

**June 25, 2009**

The Board of Commissioners of Franklin County, North Carolina, met for a recessed meeting at 7:00 P.M. in the Commissioner's Conference Room located in the County Administration Building with the following Commissioners present: Chairman Robert L. Swanson, Vice-Chairman Penny McGhee-Young, Bob Winters, Sidney E. Dunston, Donald C. Lancaster, E. Shane Mitchell and Harry L. Foy, Jr. The meeting was a continuation of the June 15, 2009 meeting.

**1. BUDGET ORDINANCE AMENDMENT #8**

Pursuant to North Carolina General Statute 159-15, the County Finance Officer requested a budget ordinance amendment in the amount of \$4,914,475 for the fiscal year ending June 30, 2009 to amend the General Fund to reflect interest payments on the refunding of \$19.4 million dollars.

Chuck Murray, Finance Director, stated the amendment would close out the fiscal year and stated the County had recognized an \$825,000 savings after refinancing 1998 General Obligation bonds.

Commissioner Dunston made the motion to approve Budget Ordinance Amendment #8, seconded by Commissioner Young. The motion duly carried with all present voting "AYE."

**2. BUDGET WORK SESSION**

The Board was then asked to continue its discussions regarding the proposed 2009-2010 budget. The Board was also asked to consider final approval of the budget.

Angela L. Harris, County Manager, stated the Board had planned to discuss the sewer rate study this evening recently completed by Hobbs, Upchurch & Associates. However, she suggested the discussion be postponed because of the minimum revenue impact and that the Board schedule a separate meeting to allow more time for discussion and consideration. She said rate changes would be implemented 90 days out in order to adequately inform affected parties if rates are altered.

Mrs. Harris referenced recent Board direction given June 15, 2009 to examine the original design for the Franklin County Jail provided by its architect Surapon Sujjavanich. She said at this time only preliminary discussions have been held and said she was not in the position to give concrete figures. She suggested a separate discussion on this topic as well and stated staff had removed the estimate for jail design out of the proposed budget and said if the Board decides to move forward the money could be taken from existing funds. She then asked if the Board was interested in formalizing a relationship for services with Mr. Sujjavanich.

Commissioner Dunston asked if the \$2.6 million cost estimate covered design by Brennan & Associates. Chuck Murray, Finance Director, stated the figure included design work and what it would cost to prepare the project for bid.

Commissioner Swanson reminded the Board the jail project was not included in the proposed budget, but clarified that did not mean the entire jail expansion project would no longer be considered.

Commissioners Foy and Lancaster stated they would like to obtain a second opinion from Mr. Sujjavanich. Commissioner Winters asked what expense was associated with the opinion of Mr. Sujjavanich. Mrs. Harris responded by saying the County could ask

for preliminary, cursory data. She reminded the Board that normally the RFQ (request for qualifications) process must be followed with an architect as a starting point, however she said the Board could decide to work with Mr. Sujjavanich and exempt itself from going through that process because he is the architect of record providing the original jail design. Mrs. Harris stated she was asking for a letter of engagement.

Commissioner Swanson asked if there was any cost associated with merely having discussions with Mr. Sujjavanich. Mrs. Harris stated she felt Mr. Sujjavanich would be willing to have those preliminary discussions at no cost. She confirmed the jail study by Brennan & Associates is complete and paid for.

Commissioner Dunston made a motion to move forward with preliminary discussions with Mr. Sujjavanich, seconded by Commissioner Foy. The motion duly carried with all present voting "AYE." A formal letter will be written to Brennan & Associates thanking them for their work relative to the jail study and informing them the Board is exploring its options.

In further discussions regarding the proposed budget, Finance Director Chuck Murray, stated two changes had been made to the budget since the Board last met. Upcoming debt service amounts have changed since the restructuring of the 1998 General Obligation Bonds. He said a positive outcome of \$220,342 was realized in the general fund budget from what was requested. He then restated that \$2.6 million was taken out of the budget reflecting a hold on jail expansion.

Mr. Murray stated the proposed budget is now \$63.6 million including \$61.4 million in revenues. The proposal reflects a \$2.2 million reduction from fund balance, leaving the county with 15.5% fund balance.

A budget amendment must be approved if the Board decided to move forward with jail expansion or a bond would be floated.

Commissioner Foy then stated he received a letter from Tony Faucette, Chief of Gold Sand Fire Department, regarding questions he had with the budget process. Mr. Faucette was in attendance and expressed his concern. The Chairman directed the Manager and the Finance Director to meet with Mr. Faucette independently to review the proper procedures of the budgeting process.

Commissioners Young and Lancaster asked questions and made comments about financing for schools. Hardships of losing revenues from the state were mentioned and Commissioner Lancaster stated because it is the Board's duty to build schools, he feels it would be less of a burden on taxpayers if taxes were raised gradually to help pay for schools rather than a large tax increase all at once.

Commissioner Lancaster also mentioned that rather than directing county employees to take five unpaid holidays, he would prefer that each department decide when their employees can take time off. He said the process should be managed by each department head. Mrs. Harris said that may create hardships in some departments like EMS, Communications and the Sheriff's Office, but said it could be managed. Nicki Griffin, Social Services Director, stated she would appreciate the flexibility and felt that her staff would as well. Commissioner Winters agreed with Commissioner Lancaster's suggestion, but stated the process needed to be completed without the expense of overtime.

Commissioner Dunston then asked if all school construction and renovation projects were included in the proposed budget or if the budget only included the construction of Franklinton High School. It was stated the school system had a list of priority projects included with a timeline for completion of each. The Board will need to give direction to stay on schedule and to bid out projects. At this time, the Board of Commissioners has only given the direction to move forward with Franklinton High School.

Commissioner Dunston stated a five-cent tax increase is needed to cover school projects and said bids should be sought as soon as possible.

Commissioners Young and Swanson both agreed taxes must be raised in order to complete school projects that were voted on by the citizens.

Commissioner Dunston made a motion to accept the 2009-2010 budget in the amount of \$63,645,329 with a five-cent tax increase, bringing the tax rate to 87.25 to cover and complete school projects already voted on by the citizens. The motion was seconded by Commissioner Lancaster and carried with a 5 to 2 vote, with Commissioners Winters and Foy voting "NO."

### **3. APPOINTMENT**

The Board was asked to consider the reappointment of Leelan Woodlief to the Jury Commission for a two-year term.

Commissioner Young made the motion to reappoint Mr. Woodlief to the Jury Commissioner for a two-year term, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE."

Mrs. Harris then said she appreciated the hard work and positive attitudes of Franklin County staff in contributing to the budget. She said preparation began early this year with many obstacles along the way, however she said the approved budget was the "right thing to do."

### **4. CLOSED SESSION**

- A. The Board was asked to consider going into Closed Session pursuant to NCGS143-318.11 (a) (6) to discuss a personnel matter.
- B. The Board was asked to consider going into Closed Session pursuant to NCGS143-318.11 (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 Dunston made the motion to enter into closed session, seconded by Commissioner Young. The motion carried 6 to 1, with Commissioner Foy voting "NO."

Commissioner Winters made the motion to enter back into open session, seconded by Commissioner Young. The motion duly carried with all present voting "AYE."

Commissioner Winters made a motion to appoint Jimmy Tanner as Tax Administrator, to include assessor and collector, pending background checks, to begin a four-year appointment on July 1, 2009. The motion was seconded by Commissioner Dunston and duly carried approval with all present voting "AYE." Mr. Tanner's salary was set at \$68,688 per year.

Commissioner Dunston then made a motion to extend the Memorandum of Understanding with Riverplace for an additional 90 days. The motion was seconded by Commissioner Winters and duly carried with all present voting "AYE."

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Commissioner Young made a motion to adjourn, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE."

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Robert L. Swanson, Chairman

Kristen G. King, Clerk to the Board