

November 4, 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 Harry L. Foy, Jr., David T. Bunn, John M. May, Cedric K. Jones and Don Lancaster.

Chairman Mitchell called the meeting to order and asked the Board to consider adding a closed session to the Board's agenda.

- North Carolina General Statute 143-318.11 (a)(6), in order for the Board to discuss a personnel matter.

Commissioner Dunston made a motion to add a closed session to the agenda, seconded by Commissioner May. The motion duly carried approval with all present voting "AYE."

Chairman Mitchell then asked the Board to consider approval of the consent agenda.

Commissioner May made a motion to approve the consent agenda, seconded by Commissioner Dunston. The motion duly carried approval with all present voting "AYE."

The items approved follow.

1. CONSENT AGENDA

- A. October 21, 2013 Minutes
- B. Budget Ordinance Amendment #1 (Pursuant to North Carolina General Statute 159-15, the County Finance Officer is requesting a budget ordinance amendment in the amount of \$2,090,970 for the fiscal year ending June 30, 2014 to amend the General Fund and other funds for the close-out Budget Amendment to receive grants and appropriate additional funds for various departments.)
- C. Project Budget Ordinance for Jail Renovation Project in the amount of \$3,553,000

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 offered.

3. PUBLIC HEARING

The Board was asked to conduct a public hearing to receive comment on an installment financing agreement for the purpose of providing funds, together with other available funds, to pay the cost of renovating and improving the County's jail facilities. Following the hearing, the Board was asked to adopt a resolution making certain preliminary findings, authorizing the filing of an application with the Local Government Commission and approve the bank installment agreement.

Chairman Mitchell opened and closed the public hearing at 7:01 P.M. with no public comment offered.

Commissioner Dunston made a motion to approve both resolutions, seconded by Commissioner Foy. The motion duly carried approval with all present voting "AYE."

The resolutions are below.

The Board of Commissioners for the County of Franklin, North Carolina, held a regular meeting in the Commissioners' Meeting Room located in the County Administrative Building in Louisburg, North Carolina, the regular place of meeting, at 7:00 p.m. on November 4, 2013.

Present: Chairman E. Shane Mitchell, presiding, and Commissioners Sidney Dunston, Don Lancaster, Cedric Jones, John May, David Bunn and Harry Foy, Jr.

Absent: Commissioners

Also Present: County Manager Angela L. Harris, County Clerk Kristen G. King, County Finance Director Chuck Murray and County Attorney Pete Tomlinson.

* * * * *

The Chairman announced that this was the hour and day of the public hearing on a proposed installment financing agreement (the "Agreement") to be entered into by the County of Franklin, North Carolina (the "County") pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended (the "Act"), in a principal amount of \$3,000,000 for the purpose of providing funds, together with any other available funds, to pay the costs of renovating and improving the County's jail facilities (the "Project"). To secure its obligations under the Agreement, the County will grant a lien on the site of the Project, together with any improvements or fixtures located or to be located thereon.

The Chairman acknowledged due publication of the notice of public hearing in a newspaper with a general circulation in said County as required by Section 160A-20(g) of the Act and directed the Clerk to the Board of Commissioners to attach the affidavit showing publication in said paper on a date at least ten days prior to the date hereof as Exhibit A hereto.

The Chairman then announced that the Board of Commissioners would immediately hear anyone who might wish to be heard on advisability of the proposed Project or the financing as so described.

A list of any persons making comments and a summary of such comments are attached as Exhibit B hereto.

All statements and comments were duly considered by the Board of Commissioners.

Thereupon, Chairman Mitchell introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner:

**RESOLUTION ACCEPTING THE PROPOSAL OF BRANCH BANKING
AND TRUST COMPANY IN CONNECTION WITH AN INSTALLMENT
FINANCING FOR THE COUNTY OF FRANKLIN, NORTH CAROLINA**

WHEREAS, the County of Franklin, North Carolina (the "County") intends to enter into an installment financing agreement pursuant to Section 160A-20 of the General Statutes of North Carolina for the purpose of providing funds, together with other available funds, to pay the costs of renovating and improving the County's jail facilities (the "Project"); and

WHEREAS, the County has solicited proposals from banks to provide the financing for the Project; and

WHEREAS, upon careful review and consideration of the proposals submitted by banks to provide such financing, the County desires to accept the proposal of Branch Banking and Trust Company (the "Lender");

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") for the County as follows:

1. The proposal of the Lender to provide financing through an installment financing agreement in a principal amount of \$3,000,000 for the purpose of providing funds, together with

other available funds, to pay the costs of the Project is hereby accepted, subject to further approval of the particular documentation related thereto by the Board.

2. The County Manager and the Finance Director of the County are each hereby authorized and directed to execute and deliver such documentation as may be necessary to accept the proposal of the Lender.

3. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Dunston, seconded by Commissioner Foy, the foregoing resolution was adopted by the following vote:

Ayes: unanimously

Noes: _____

Thereupon, Chairman Mitchell introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF THE RENOVATION AND IMPROVEMENT OF JAIL FACILITIES FOR THE COUNTY OF FRANKLIN, NORTH CAROLINA PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Franklin, North Carolina (the "County") as follows:

Section 1. The Board does hereby find and determine as follows:

(a) There exists in the County a need to finance the costs of renovating and improving the County's jail facilities (the "Project").

(b) After due consideration, the County has determined to enter into an installment financing agreement (the "Agreement") in an aggregate principal amount of \$3,000,000 to provide funds, together with other available funds, to pay (i) the costs of the Project and (ii) certain financing costs in connection therewith.

(c) The County will enter into the Agreement with Branch Banking and Trust Company (the "Lender"), pursuant to which the Lender will advance to the County amounts sufficient, together with other available funds, to pay the costs of the Project, together with associated financing costs, and the County will repay the advancement in installments, with interest (the "Installment Payments").

(d) In order to secure its obligations under the Agreement, the County will execute and deliver a deed of trust (the "Deed of Trust"), granting a lien on the site of the Project, together with all improvements and fixtures located or to be located thereon.

(e) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in providing financing for the Project in an efficient and cost effective manner.

(f) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have the constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the financing of the Project without an election; (ii) the nature of the Project does not allow for the issuance of revenue bonds to finance the costs of the Project; (iii) the cost of the Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to commence acquisition and construction of the Project

as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of acquisition and construction of the Project by several months; and (v) there can be no assurances that the Project would be approved by the voters and the necessity of such Project dictates that the Project be financed by a method that assures that such Project will be acquired and constructed in an expedient manner.

(g) It has been determined by the Board that the financing of the Project through the Agreement is reasonably comparable to the costs of issuing general obligation bonds or notes or other available methods of financing and is acceptable to the Board.

(h) Counsel to the County will render an opinion to the effect that the proposed Agreement is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(i) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(j) No tax rate increase is anticipated to be necessary to pay the Installment Payments due under the Agreement.

Section 2. The Board hereby authorizes and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve the Agreement and the proposed financing in connection therewith.

Section 3. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Dunston, seconded by Commissioner Foy, the foregoing resolution was adopted by the following vote:

Ayes: unanimous _____

Noes: _____

* * * * *

I, Kristen G. King, Clerk to the Board of Commissioners for the County of Franklin, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board for said County at a regular meeting held on November 4, 2013, as it relates in any way to the holding of a public hearing and the passage of the foregoing resolutions relating to an installment financing agreement by said County and that said proceedings are recorded in the minutes of said Board.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and official seal of said County this 4th day of November, 2013.

[SEAL]



Kristen G. King
Clerk to the Board of Commissioners

EXHIBIT A

[Attach publisher's affidavit evidencing publication of Notice of Public Hearing]

11-05-2013 09:26pm From=FRANKLIN TIMES

0194961599

T-401 P.001/001 F-198

The Franklin Times

P.O. Box 119, 109 S Bickett Blvd.
Louisburg, NC 27549
Phone: (919) 496-6503 • Fax (919) 496-1689
E-mail: legals@thefranklintimes.com

NOTICE OF PUBLIC HEARING
The Board of Commissioners for the County of Franklin, North Carolina (the "County") has determined to consider whether to enter into an installment financing agreement (the "Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina obligating the County to make installment payments thereunder in the principal amount of \$3,000,000, plus interest thereon. The Agreement is for the purpose of providing funds, together with other available funds, to pay the costs of renovating and improving the County's jail facilities (the "Project"). To secure its obligations under the Agreement, the County will grant a lien on the site of the Project, together with any improvements or fixtures located or to be located thereon.

Section 160A-20(g) of the General Statutes of North Carolina requires that the County hold a public hearing prior to entering into the Agreement. If the Board of Commissioners for the County so determines, an application will be submitted to the Local Government Commission of North Carolina for approval of the Agreement.

Please take notice that the Board of Commissioners for the County will conduct a public hearing in the Commissioners' Meeting Room at the County Administrative Building located at 113 Market Street in Louisburg, North Carolina at 7:00 p.m. on November 4, 2013 at which time any person may be heard regarding the proposed Agreement described above.

Any person wishing to comment in writing regarding the proposed Agreement should do so prior to November 4, 2013 to the County of Franklin, North Carolina, 113 Market Street, Louisburg, North Carolina 27549, Attention: Kristen G. King, Clerk to the Board of Commissioners.

Kristen G. King
Clerk to the Board
of Commissioners
County of Franklin,
North Carolina

AFFIDAVIT

North Carolina - Franklin County.

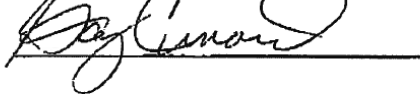
I, Gary Cunard, Publisher of THE FRANKLIN TIMES, a newspaper published at Louisburg, Franklin County, N.C., hereby certify that the advertisement of

Legals

PUBLIC HEARING-Jail project

a copy of which is hereto attached, appeared in the following issues of said publication: October 17, 2013

This is the 16th day of October 2013.



Subscribed and sworn to before me this 16th day of October 2013.



Notary Public

My Commission Expires May 20, 2014

EXHIBIT B

[A list of any persons making comments and a summary of such comments to be attached. If no comments are made, please insert "None".]

"None"

B-1

WCSR 31311287v1

4. APPOINTMENTS**A. Kerr-Tar Workforce Development Board**

The Board was asked to consider the reappointment of Mr. Rob Brink to serve a two-year term on the Kerr-Tar Workforce Development Board. If reappointed, Mr. Brink would continue to hold the Community Organization position on the Board. The reappointment was recommended by Vincent Gilreath, Workforce Development Director.

Commissioner May made a motion to reappoint Mr. Rob Brink for a two-year term on the Kerr-Tar Workforce Development Board. The motion was seconded by Commissioner Dunston and duly carried approval with all present voting "AYE."

B. Louisburg Planning Board ETJ

The Board was asked to consider reappointment of the following:

- Fannie Perry
- Erris Dunston

Commissioner Dunston asked the Board to recuse him from voting as Erris Dunston is his daughter.

Commissioner Lancaster made the motion to recuse Commissioner Dunston. The motion was seconded by Commissioner Bunn and duly carried approval with all present voting "AYE."

Commissioner Jones then made a motion to reappoint Fannie Perry and Erris Dunston to the Louisburg Planning Board ETJ. The motion was seconded by Commissioner Bunn and duly carried approval with all present voting "AYE."

5. OTHER BUSINESS

Commissioner Foy asked about the status of records located in the basement of the Franklin County Courthouse. County Manager Angela L. Harris stated site visits had been conducted by North Carolina Department of Archives as well as the Safety Division of the Administrative Office of the Courts and that a subsequent report had been issued. Mrs. Harris said a recommendation to immediately destroy the records had been made due to environmental concerns. Mrs. Harris stated she and the Clerk of Superior Court (Patricia Chastain) had a conference call scheduled for 2:00 P.M. on November 5, 2013 with one of the authors of the report.

She said there are several methods of destruction outlined in the correspondence received. She recommended removal of the records and to clean the affected area. She said neither agency recommended relocating those records to another site even those that may appear to be in good shape due to the possibility of environmental contamination. Mrs. Harris stated the only records removed from the courthouse were those taken to Raleigh by the Department of Archives. She said the Register of Deeds had also destroyed some records in which the retention date had long since expired and believed that some finance records had been removed as well. Mrs. Harris said many records have three-year retention dates and stated the upcoming conference call would be held in order for the Clerk of Court to receive further clarification before next steps were taken. Mrs. Harris said she would provide feedback to the Board following the conference call as well as a copy of the reports received.

Commissioner Foy also asked about the status of the large trees located near the entrance of the old courthouse. Mrs. Harris said both trees had been pruned. County Finance Director Chuck Murray interjected the pruning was completed by Bartlett Tree Company at a cost of \$1680. Two quotes for the service were received. The second bid was in the amount of \$6800.

Commissioner Lancaster asked for an update from the Economic Development Commission. Chairman Mitchell stated an update was already planned for the Board's November 18, 2013 meeting. Commissioner Lancaster also asked for an economic development summit for the first quarter of 2014 to create a three and five-year strategic plan. He said he would also like to know how many jobs were lost from 2008 to present and how many were gained.

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: Mrs. King reminded the Board of a reception and tour scheduled for November 6, 2013 at Novozymes with Secretary of Commerce Sharon Decker. An elected official's reception will be held on November 12, 2013 at Novozymes as well. Mrs. King also reminded the Board of the County's Veteran's Day celebration on November 11, 2013 at Louisburg High School.

Commissioner Foy: Commissioner Foy attended a recent informational breakfast sponsored by Franklin County Schools. He encouraged attendance at upcoming community fundraisers for Kathy Cantwell and Holley Tew. He also expressed appreciation for the patrol presence of Franklin County deputies at the North Carolina State Fair.

Commissioner Bunn: No comments were offered.

Commissioner Dunston: Commissioner Dunston attended a recent meeting of the Kerr Tar Regional Council of Governments and said "things are back in stride." He also attended a recent mental health forum sponsored by Cardinal Innovations. He also toured several county buildings including the courthouse, planning office as well as probation/parole. He said there are many areas that need repair. In the future, he suggested a retreat where the Board can come together and put forth recommendations for the future.

Commissioner Lancaster: Commissioner Lancaster attended a ribbon cutting ceremony for the Miracle League field at Long Mill Elementary School.

Commissioner Jones: Commissioner Jones attended a recent meeting of the Five County Mental Health Board. He stated Cardinal Innovations is undergoing a five-year plan and commented on recent community forums being held to create the plan. He also attended an anniversary celebration of White Level EMS (Emergency Medical Services), the Farm-City Week luncheon and Frankenfest.

Commissioner May: Commissioner May attended fundraisers benefitting the Happy Camper program, the Justice Fire Department and Hill King Church. He also attended a recent meeting of the Social Services Board, the Safe Space Vigil, White Level EMS anniversary celebration and Cardinal Innovations forum. He also attended an informational breakfast by the School Board as well as the Farm-City Week luncheon at Foster Farms Vineyards. Commissioner May attended a recent meeting at the Bunn substation regarding security camera systems within Franklin County schools.

Commissioner Mitchell: Commissioner Mitchell attended the recent ribbon cutting of the Miracle League field. Photographs of the field were shared with those in attendance.

County Manager Angela L. Harris: Mrs. Harris informed the Board the grant request for School Resources Officers had been awarded.

7. CLOSED SESSION

The Board was asked to consider entering into closed session pursuant to the following North Carolina General Statutes.

- North Carolina General Statute 143-318.11 (a)(6), in order for the Board to discuss a personnel matter.

At approximately 7:28 P.M., Commissioner Dunston made a motion to enter closed session pursuant to the North Carolina General Statutes listed above. The motion was

seconded by Commissioner May and carried approval with a 6 to 1 vote. Commissioner Foy voted "NO."

At approximately 8:14 P.M., Commissioner Jones made a motion to enter back into open session, seconded by Commissioner Foy. The motion duly carried approval with all present voting "AYE."

Commissioner Foy made a motion to allow public comment from Johnny Dew who arrived late and was unaware of rules for public comment. The motion was seconded by Commissioner Bunn and duly carried approval with all present voting "AYE."

Johnny Dew, 25 Twin Creek Drive, Louisburg, NC

- Mr. Dew owns a small business in Bunn. He commented on the need for a "facelift" to businesses in the Town of Bunn and asked for suggestions on how to go about discovering possible grant opportunities in order to do so.

Commissioner Bunn made a motion to adjourn at approximately 8:22 P.M., seconded by Commissioner May. The motion duly carried with all present voting "AYE."

E. Shane Mitchell, Chair

Kristen G. King, Clerk to the Board