference to a list of loans and grants (see below) received in the last five years with the assistance of the COG. He said there is 60 to 1 ratio of return on funds invested with the COG. Some things not listed include several million dollars in grants received through the EDA when water lines were implemented from Henderson to Franklin County. He said there was also assistance with the water tank on US Highway #1 in Youngsville and with the construction of the sewer plant. He views the COG as an ally and a partner for Franklin.

Commissioner Dunston read aloud the following synopsis of services provided by the COG for the past five fiscal years.

#### **Franklin County Synopsis of Services Provided by the COG for the Past 5 Fiscal Years**

##### **Economic Development**

\$500,000 – Grant application to the North Carolina Rural Center to extend water and sewer service to the East Youngsville area.

\$85,000 – Grant application to the North Carolina Rural Center to provide sewer services to the Franklin County Industrial Park in Youngsville.

\$25,000 – Incentive Grant application to the North Carolina Rural Center for the Town of Louisburg for restoration of a building in downtown. (Awarded, but turned back in to the Rural Center.)

\$408,000 – 3 Incentive Grant applications to the North Carolina Rural Center for the Town of Louisburg for restoration and renovation of downtown buildings. Each grant required a 50% match.

\$48,000 – Grant application to the North Carolina Rural Center for the Rural Health Center Incentive program. Grant was awarded, but business owner declined the grant because of Davis-Bacon requirements.

\$25,000 – Grant application to the North Carolina Rural Center Building Re-Use and Renovation Program for the Town of Franklinton

\$1,743,000 – Grant application from EDA to develop the road leading from Highway 401 into the Triangle North site.

\$900,000 – Grant application from NCDOT to develop the road leading from Highway 401 into the Triangle North site.

Assisted Franklin County and the Route 401 Action Committee in preparation of a **\$67 million** grant application to the USDOT. While the grant was not funded, the process created a large groundswell of support and collaborative spirit in the county.

**Human Services**

\$101,000 – Grant for Medical Transportation of Elderly and Disabled Citizens in Franklin County. 51 individuals have received transportation assistance to access dialysis centers, adult day care centers and doctors' appointments.

\$220,000 – Grant for a project intended to reduce vehicle crashes and deaths and underage drinking in Franklin County.

Commissioner Lancaster made a motion to approve the one-time special assessment to the COG, an additional \$1.39 per capita contribution with the same stipulations agreed upon by Granville County (detailed below) .The motion was seconded by Commissioner May and carried 6 to 1 with Commissioner Foy voting "NO."

Stipulations

1. Funds placed in trust account pending approval by all member governments.
2. COG shall make a claim on the finance director's bond and/or insurance and executive director's bond and/or insurance if any. Any funds received shall be refunded back to the members pro rata based on percentage contributions.

**4. APPOINTMENTS****A. Capital Area Metropolitan Planning Organization (CAMPO)**

The Board was asked to consider the appointment of Commissioner Cedric Jones to the Capital Area Metropolitan Planning Organization.

Commissioner Lancaster made a motion to appoint Commissioner Cedric Jones to the CAMPO. The motion was seconded by Commissioner Bunn and duly carried approval with all present voting "AYE."

**B. Parks and Recreation Advisory Board**

An appointment was needed to the Parks and Recreation Advisory Board. (Commissioner Mitchell)

An appointment will be made at a later date.

**C. Tourism Development Authority**

An appointment was needed to the Tourism Development Authority. (Commissioner Bunn)

An appointment will be made at a later date.

**5. OTHER BUSINESS**

Economic Development Director Ronnie Goswick and Existing Industry Coordinator Richie Duncan provided a press release to the Board regarding a new business that has located to the area. SunStone Water Group is expected to create 200 jobs in the next three years with additional position expected in the future.

**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 comments were offered.

**Commissioner Foy:** Commissioner Foy asked if additional budget workshops were planned. County Manager Angela L. Harris said workshops would be scheduled at the end of the month following distribution of the budget proposal.

**Commissioner Bunn:** No comments were offered.

**Commissioner Dunston:** Commissioner Dunston recently attended a meeting of the Franklin County Heritage Society. He said the group is interested in the possibility of building a library that would help meet the needs of the library relative to needed space and size. He mentioned the need for storage space for historical documents and artifacts.

**Commissioner Lancaster:** Commissioner Lancaster contacted Senator Chad Barefoot regarding a bill in the House of Representatives regarding inmate expenses and his concern that those expenses may be passed along to counties.

**Commissioner Jones:** Commissioner Jones commented on a document he recently shared with the Board regarding mental health funding for Franklin County.

**Commissioner May:** Commissioner May commented on a recent visit to Novozymes. While there he was able to see firsthand a program Novozymes is offering students of the Early College High School program.

**Commissioner Mitchell:** Commissioner Mitchell asked Communications Director Christy Shearin for an update on the radio project. Mrs. Shearin stated that as of 1:00 P.M. today (May 20, 2013) Fire and EMS (Emergency Medical Services) cutover to the new system with no major issues thus far. It was noted that work is still being done to secure a new frequency.

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

- Mrs. Harris reported the County had again been awarded the 2013 Community Waste Reduction and Recycling grant in the amount of \$28,366 from the Division of Environmental Assistance.
- Mrs. Harris shared photographs of a building that will now house Bunn EMS. EMS staff will spend a week relocating from its previous quarters at Bunn High School. She said the County is in the process of securing shelter for emergency response vehicles.

At approximately 8:01 P.M., Commissioner Dunston made a motion to adjourn, seconded by Commissioner May. The motion duly carried approval with all present voting "AYE."

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E. Shane Mitchell, Chair

Kristen G. King, Clerk to the Board

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