

June 7, 2010

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: Chair Penny McGhee, Vice-Chairman Sidney E. Dunston, Robert L. Swanson, E. Shane Mitchell, Donald C. Lancaster, David T. Bunn and Harry L. Foy, Jr.

Chair McGhee asked the Board to consider three additions to the agenda including the following:

- TDA Request to fund a \$4,000 grant for the Preddy Fest Bluegrass Music Festival
- Disposition of Surplus and Discarded Library Material
- E911 Reimbursement Declaration

Commissioner Lancaster made the motion to add three items (listed above) to the consent agenda, seconded by Commissioner Mitchell. The motion duly carried with all present voting "AYE."

Chair McGhee asked the Board to consider approval of the consent agenda.

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

1. CONSENT AGENDA

- A. April 19, 2010 Minutes
- B. May 3, 2010 Minutes
- C. May 17, 2010 Minutes
- D. CPT Rate Change
- E. Home and Community Care Block Grant funding plan
- F. TDA Request to fund a \$4,000 grant for the Preddy Fest Bluegrass Music Festival
- G. Disposition of surplus and discarded library material
- H. E911 Reimbursement Declaration

Chair McGhee asked the Board to consider changing the order of the agenda to move the closed session discussion to the end of the Board's agenda. A motion to rearrange the agenda was made by Commissioner Swanson and seconded by Commissioner Mitchell. The motion duly carried with all present voting "AYE."

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

2010-2011 Proposed Budget

This was the time scheduled to hear public comments on the proposed 2010-2011 budget. The public hearing was advertised in the May 29, 2010 and June 5, 2010 editions of The Franklin Times newspaper.

At 7:02 P.M., Chair McGhee opened the public hearing.

Dewey Botts, 675 Howard Tant Road, Zebulon, NC

- Mr. Botts commented on the schedule for convenience centers. Centers are currently opened four days per week and are closed each Tuesday and Thursday. The County is proposing in the budget to alter the schedule to open centers five days per week. Mr. Botts said opening the centers an additional day was unwarranted and would bring about unnecessary costs. He said centers are not being utilized enough to justify an extra day. Commissioner Swanson disagreed with Mr. Botts and stated he receives calls constantly from citizens who request that centers remain open six days per week. Commissioner McGhee also disagreed with Mr. Botts and stated that she receives a number of citizen requests regarding the center in Youngsville on U.S. Highway 1-A. She said the site is always busy when she visits and commented on the possibility of conducting a usage study to determine the schedule in the future.

Chuck Murray, Finance Director, presented a PowerPoint presentation highlighting the proposed budget.

Franklin County

Public Hearing on the FY 2010-2011 proposed budget.

Budget Schedule

- **May 26, 2010** – Budget Presentation – work session
- **June 7, 2010** - Hold public hearing on budget, receive comments from public, address issues if necessary.
- **June 15, 2010** - conduct second budget work session starting at 6:00pm, meal at 5:30pm.
- **June 17, 2010** – conduct third budget work session if necessary.
- **June 21, 2010** – Adopt Budget

Franklin County
Current Proposed Budget
Fiscal Year 2010-2011

FY 2010-2011 Budgeted Expenditures	\$68,705,770
FY 2010-2011 Budgeted Revenues	\$65,919,694
Fund Balance Appropriation	(\$2,786,076)

Good News for Employees

- No furlough this year for employees.
- The Career Advancement Program for employees is restored.
- There is no increase in Health Insurance Premiums for employees.

County Positions in the budget, positions still frozen, and requested positions not in budget.

- Budget contains 29 additional positions than last year at a total cost of \$1,178,694. Five positions are grant funded.
- 17 positions are still frozen from last fiscal year for a savings of \$846,519.
- 14 Positions were requested that are not recommended for funding for a savings of \$719,440.
- No COLA budgeted for employees.

Current Proposed 2010-2011
General Fund Budget

● FY 2010-2011 Budgeted Expenditures	\$68,705,770
● <u>FY 2009-2010 Budgeted Expenditures</u>	<u>\$63,645,329</u>
● Increase in Expenditures	\$5,060,441
● FY 2010-2011 Budgeted Revenues	\$65,919,694
● <u>FY 2009-2010 Budgeted Revenues</u>	<u>\$63,295,275</u>
● Increase in Revenue	\$2,624,419

Budget is based on the following

- FY 2010-2011 Budgeted Tax Base \$4,025,000,000
- FY 2009-2010 Budgeted Tax Base \$3,900,000,000
- Tax Collection Rate for 2010-2011 is based on a 95.90% rate.
- In 2009-2010, the county used a 95.50% collection rate.
- Budgeted Current Taxes for FY 2010-2011 \$ 32,496,263
- Budgeted Current Taxes for FY 2009-2010 \$ 30,634,013
- Additional Revenue from Property Tax \$1,862,250

Budgeted General Fund Expenditures

- General Government \$ 4,663,082 or 6.79%
- Public Safety 18,218,735 or 26.52%
- Economic and Physical Development 5,160,330 or 7.51%
- Human Services 17,654,353 or 25.70%
- Water and Service 235,283 or 0.34%
- Cultural and Leisure 1,230,217 or 1.79%
- Education 21,543,770 or 31.36%
- Total \$ 68,705,770

Major Revenues Budgeted for Proposed FY 2010-2011 Budget

- Sales Tax \$ 4,900,000
- Property Taxes 33,678,282
- Jail Fees 1,200,000
- Lottery Funds 1,490,000
- ADM Funds 0
- Capital Reserve Fund 2,424,000
- Total \$ 43,692,282
- Fund Balance Reserves 2,786,067

Where are the increases (Total Dollars)? General Fund

- Public Safety - \$2,101,367
- Education - 1,802,054
- Human Services - 1,168,547
- Economic and Physical Development - 390,179
- General Government - 269,762

What is the increase in County Dollars?

- Total County Proposed in FY 2011 \$44,235,390
- Total County in FY 2009-2010 \$40,776,172
- Difference + \$3,459,218

Where are the increases in County Dollars?

- Debt Service - 1,845,039
- Jail Operations - 817,957
- Sheriff's Office - 571,376
- Education - 368,085
- Rescue and Ambulance Services - 326,374
- Social Services Operations - 273,312
- Total \$4,202,143

Capital Projects to Discuss

- E 911 Funding for Debt Service is currently not in budget. Estimated Annual Debt Service is \$1,015,000 or about 2.6 cents on the tax rate. It is undetermined if the county will have to fund debt service in 2010-2011 budget for this project.
- Jail Renovations – The Sheriff requested roughly \$900,000 in renovations to the Franklin County Detention Facility. The project is currently not funded in the proposed budget. This need should be funded in the next borrowing and it is not recommended to fund this project from Fund Balance.
- New EMS substation at Lake Royale is not funded in the proposed budget. (\$400,000)

Capital Projects to Discuss

- New County Complex – No funding in proposed budget. Early cost estimates are \$6 to \$7 million. Annual debt service cost would be approximately \$780,000 based on a 15 year payback. Funding would require about 2 cents on the tax rate.
- Early College – No funding is recommended in the current proposed budget. This may warrant some discussion during the budget work sessions. It is anticipated no funds will be needed in FY 2010-2011 as space is not an issue for the 2010-11 fiscal year. Annual debt service for the construction of a new facility is estimated around \$780,000 or about 2 cents on the tax rate. Cost for a Modular unit is estimated at \$400,000.
- Community College – \$135,000 is recommended for Vance Granville Community College for a planning grant.

Current School Bond Projects

- School Construction Projects – A Required Debt Service payment is budgeted at \$750,000. This is for an interest payment that will be due in January 2011. The County plans to issue (+/-) \$27 million in GO Bonds in August 2010.
- County will incur a full principal and interest payment in Fiscal Year 2011-2012 of about \$2,700,000.



Edward Best Gym



New Franklinton High School



New Franklinton High School



New Franklinton High School



School Construction Projects
Louisburg High School



Louisburg High School



Bunn High School



Bunn High School



Fire Departments

- **Fire Tax rate increases are recommended for the following departments:**
 - Bunn Fire Department - from 4.25 cents to 4.75 cents.
 - White Level Fire Department - from 6.00 cents to 6.50 cents.
 - Centerville Fire department - from 5.75 cents to 6.00 cents.
 - Gold Sand Fire department - from 6.50 cents to 7.00 cents.
- **Fire Tax rate decreases are recommended for the following departments:**
 - Central Fire District – (Louisburg) from 6.50 cents to 6.25 cents.
 - Mitchiners Fire Department – from 5.25 cents to 5.00 cents.
- **All other departments remained the same.**

Fire Protection

Department	Requested	Recommended
Central Fire District	184,000	184,000
Epsom Fire District	85,000	85,000
Gold Sand Fire District	61,115	55,000
Justice Fire District	88,500	88,500
Kittrell Fire District	1,000	1,000
Pilot Fire District	172,278	166,103
White Level Fire District	70,000	70,000
Brassfield Fire District	6,000	6,000
Mitchiners Fire District	123,000	123,000
Hopkins Fire District	10,100	10,100
Franklinton Fire District	212,704	212,704
Youngsville Fire District	929,008	929,008
Bunn Fire District	357,055	357,055
Castalia Fire District	1,200	1,200
Centerville Fire District	59,000	59,000
TOTAL	2,359,960	2,315,615

Water and Sewer FY 2010-2011 Proposed Budget

□ Proposed Operational Expenditures:	\$ 5,010,275
□ Proposed Debt Service	<u>2,149,988</u>
□ Total Proposed Expenditures	7,160,263
□ Current Proposed Revenues	<u>\$ 6,924,980</u>
□ <u>General Fund Appropriation:</u>	<u>\$235,283</u>
□ Last year transfer needed from General Fund to balance Enterprise Fund was \$786,208.	

- Water and Sewer FY 2010-2011**
- The County is proposing a 10 percent increase in its rate structure for all customers.
 - The Town of Franklinton in their proposed budget plans to increase their water rate from \$4.75 per 1000 gallons to \$6.65 per 1000 gallons or an 40 percent increase. The increase could cost the County an estimated \$240,000. The additional cost for the increase is not currently budgeted.
 - Staff has talked with Town staff regarding the rate increase and the position of a rate reduction is unfavorable. Staff is currently evaluating alternative options that will best meet the needs of the County's customers.
 - Further discussion needed.

With no further comments, Chair McGhee closed the public hearing at 7:20 P.M.

4. RAY'S CREEK PHASE II – HILL ROAD SEWER EXTENSION

On May 11, 2010, the Utility Advisory Committee was presented an updated estimate for the construction of a 12” gravity sewer line to be constructed along Hill Road. According to Public Utilities Director Bryce Mendenhall, this extension will tie into the head of the Ray’s Creek Phase I line and terminate at the intersection with Cedar Creek Road. The extension will help to alleviate a bottle neck of sewer water coming from multiple subdivisions along with waters from the Town of Youngsville and the Hunter Place Lift Station. It will also allow for the separation of basin water into two separate sewer outfalls.

Based on current estimates coupled with the savings experienced from the Phase I project, it is expected the two projects can be completed under the borrowing cap initially put in place.

Mr. Mendenhall requested the County move forward with formal design and submittal of plans for permitting this project.

Commissioner Dunston asked if the extension would eliminate the overflow of sewer in the area mentioned. Mr. Mendenhall stated part of the overflow has already been taken care of with the sewer line that manages Franklinton High School.

Following questions by Commissioner Foy regarding payback of the project, Mr. Mendenhall stated due to the development planned around the extension, user fees would help pay the line.

Commissioner Mitchell stated Phase II of the project was made possible due to savings realized from the first phase. Mr. Mendenhall agreed and said based on low bids for phase one, new borrowing would not be needed.

Commissioner Lancaster made the motion to formally authorize the project for design and permitting through Hobbs, Upchurch and Associates. The motion was seconded by Commissioner Mitchell and duly carried with all present voting "AYE."

5. OTHER BUSINESS

- **Early College High School:** The Board was given copies of a letter from Mr. Randy Parker, Vance Granville Community College President. Mr. Parker's letter was in response to a letter from the County asking for detail on various items pertaining to the Early College High School program and the need for a facility to house those students. Mr. Parker addressed the Board's questions by reading his letter. County Manager Angela L. Harris followed up with a series of recommendations by Planning Director Scott Hammerbacher. Mr. Hammerbacher's suggestions would need to be explored if the County moves forward in looking at property behind the Emergency Medical Services building on Highway 56 West in Louisburg for use by the Early College High School program and Vance Granville Community College. Chair McGhee then administratively appointed a committee to further address the needs of the Early College High School program. The appointed committee includes Chuck Murray (Finance Director), Scott Hammerbacher (Planning Director), Angela Harris (County Manager) as well as Commissioners Shane Mitchell, Sidney Dunston and Don Lancaster. Also included would be representatives from Vance Granville Community College and Franklin County Schools. Chair McGhee asked that the group quickly elect a Chair to ensure the work gets done under strict deadline.

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 King: Mrs. King invited the Board to attend the groundbreaking ceremony for the Pilot Lions Park scheduled for Wednesday, June 9, 2010 at 10:00 A.M. She also invited the Board to attend the Third Annual Franklin County Employee Health Fair scheduled for Friday, June 18, 2010 from 9:00 A.M. until 2:00 P.M. at Terrell Lane Middle School in Louisburg.

Commissioner Foy: Commissioner Foy attended a meal offered recently by the Boys & Girls Club. He said he enjoyed the event, but commented that the Board of Commissioners should look into the possibility of providing air conditioning in the facility utilized by the Boys & Girls Club.

Commissioner Bunn: No report.

Commissioner McGhee: Commissioner McGhee stated she attended a meeting of the North Carolina Association of County Commissioner's Justice and Public Safety Steering Committee. She said a presentation on VIPER was offered. She also asked when a hearing would be held regarding the use of 911 funds. Emergency Communications Director Christy Shearin was in attendance and stated the hearing would be held on Tuesday, June 8, 2010 at 10:00 A.M. before the House Public Utilities Committee. After the hearing, the matter would move to Finance then onto the House of Representatives and possible the Senate. Commissioner McGhee then stated she and County Manager Angela L. Harris attended County Assembly Day at the Legislature. When speaking with delegates, she said the jail was discussed and the fact the County is not being reimbursed for State inmates. At the time of the visit, she stated the Senate was voting on the State budget. She also commented on conversations with Representative John May and the hope that discussions held would make a difference

in the House. Lastly, Commissioner McGhee mentioned the State is placing several million dollars back into Mental Health.

Commissioner Lancaster: No report.

Commissioner Mitchell: Commissioner Mitchell stated the 401 Steering Committee is going after the second tier of TIGER funds. He asked if the County had received money back from the \$25,000 it provided for an aerial photograph of Highway 401. Finance Director Chuck Murray said approximately \$5,000 was returned when the project came in under budget. Lastly, Commissioner Mitchell mentioned that Airport revenues are satisfactory.

Commissioner Dunston: No report.

Commissioner Swanson: No report.

County Manager Angela Harris: Mrs. Harris reported on the following:

- Mrs. Harris said she received a phone call from North Carolina House Representative John May regarding E911 Legislation. She said the current proposal is an improvement over what is currently in place, but she said the bill does not capture everything Franklin County wanted in terms of permitted uses of the E911 funds. Mrs. Harris said she will forward "talking points" to Representative May in the event there is a last minute opportunity to advocate for the bill as it is being considered.

7. CLOSED SESSION

- A. The Board was asked to enter into closed session pursuant to G.S. 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.
- B. The Board was also asked to enter into closed session pursuant to G.S. 143-318.11 (a) (6) for the purpose of discussing a personnel matter.

At approximately 8:03 P.M., Commissioner Dunston made the motion to enter into closed session, seconded by Commissioner Swanson. The motion was approved 6 to 1, with Commissioner Foy voting "NO."

At approximately 9:43 P.M., Commissioner Lancaster made a motion to enter back into open session, seconded by Commissioner Mitchell. The motion duly carried with all present voting "AYE."

No action was taken.

Commissioner Lancaster then made a motion to recess the meeting to reconvene on June 17, 2010 at 6:00 P.M. The motion was seconded by Commissioner Mitchell and duly carried with all present voting "AYE."

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The Board is expected to hold a second work session on the 2011 proposed budget on June 17, 2010.

Penny McGhee, Chair

Kristen G. King, Clerk to the Board