

October 2, 2006

The Board of Commissioners of Franklin County, North Carolina, met in Regular Session at 7:00 P.M. in the Commissioner's Meeting Room located in the County Administration Building with the following Commissioners present: Chairman Sidney E. Dunston, Vice-Chairman Lynwood D. Buffaloe, Commissioners Harry L. Foy, Jr., Raymond A. Stone, Jimmie R. Gupton, Donald C. Lancaster, and Robert L. Swanson.

Chairman Dunston asked the Board to consider an add-on agenda item pertaining to the further extension of Northbrook Drive Gravity Sewer per the county's utility construction fee policy.

Upon motion by Commissioner Lancaster to add item (5A) to the agenda, seconded by Commissioner Buffaloe, with all present voting "AYE," duly carried.

1. CONSENT AGENDA

Upon motion by Commissioner Lancaster, seconded by Commissioner Swanson, with all present voting "AYE", duly carried approval of the following consent agenda items:

- A. August 21, 2006 minutes
- B. September 5, 2006 minutes
- C. September 18, 2006 minutes
- D. Resolution requesting the designation of portions of the US 64 freeway in central and eastern North Carolina as an Interstate corridor
- E. Updated Memorandum of Understanding between Cooperative Extension and the County of Franklin
- F. First Amendment to Ambulance Service Contract with North State

2. COMMENTS FROM THE PUBLIC

Gilbert Silva, 78 Walter Grissom Road, Kittrell

- Mr. Silva made reference the September 30, 2006 issue of the Franklin Times titled "Commissioners set to discuss COPs Monday for new school." Mr. Silva stated that approving funds for a new elementary school would circumvent the will and vote of Franklin County citizens who voted down the school bond issue earlier this year. Mr. Silva also asked County Manager Chris Coudriet for an "all up integrated long term county plan" he claims was promised to him a year ago.

3. QUARTERLY UPDATE

Franklin County Finance Director Chuck Murray presented the first quarterly financial report for the period ending September, 2006 with a PowerPoint presentation as follows:

Discussion Topics

- General Fund Activity
- Volunteer Fire Department's Allocation
- Water and Sewer Activity
- School Bond Projects
- Debt Position

General Fund

- General Fund Expenditures totaled \$10,153,558 or 18% of the budget for the quarter. They consisted of:
 - General Government: \$659,296
 - Public Safety: \$2,327,227
 - Human Services: \$2,847,932
 - Education: \$3,186,795
 - Cultural and Recreation: \$258,082
 - Economic and Physical Development: \$874,226
- General Fund Revenues totaled \$18,326,960 for the Quarter. This represents 31% of the total budgeted revenues. Major revenues consisted of:
 - Sales Tax: First month - \$724,829
 - Property Tax: \$13,433,078 or about 50% of budget

Fire Department Fund

- Total Budget is \$1,907,320
- Total expended thru 8/31/06 - \$843,391
- Total fire taxes collected thru 8/31/06 - \$843,391
- Total remaining to be collected: \$1,063,929

Water and Sewer Fund

- Water expenditures totaled \$ 553,322
- Water revenues totaled \$ 756,545
- Surplus/(Deficit) for quarter totaled (+) \$203,223
- Water customers increased from 2,143 to 2,201
- Sewer expenditures totaled \$292,336
- Sewer revenues totaled \$ 287,549
- Surplus/(Deficit) for quarter totaled (-) \$4,787
- Sewer customers increased from 421 to 436

2004 School Bond Capital Projects

\$30 million approved in 2004 for School Construction

Expenses to date:

- | | |
|--------------------------|---------------------|
| - Terrell Lane | \$1,462,903 |
| - Louisburg High | 1,438,766 |
| - Bunn High | 1,523,495 |
| - Franklinton High | 53,081 |
| - Bunn Elementary | 10,123 |
| - Laurel Mill | 16,328 |
| - Youngsville Elementary | 22,199 |
| - New Elementary School | 117,675 |
| - Bond Issuance Cost | 54,890 |
|
 | |
| - Total Spent to date: | \$4,699,460 |
|
 | |
| - <u>Total Remaining</u> | <u>\$25,300,540</u> |

Debt Position

- OUTSTANDING PRINCIPAL DEBT @ 9/30/06 \$65,490,584.
- DEBT EVIDENCED BY

-	G.O. BONDS	\$ 33,445,000
-	COPS	27,712,813
-	Other	<u>4,332,771</u>
-	Total	\$ 65,490,584

- Note: \$20 million sold for schools August 2006

-	<u>Debt make up:</u>	
-	Education :	\$41,510,929
-	Public Safety:	5,646,111
-	Water and Sewer:	16,758,544
-	Human Services:	525,000
-	Solid Waste:	1,050,000

Debt Subsequent Year

- **Currently reviewing debt issuance plans.**
- Anticipating \$2,000,000 for Ray's Creek sewer line (May 07)
- Anticipate issuing remaining \$8 million in school bonds around (July - August 07)
- Anticipating the need for \$12 to \$13 million around (July or August 07) to complete new elementary school and cover higher than anticipated school construction costs.
- Potential School Bond Referendum for New High School (May 08 – Nov. 08) \$35 to \$40 million.

Following the presentation, Mr. Murray stated interest rates were higher than the last issuance and said long term interest rates remain low. He also stated his expectation that the water and sewer fund would end in surplus for the year. When asked why there was a deficit in sewer despite an increase in the customer base, Murray stated rates weren't raised high enough to break even. He said this was purposefully done so as not to raise taxes. Overall, Murray commented the county is in excellent financial condition compared to other counties similar in size.

4. SUPPLEMENTAL FUNDING STRATEGY FOR NOVEMBER 2004 SCHOOL BOND REFERENDUM

Estimated construction costs for renovations, expansions, and new facilities as outlined in the November 2004 school bond referendum are under the actual costs of construction in today's market. As such, the school system and the Board of Education need an additional \$13 million dollars to complete all projects as presented in the November 2004 referendum. County Finance Director Chuck Murray presented a funding strategy for the Board of Commissioners to consider consisting of three options as follows:

- Issue certificates of participation (bonds). Estimated interest rate of 4.50%. Takes about 90-100 days to issue. Board of Commissioners would begin that approval process around April 15, 2007.
- Issue general obligation bonds. Estimated interest rate of 4.30%. About a 240 day process. Board of Commissioners would need to begin the approval process January 1, 2007.
- Possibly obtain an unqualified bank loan. Interest rate of 5.30%. Takes about 120 days. More than likely no bank would be interested in providing a fixed interest rate for 20 years.

Mr. Murray stated his opinion that the project could be funded without a tax increase. He said money from the lottery could be utilized along with some of the fund balance for the first couple

of years to help eliminate a tax increase.

Upon motion by Commissioner Gupton to authorize the final design of a new elementary school and endorse COPs (Certificates of Participation) as a supplemental funding strategy, seconded by Commissioner Swanson, with all present voting "AYE," duly carried.

5. FRANKLIN COUNTY READ: READ-ENGAGE-ARTICULATE AND DISCUSS PRESENTATION

Franklin County Library Director Holt Kornegay presented a time line and brief outline of the "Franklin County Read: Read-Engage-Articulate and Discuss" project in advance of the November 11th (Armistice Day) kick-off of the project which Kornegay said is designed to present a literary work of fiction that has broad audience appeal; lend itself to discussion relative to historical and contemporary concerns; be proactive of written responses in essay, poetical and literary criticism formats and of artistic responses in plastic arts; and to involve individuals, civic groups, schools and faith organizations and address the interest of many generations.

5A. FURTHER EXTENSION OF NORTHBROOK DRIVE GRAVITY SEWER PER THE COUNTY'S UTILITY CONSTRUCTION FEE

Public Utilities Director Bryce Mendenhall informed the board that Vaughan Utilities has begun work extending the water/wastewater infrastructure along Northbrook Drive to serve the Envision project. He reminded the Board that the project, which was awarded in September, 2006, had a base bid price of \$66,000 to install the utilities. Based on the 'seven year tax payback' which was approximately \$80,000, Mr. Mendenhall asked for permission to negotiate with the contractor to extend the wastewater infrastructure as far as possible along Northbrook Drive to accommodate future development. Mr. Mendenhall has consulted with the engineers and revised the preliminary plans to account for this extension and submitted to Vaughan Utilities to revise the original cost estimate base for revisions. An updated quote for improvements indicates two change orders that total \$25,574. These change orders would allow Franklin County to extend the gravity sewer line northward beyond the Envision property and allow a discharge point for three other large parcels of land to be developed in the future. Based on elevation changes, this line extension will not allow for direct connection of the parcels to the infrastructure but allows for a point of entry for wastewater from a pump station that will be required as development continues.

Upon motion by Commissioner Buffaloe to approve the request, seconded by Commissioner Stone, with all present voting "AYE," duly carried.

6. BOARD APPOINTMENTS

A. Firemen's Relief Fund Trustees

Pursuant to General Statute 58-84-30. which states: *For each county, town or city complying with and deriving benefits from the provisions of this Article, there shall be appointed a local board of trustees, known as the trustees of the fireman' relief fund, to be composed of five members, two of whom shall be elected by the members of the local fire department or departments who are qualified beneficiaries of such fund, two of whom shall be elected by the mayor and board of alderman or other local governing body , and one of whom shall be named*

by the Commissioner of Insurance.

Randall Likens, Director of the Franklin County Office of Emergency Management, requested appointment by the Board of Commissioners to the respective individual Local Firemen's Relief Fund Board of Trustees as follows:

Bunn Fire District:

Tim Edwards (2 year term)
Robert Moore (1 year term)

Centerville Fire District:

Shad Leonard (2 year term)
Hubert G. Leonard, Jr. (1 year term)

Youngsville (Western Franklin Fire District):

Scott White (2 year term)
Fred Wheeler, Jr. (1 year term)

Epsom Fire District:

Charles Hilliard, Jr. (2 year term)
Calvin Ayscue (1 year term)

Franklinton (Northwest Franklin Fire District):

David E. Robbins (2 year term)
Michael L. Devall (1 year term)

Pilot Fire District:

Travis Sanford (2 year term)
Michael Williams (1 year term)

Mitchiners Crossroads Fire District:

Joe Jenkins (2 year term)
Richard Hoyle (1 year term)

White Level Fire District:

Billy Brewer (2 year term)
Delton Nelms (1 year term)

Justice Fire District:

Milton Shearin (2 year term)
Donnie Aycock (1 year term)

Gold Sand Fire District:

Perry Foster (2 year term)
Mark Rowe (1 year term)

Upon motion by Commissioner Lancaster to approve the appointments to the Firemen's Relief Fund, seconded by Commissioner Swanson, with all present voting "AYE," duly carried.

7. BOARD, MANAGER AND CLERK'S COMMENTS

Commissioner Foy: Commissioner Foy presented each Board member with a handout citing information pertaining to the 2006 Fall Rabies Clinic.

Commissioner Stone: Commissioner Stone commented that Timothy Baynes had been promoted from “interim” to serve as Executive Director of the Kerr-Tar Regional Council of Governments. He also reminded the Board that the time is near to evaluate the County Manager.

Commissioner Buffaloe: None.

Commissioner Swanson: None.

Commissioner Gupton: None.

Commissioner Lancaster: None.

Commissioner Dunston: Commissioner Dunston mentioned two banquets he recently attended of the Committee of 100 and the Kerr-Tar Regional Council of Governments. He complimented County Manager Chris Coudriet as keynote speaker of the Committee of 100 banquet and also mentioned the promotion of Timothy Baynes as Executive Director of the Kerr-Tar Regional Council of Governments.

County Manager Chris Coudriet: Mr. Coudriet commented on a meeting with Hobbs, Upchurch and Associates to discuss the comprehensive water and sewer analysis. He stated his feelings that the Board would be pleased with the final form which is expected to help frame future public policy decisions regarding water and sewer extensions. A final draft is expected October 20, 2006 and will then be presented to the Board. Mr. Coudriet also mentioned progress on the human service building roof replacement. He said work is underway and the steel frame for the roof is nearing completion with a close-out date in early January, 2007. He also commented on an employee satisfaction survey team that has been appointed to come up with ways to gather and evaluate direct feedback from county employees. Additionally, Mr. Coudriet mentioned that bids were opened Friday, September 29, 2006 for asbestos removal at the old Epsom School property. He expects a recommendation for the design process within a week.

Clerk to the Board Kristen King: Mrs. King mentioned the upcoming Eggs and Issue Breakfast sponsored by the Franklin County Chamber of Commerce at Louisburg College.

At approximately 8:08 P.M., Chairman Dunston entertained a motion by Commissioner Swanson, seconded by Commissioner Gupton to enter into a closed session pursuant to General Statute 143-318.11 (a) (6) in order for the Board to discuss personnel matters. The motion carried 6 to 1, with Commissioner Foy casting the dissenting vote.

At approximately 8:40 P.M., upon motion by Commissioner Stone to enter back into open session, seconded by Commissioner Gupton, with all present voting “AYE,” duly carried.

No action was taken on the personnel matter discussed in closed session.

Upon motion by Commissioner Gupton to adjourn, seconded by Commissioner Stone, duly

carried approval with all present voting "AYE."

Sidney E. Dunston, Chairman

Kristen G. King, Clerk to the Board