

May 18, 2009

The Board of Commissioners of Franklin County, North Carolina, met for a Recessed Meeting at 5:00 P.M. in the Commissioner’s Meeting Room located in the County Administration Building with the following Commissioners present: Chairman Robert L. Swanson, Vice-Chairman Penny McGhee-Young, Bob Winters, Donald C. Lancaster, Sidney E. Dunston, Harry L. Foy, Jr. and E. Shane Mitchell.

Chuck Murray, Finance Director, provided an update on the Jail Expansion project with the following PowerPoint presentation:

**Franklin County**

Jail Expansion Project  
5/18/2009

**Expanding facility from 168 beds to 551 beds**

- Financial model demonstrates allowing engineer and design work to begin in **August or September 2009**.
- County pays the cost for design and engineering **from fund balance**. (Note: County must pay for design and engineering in advance of borrowing). County can reimburse itself once \$\$ are borrowed.
- The model demonstrates revenue at **300 federal prisoners at \$63 per day, 365 days a year**.
- The model demonstrates an **interest rate of 5.5%, a borrowing of \$36,000,000, to be paid with level principal over 20 years**.
- Model assumes **N.C. Local Government Commission Approval in August/September 2009**.

**Current Inmate Population**

- Ave. Local/State Inmates 88
- Ave. Federal Inmates 80
- Total Current Capacity 168
  
- Revenue for Federal Inmates \$1.84 million
  
- Equates to about 4.6 cents on the tax rate.

**Financial Impact to Fiscal Year Budgets 2009-2010 thru 2011-2012**

Expenses	Current FY	FY 2009-2010	FY 2010-2011	FY 2011-2012
Salary, Admin.	\$ 2,751,545	\$ 2,886,813	\$ 5,504,633	\$ 5,642,249
Meal Costs	500,000	500,000	760,215	783,021
Debt Service	669,610	670,000	4,146,500	4,053,000
Design, Eng, etc	0	2,508,371	0	0
<b>Total Expenses</b>	<b>\$ 3,921,155</b>	<b>\$ 6,565,184</b>	<b>\$ 10,411,348</b>	<b>\$ 10,478,270</b>
Federal Inmates	\$ 1,800,000	\$ 1,800,000	\$ 4,334,400	\$ 6,898,500
Phone Commis.	55,000	55,000	98,214	130,952
<b>Total Revenues</b>	<b>\$ 1,855,000</b>	<b>\$ 1,855,000</b>	<b>\$ 4,432,614</b>	<b>\$ 7,029,452</b>
<b>Additional \$\$ needed</b>		<b>\$ 2,644,029</b>	<b>\$ 3,912,579</b>	<b>\$ 1,382,663</b>
Potential Tax Inc. to fund proj.	With Fed Rev. Without add. Fed. Rev.	6.61 cents	9.43 cents 8.69 cents	3.22 cents 8.46 cents

**Fund Balance position based on estimate for FY 2008-2009**

- Total Fund Balance 6/30/2009: \$15,995,895
- (less) Est. Required Reserves by Statute: \$2,647,862
- (less) Earmarked Reserves 850,000
- (less) FYE 2010 Fund Bal. Appropriation 2,318,700
- Projected Undesignated Fund Balance \$10,179,333
- Using Total GF Budget of \$65,066,000
- Est. % of Undesignated Fund Balance 15.64%

**History of Undesignated Fund Balance Comparison**

- FYE 2008-2009 \$ 10,276,912
- FYE 2007-2008 11,455,767
- FYE 2006-2007 11,730,851
- FYE 2005-2006 12,146,678
- FYE 2004-2005 12,870,944
- FYE 2003-2004 10,033,424
  
- FYE 2009-2010 **Anticipates \$2.2 million reduction from fund balance "without" jail expansion.**

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**Option for consideration**

- 1. Decide whether or not to instruct county staff to submit the jail expansion project to the Local Government Commission and seek approval to move forward with the expansion project. Once project is approved by Local Government Commission, consider entering into contract with Brennan and Assoc. for design services for the jail expansion project.

During the presentation, Mr. Murray stated the project included expanding the current jail facility from 168 beds to a total of 551. He stated that if approved, the engineer and design work was scheduled to begin in August or September, 2009. He stated the County pays the cost for the design and engineering from fund balance in advance of borrowing. The County can reimburse itself once the funds are borrowed. The jail expansion model mentioned demonstrates revenue at 300 federal prisoners at \$63 per day for 365 days per year. It also demonstrates an interest rate of 5.5%, a borrowing of \$36 million, to be paid with level principal over 20 years assuming approval by the North Carolina Local Government Commission (LGC).

Mr. Murray stated the current inmate population at the Franklin County Jail is comprised of an average of 88 local or state inmates and an average of 80 federal inmates. Revenue received for federal inmates is \$1.84 million which equates to about 4.6 cents on the tax rate according to Mr. Murray. He stated the financial impact to the Fiscal Year Budget 2009-2010 would be 6.61 cents on the tax rate or \$2,644,029 additional dollars needed. He then stated FYE 2009-2010 anticipates a \$2.2 million reduction from fund balance without inclusion of the jail expansion project. He concluded by saying it is time for the board to decide whether or not to instruct county staff to submit the jail expansion project to the LGC and seek approval to move forward by considering entering into a contract with Brennan and Associates for design services.

At this time, Commissioner Foy asked if there was a written guarantee that the County will get the additional federal inmate population as proposed. Sheriff Pat Green was in attendance and stated there is no written guarantee only an intergovernmental agreement.

The Board discussed holding another informal discussion with the LGC. Commissioner Lancaster commented that the LGC's position may be much different than the previous discussion regarding jail expansion.

Sheriff Green stated "we're in a predicament." The Federal Marshall's have been waiting for an answer regarding expansion for over one year. He said their needs are desperate with a need for 300 or more beds. Sheriff Green said the Marshall's have now contacted other interested counties and time is running out to make a decision. He said in five or six years, Franklin County must add on to its jail because of our own local population and because the jail is 12 years old and is wearing out. He said if the County doesn't take advantage of the Marshall's offer, it will lose its current federal population.

Commissioner Lancaster asked at what point the \$2.5 million for design and engineering fees must be paid. He was told that after the bids come in, the County will be reimbursed.

Commissioner Winters asked if there were other funding sources available such as stimulus monies. County Manager Angela Harris stated the County is seeking possible grant opportunities, but she stated there is nothing available currently that she is aware of.

Commissioner Lancaster then asked if the County must have a final design before discussions with the LGC. Mr. Murray stated the Board should seek approval now from the LGC before moving forward. He stated a formal application can be submitted without spending \$2.5 million. However, he again stated, money can't be borrowed until approval is granted by the LGC. Mrs. Harris confirmed that the Board would have to pledge to raise taxes if necessary during the approval process.

Steve Hight is an attorney and former Franklin County citizen. He said the Marshall's appreciate what the Sheriff and the jailers have done in Franklin. He said they want Franklin to have this expansion as well as the funding stream that comes with the federal inmates. He said Franklin offers the best location. He said the federal population is expected to increase, but likely the Marshall's won't provide a written guarantee. Mr. Hight said he doesn't think the County will have to worry about the security of the Federal Marshalls.

Commissioner Lancaster then stated he would not vote to spend \$2.5 million without LGC approval.

Commissioner Dunston then made a motion to proceed with the jail expansion project and to obtain verbal approval from the LGC before committing to spend \$2.5 million. The motion was seconded by Commissioner Winters and duly carried with all present voting "AYE" and the meeting was adjourned.

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

Chairman Swanson called the meeting to order and asked the Board to consider an add-on item pertaining to grant funds for Zolleville Rest Home. Commissioner Lancaster made the motion to add that item to the agenda, seconded by Commissioner Young. The motion duly carried with all present voting "AYE." The item will be presented after the public hearing.

Commissioner Lancaster then made the motion to approve the consent agenda, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE." The items approved are as follows:

**1. CONSENT AGENDA**

- A. Payment in lieu of Recreation Fund (\$1,250)
- 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. No comments were made.

**3. PUBLIC HEARINGS**

- A. Zoning Map Amendment – Aubrey S. Tomlinson, Jr. for Randall L. Ward and Susan P. Ward

The Board was asked to consider adoption of a zoning map amendment to rezone approximately 141 acres of a 525.94 acre tract located off Will Mitchiner Road (State Road 1222) in Franklinton Township from Light Industrial (LI) to Special Use Agricultural Residential (SU-AR). If approved, all uses defined within the AR table of permitted uses may be applied for with exception that only one (1) dwelling unit per ten (10) acres will be allowed.

Following the public hearing, it was recommended that the Board of Commissioners utilize the attached rezoning checklist to assist in their decision.

Scott Hammerbacher, Planning Director, outlined the request and stated Attorney Pete Tomlinson was in attendance of behalf of the Ward family.

At 7:10 P.M., Chairman Swanson opened the public hearing.

**Pete Tomlinson, NC Hwy 39 South, Louisburg, NC**

- Mr. Tomlinson stated there is an old home located on the property which cannot be redone under the current zoning. He said the Ward family would like for the area to be considered residential and said they have cattle they would like to tend there. Mr. Tomlinson urged the Board to accept the proposal.

With no further comments, the public hearing closed at 7:12 P.M.

Commissioner Foy then made a motion to adopt the zoning map amendment, seconded by Commissioner Young. The motion duly carried with all present voting “AYE.”

**B. UDO Text Amendment**

The Board was asked to consider adoption of a text amendment to the Franklin County Unified Development Ordinance (UDO) to amend Article 6., Section 6-1: Table of Permitted Uses to allow Gatehouse/Guardhouse/Security Stations as a permitted use within the AR, R-1, R-8, R-15, R-30, R-40, R-80, O/I, MU and PUD zoning districts.

According to Scott Hammerbacher, Planning Director, the Planning Board is proposing to amend the Franklin County UDO to allow for Gatehouse/Guardhouse/Security Stations as a permitted use within the Agricultural Residential (AR), R-1 Residential, R-8 Residential, R-15 Residential, R-30 Residential, R-40 Residential, R-80 Residential, Office Institutional (O/I), Mixed Use (MU), and Planned Unit Development (PUD) zoning districts.

The proposed amendment would provide Planning Staff with criteria to regulate the size and location of Gatehouse/Guardhouse/Security Stations if it is included within an approved development.

The proposed amendment is in conformance with criteria established within the Comprehensive Land Use Plan in addition to regulations for the AR, R-1, R-18, R-15, R-30, R-40, R-80, O/I, MU, and PUD zoning districts within the UDO.

Commissioner Winters then made a motion to amend Section 2-2, as outlined below, seconded by Commissioner Mitchell. The motion duly carried with all present voting “AYE.”

**Section 2-2 Definitions of Basic Terms**

(147) *Gatehouse/Guardhouse/Security Station*. A building ~~staffed~~ manned either in person or remotely by personnel designed to provide protection to residents of a subdivision or development.

Chairman Swanson opened and closed the public hearing with no comments made.

Commissioner Winters then made the motion to adopt the text amendment to the UDO as amended. The motion was seconded by Commissioner Dunston and duly carried with all present voting "AYE."

**4. GRANT FUNDS FOR ZOLLIEVILLE REST HOME**

According to Richie Duncan, Existing Industry Coordinator, the Rural Center has opened a new category of funding for health care facilities. Zollieville Rest Home, located outside of Louisburg, falls within the guidelines to apply for funds from this new category of funding. However, to be eligible to receive funds, the health care facility must partner with a government entity to apply for and administer the funds.

The EDC is seeking approval to apply for funds from the Health Care Initiative via the Rural Center in partnership with Zollieville Rest Home. Zollieville will utilize the funds to complete necessary renovations to their facility allowing them to open a wing that has been closed and to improve the standards in the existing facility.

As part of the grant process, Zollieville will enter into a performance agreement committing to the creation of a minimum of 4 new full time jobs within 24 months of the grant award. For every job not created, Zollieville will be responsible for paying back \$12,000.00 per job.

The funding for the project requires that grant funds requested be matched by an equal amount of public and private funds with the local government providing a match equal to at least 3 percent of the grant amount. The funding breaks out as follows:

Health Care Initiative Grant Request:	\$48,000.00
Private funding match (Zollieville investment):	\$48,000.00
<u>Franklin County 3% match of grant request:</u>	<u>\$ 1, 440.00</u>
Total of funds:	\$97,440.00

The EDC is seeking 1) approval to move forward with the application and 2) a commitment by Franklin County for the funding of 3% of the grant request of \$48,000.00 which equals \$1,440.00. The grant application deadline is June 1, 2009.

Commissioner Dunston made the motion to proceed with the grant application and commitment of funds, seconded by Commissioner Swanson. The motion duly carried with all present voting "AYE."

**5. PROPOSAL FOR CHANGE IN FINANCIAL ARRANGEMENT BETWEEN FRANKLIN COUNTY AND THE AIRPORT**

Upon the recommendation of the Airport Commission, the Manager of Triangle North Executive Airport (Rob Southerland) and the Chairman of the Airport Commission (John Allers) provided an overview of the existing financial agreement between Franklin County and Triangle North Executive Airport. The presentation included an operations overview, short and long term goals, budget review and projections as well as competitive information.

The proposal included a recommendation to change the existing financial arrangement between the County and the Airport. Today, all ad valorem taxes and revenues are returned to the County's General Fund. The proposed change is to allow the Airport to

retain revenues and ad valorem taxes capped at \$1,000,000. To maintain a competitive presence, the Airport would reinvest these funds into projects approved by the Airport Commission and County Commissioners.

The County's Financial Director would continue to manage the day to day finances and personnel payments. However, utilization of funds from the ad valorem taxes and revenues would provide seed money or fund needed airport improvements or additions. The specific projects will be reviewed by the Airport Commission and prioritized to match the short and long term goals of the Airport and County Commissioners.

At the conclusion of the presentation, Commissioner Foy stated the County needs those ad valorem taxes to pay for the services in the County. He said he voted recently in favor of a skydiving center, he said he could not subsidize the airport any further.

Commissioner Lancaster made the motion to approve the proposed financial arrangement between Franklin County and the Airport, seconded by Commissioner Winters. The motion carried 5 to 2, with Commissioners Foy and Swanson voting "NO."

## **6. UPDATE: NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**

Due to the current financial situation, the North Carolina Department of Transportation (NCDOT) did not present their annual Secondary Road Paving Plan for the FY 2009-2010 for review and approval. However, NCDOT representatives were present to answer questions of the Board and Manager.

No action was needed.

## **7. WATER SHORTAGE RESPONSE ORDINANCE**

Bryce Mendenhall, Public Utilities Director, recommended two amendments to the Water Shortage Response Ordinance which was originally adopted on February 18, 2008. The amendments would allow washing of private vehicles on any day of the week as opposed to weekends only. It would also allow 45-day watering permits to be issued to homeowners trying to reestablish a deteriorating lawn. General overseeding and minor lawn repair would not fall under this category.

Commissioner Lancaster made the motion to approve the amendment to the Water Shortage Response Ordinance, seconded by Commissioner Young. The motion duly carried with all present voting "AYE."

## **8. EAST YOUNGSVILLE SEWER EXPANSION**

On April 14, 2009, nine separate sealed bids were opened in the Franklin County Administration Building for the construction of the East Youngsville Sewer Expansion and Pump Station. The bids ranged in price from a high of \$535,064 to the low bid of \$387,877. The low bid was submitted by T.A. Loving Construction Company. Mr. Mendenhall asked the Board to consider formally awarding the bid to T.A. Loving Utility Construction Company in the amount of \$387,877.

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

## 9. APPOINTMENTS

### A. Juvenile Crime Prevention Council

Tamara Wheeler, Franklin County JCPC Chair, has asked that the Board consider the appointment of Henrietta Green-Pitre (Substance Abuse Professional) and Reverend Gary Williams (Person of Faith) to the Juvenile Crime Prevention Council for two-year terms.

Commissioner Dunston made the motion to approve the appointments of Henrietta Green-Pitre and Reverend Gary Williams to the Juvenile Crime Prevention Council for two-year terms. The motion was seconded by Commissioner Winters and duly carried with all present voting "AYE."

## 10. BOARD, MANAGER AND CLERK'S COMMENTS

This is 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.

**Commissioner Lancaster:** No report.

**Commissioner Mitchell:** No report.

**Commissioner Dunston:** No report.

**Commissioner Foy:** Commissioner Foy stated he received a letter from Fox Ridge Farms and made a motion to send a resolution to the North Carolina Department of Transportation asking for a left-turn lane at Highway 401 at Fox Ridge Farms. Commissioner Young seconded the motion which duly carried with all present voting "AYE."

**Commissioner Winters:** Commissioner Winters stated he attended the "Fun Day" at the Airport and said he was pleased with the turnout.

**Commissioner Young:** No report.

**Commissioner Swanson:** No report.

**County Clerk Kristen King:** No report.

**County Manager Angela L. Harris:** Mrs. Harris reported the following:

- Mrs. Harris asked the Board to consider recessing this evening's meeting until May 26, 2009 to finalize a meeting of the Board of Equalization and Review. The meeting would follow a budget work session.
- The Board will conduct interviews for Tax Administrator on June 4, 2009 at 6:00 P.M.
- Mrs. Harris stated she received an email from Jim Blackburn that included the names of those who have been submitted to be a part of a study group regarding 911 funds. She stated Christy Shearin, Communications Director, had been appointed by the North Carolina Association of County Commissioners.

At 8:43 P.M., Commissioner Swanson recessed the meeting until May 26, 2009 to finish meetings with the Board of Equalization and Review at the conclusion of a scheduled budget work session.

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Robert L. Swanson, Chairman

Kristen G. King, Clerk to the Board