

October 1, 2007

The Duplin County Board of Commissioners met in Regular Session on Monday, October 1, 2007 at 9:00 a.m. in the Commissioners' Room, County Administration Building (224 Seminary Street), Kenansville, North Carolina.

Present: Chairman David Fussell and Commissioners L. S. Guy, Jr., Harold L. Raynor, Cary Turner, Reginald Wells, and Zettie Williams

Absent: None

Also Present: Mr. Mike Aldridge, County Manager; Ms. Julia Herring, Administrative Officer; Ms. Teresa Lanier, Finance Officer; and Ms. Wendy Sivori, County Attorney

Commissioner Reginald Wells gave the invocation.

The following reports were received by the board and are on file with the clerk:

Health Department – August 2007  
County Manager – September 2007

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to approve the Consent Agenda which included the following: Minutes – September 17, 2007 & September 19, 2007; Budget Amendments #068 - #076; Solid Waste Releases #4442 - #4460; Tax Releases #4387 - #4441; to add discussion on the proposed Navy off-site landing field; a discussion on the proposal from Sanford Holshouser Law Firm regarding organizational restructuring of the Economic Development Commission, an update on the private water extension policy, and an inmate labor contract with the NC Department of Correction.

Mr. Mike Aldridge presented Administrative Budget Amendments # C039 - # C052 to be made a part of the minutes.

The board presented a retirement plaque to Mr. William McCoy Hall, Site Attendant with the Solid Waste Department. [December 29, 1993 – August 30, 2007].

Public Comments:

Ms. Henri McClees, an attorney and lobbyist for the NC Sporting Dog Association, expressed opposition to the proposed animal control ordinance. She stated that the humane society that assisted in the development of the ordinance has another purpose in mind besides that of helping animals and the intent of the humane society is to produce an income stream from the proposed fees to promote their agenda that would be economically harmful to Duplin County. Ms. McClees stated that the humane society is against having animals in confined spaces and this would put turkey and hog farmers out of business. She urged commissioners to vote the ordinance down and just address the animal control issues that currently exist.

Dr. Hervy Kornegay of Calypso congratulated the recent graduates of the Basic EMT class taught at James Sprunt Community College. He stated that the class had a 100 percent passing rate, the first ever, and was taught by two Duplin EMS paramedics.

Mr. Franklin Fussell of Kenansville discussed the James Kenan School of Engineering and asked the commissioners for their continued support of the school.

Mr. Frank Brown of Albertson, President of the Duplin County Coon Hunters Association, expressed opposition to the proposed animal control ordinance. He stated that representatives from the hunting community should have been selected to help draft the ordinance rather than just members of the humane society. Mr. Brown asked to be appointed to the animal control ordinance advisory committee.

Motion was made by Commissioner Wells, seconded by Commissioner Turner, carried unanimously, to delay any action on the proposed animal control ordinance until more entities have a chance for input into the ordinance.

Ms. Jerri Parker, NC DOT Maintenance Engineer, gave an update on various roads in the county.

Roads discussed: Tram Road in Mt. Olive – crews will begin paving October 8<sup>th</sup>; first entrance to James Kenan High School needs work; aprons need paving at the solid waste recycling sites; commissioners thanked Ms. Parker for work completed on Jones-Turner Road in Mt. Olive, Charity Road in Rose Hill, Edmund Brinson Road in Beulaville, and Woodland Church Road in Albertson.

Mr. Bee Barnette, Solid Waste Director, stated that he had received a letter from the NC DOT denying the request to lower the speed limit to 45 mph on Landfill Road.

A Public Hearing was called to order at 9:37 a.m.

Mr. Woody Brinson, Economic Development Director, explained that the purpose of the public hearing was to receive citizen comments on the proposed loan in the amount of \$200,000 to Menlo Logistics from the county's revolving loan fund. He stated that Menlo Logistics is a cosmetics distribution company located in the former Fleming warehouse at 135 Carter Best Road, which is off Highway 117 in Warsaw. Mr. Brinson stated that the loan would be used to purchase equipment, primarily fork lifts and computers. He stated that Menlo Logistics originally committed to creating and maintaining 30 jobs and has well exceeded that by currently employing over 100 people.

Commissioner Fussell: Would you explain where we are getting the money from to make this loan?

Mr. Woody Brinson: Our revolving loan fund was established originally from a \$500,000 grant that we got in 1985 to help finance Carolina Turkeys. Carolina Turkeys repaid that \$500,000. In 1988 we established the loan fund. We've loaned out over \$3.5 million. Loans are repaid and the interest earned goes back into the revolving loan program. Also in the late 1990s, we received a \$200,000 grant from the US Department of Agriculture for the Radical Roots project, a company that existed for two or three years but then went out of business. But they did repay all the money that was loaned to them. So we took \$700,000 of federal money plus interest earned and have created several hundred jobs and over \$3.5 million of investment in Duplin County.

Commissioner Fussell: How much do we have in our fund right now?

Mr. Woody Brinson: We presently have about \$700,000 unobligated, somewhere in that neighborhood. We do have four or five other applications that we are reviewing right now that will pretty much deplete that money.

Commissioner Fussell: What interest rate are we charging?

Mr. Woody Brinson: We normally charge 4 to 4 ½ percent. This proposed loan is for 4 percent for three years because it is for equipment. We go up to twelve years on capital improvements such as buildings and land. But for equipment, we usually go three to five years.

Commissioner Guy: How long do they have to sustain those jobs?

Mr. Woody Brinson: They will have to maintain them for the life of the loan.

Commissioner Guy: Three years?

Mr. Woody Brinson: Yes, three years. And the reason we went with three years on this was because they are leasing property and they have a rolling three year lease so we tied this loan to the lease. We could have gone five years but we chose to tie it to the lease and the company was agreeable to that.

Commissioner Fussell: Any other commissioners have questions?

Commissioner Guy: Will we have a lien?

Mr. Woody Brinson: We will have a lien along with the Town of Warsaw. We will have equal parity on the equipment. The Town of Warsaw and Duplin County will share a first lien.

Commissioner Fussell: Any other questions from the commissioners? Any questions from the audience concerning this proposed loan to Menlo Logistics? Woody, tell everyone who Menlo Logistics is.

Mr. Woody Brinson: Menlo Logistics is a worldwide distribution company. Logistics is a fancy word for distribution and warehousing. They are based out of San Mateo, California that they have offices in numerous locations across the world and they had two or three other locations in North Carolina. We deal with a regional supervisor who is based out of Raleigh but we've also had to deal with the finance folks out of Portland, Oregon. And folks out of the State of Maine, and people out of Pennsylvania. Four or five different people from Menlo that are involved with us are all in different locations in the United States. I was thinking about it this morning, it's going to be interesting how we're going to sign all these documents. Somebody's probably going to have to fly in here.

Ms. Evelyn Warren: What kind of jobs are created?

Mr. Woody Brinson: Menlo is handling a distribution account for Coty Cosmetics. And these are people that take those orders that Coty has, it's a computerized order, they have to be able to operate a computer as well as a fork lift. Because they take those orders off of the computer and go out into the warehouse, select the orders which are bar-coded, then repackage them and load them onto the trucks. So they are shipping and receiving. There are some office jobs but most of it is order selectors.

Commissioner Fussell: Any other questions?

With no further comments, the public hearing was called to a close at 9:43 a.m.

A second public hearing was called to order at 9:44 a.m.

Mr. Woody Brinson explained that the purpose of the public hearing was to receive citizen comment about an economic incentive grant in the amount of \$10,000 for Menlo Logistics.

Mr. Woody Brinson: One of the incentives that helped us get Menlo to come to Warsaw was a \$30,000 One North Carolina grant from the governor's office. We were competing heavily with a site in the State of Virginia so the state offered a \$30,000 grant. \$1,000 per job based on the 30 jobs they committed to. We had to match that. Part of our match is the reduction in the interest rate between 4 percent and market rate of about 8 percent on the loan that we are making that was in the first public hearing and also the Town of Warsaw's subsidized interest rate. That still left a gap of about \$10,000 and so what we're proposing is an incentive grant to Menlo whereby the county would give a grant over three years as a refund of property taxes from Menlo. Menlo has already invested over a million dollars of taxable property and this amounts to about 30 percent of their taxes that would be refunded to them after they pay the taxes each year. To qualify for this, they have agreed that they will invest at least a million dollars of taxable property in Duplin County and they will create at least 30 jobs and maintain those jobs for the next three years.

Commissioner Guy: Is that \$10,000 for the 3 years or is that \$10,000 per year for 3 years?

Mr. Woody Brinson: \$10,000 divided by three years. Total of \$10,000. They will be paying about \$9,000 in taxes to the county and about \$6,000 per year in taxes to the Town of Warsaw.

Commissioner Fussell: Any questions from the board? Any questions or comments from the public?

Mr. Frank Brown: Woody, is there a minimum wage in that document?

Mr. Woody Brinson: No sir. They've got to pay state minimum wage, but they are paying well in excess of that.

Mr. Frank Brown: What do you expect the average wage to be?

Mr. Woody Brinson: About \$9.00 per hour. I think that's the range.

Commissioner Fussell: Any other questions from the audience? Questions from the legal staff?

Ms. Wendy Sivori: What kind of time line are you looking to get the revolving loan and the grant done?

Mr. Woody Brinson: What time are we looking to get them completed?

Ms. Wendy Sivori: Yes.

Mr. Woody Brinson: As soon as you and I can come to an agreement with the company officials.

Ms. Wendy Sivori: Do they have an attorney that's working for them?

Mr. Woody Brinson: Not a local attorney. All of their paperwork comes out of Portland, Oregon.

Commissioner Fussell: Mr. Manager, do you have anything to add?

Mr. Mike Aldridge: No sir.

With no further public comments, the public hearing was called to a close at 9:46 a.m.

Motion was made by Commissioner Wells, seconded by Commissioner Guy, carried unanimously, to approve a \$200,000 loan to Menlo Logistics, Inc. at 4 percent interest for a period not to exceed three years for the purchase of equipment with funds to come from the revolving loan fund, thereby approving BA #0078.

Motion was made by Commissioner Wells, seconded by Commissioner Guy, carried unanimously, to approve a \$10,000 incentive grant over a three-year period to Menlo Logistics, Inc.

Mr. George Futrelle, Airport Director, appeared before the board to request approval of Change Order 2 with ES & J Enterprises, Inc. in the increased amount of \$235,298. Mr. Futrelle stated that this change was necessary to add back previously deducted paving quantity and to reconcile as bid with as-built quantities. (See handout in minutes.)

Motion was made by Commissioner Guy, seconded by Commissioner Wells, carried unanimously, to approve Change Order 2 with ES & J Enterprises, Inc. in the amount of \$235,298 and authorize the chairman to sign same.

Mr. Eric West, District Conservationist, appeared before the board to discuss easements in the Limestone-Muddy Creek Watershed Project. He stated that there are two current easements 55 feet wide that need to be increased to 75 feet on property owned by Willis and Velma Hinson; and property owned by Charles and Connie Rhodes. (See handout in minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to procure the necessary easements on property owned by Willis and Velma Hinson; and Charles and Connie Rhodes.

Mr. West stated that two easements on property owned by Thomas D. Thigpen and Randy Thigpen were no longer needed for laterals known as M-18-A-1 of the Limestone-Muddy Creek Watershed Project and requested release of these easements. (See handout in minutes.)

Motion was made by Commissioner Guy, seconded by Commissioner Tuner, carried unanimously, to approve the release of easements on property owned by Thomas D. Thigpen and Randy Thigpen.

Mr. Arthur Tuten of Rose Hill appeared before the board to discuss the manner in which he and nineteen other local contractors have organized themselves into a non-profit corporation in order to bid on debris removal contracts. He stated that each contractor carries a \$1 million insurance policy. (See handout in minutes.)

It was the consensus of the board to keep the list of contractors on file to be notified of future storm debris removal contract bid requests.

Mr. Steve Moore, Transportation & Services for the Aged Director, appeared before the board to give an update on the transition of management of the Wallace Adult Day Care to Carolina East. He stated that Carolina East became certified to run the program on August 31, 2007 and the transition went smoothly.

Mr. Mike Barnette with McDavid Associates, Inc. appeared before the Board to discuss the 2005 CDBG Concentrated Needs Program in Tin City. He asked the Board's approval for relocation benefits for Client 05-06 [\$75,000] and Client 05-11 [\$51,000] and for approval of the purchase of mobile homes for demolition for Clients 05-10 and 05-12 [\$2,500 each]. Mr. Barnette stated that Client 05-13 owns a severely dilapidated house and has been offered an agreement to purchase the improvements on the lot for the appraised value but the client has requested over five times the appraised value. He stated that staff will be unable to obtain permission to demolish the house and clear the lot voluntarily; therefore, authorization will be necessary to proceed with condemnation through the building inspections department. (See handout in minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to approve the relocation benefits for Clients 05-06, 05-11, 05-10, 05-12 & proceed with condemnation of property for Client 05-13.

Mr. Barnette requested relocation benefits for Client 06-07 [\$75,000] from the 2006 CDBG Scattered Site Program.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to approve relocation benefits for Client 06-07.

Motion was made by Commissioner Guy, seconded by Commissioner Turner, carried unanimously, to go into session as Water District G.

The board returned to Regular Session.

Mr. Mike Aldridge presented a contract for inmate labor with the North Carolina Department of Corrections for the board's approval. He stated that the cost for the agreement is \$1 per day per inmate and that Mr. Steve Moore would like to request two inmates to wash vans for the Transportation Department and to assist in the nutrition kitchen. (See handout in minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Turner, carried unanimously, to authorize the county manager to enter into a contract for inmate labor with the NC Department of Corrections.

Mr. Aldridge discussed a proposal from Sanford Holshouser Law Firm to provide consulting services regarding organizational restructuring of the Economic Development Commission in an amount not to exceed \$8,000. He stated that he would give the information to Mr. Woody Brinson so that it can be reviewed by the EDC board.

Mr. Aldridge discussed the proposed off-site navy landing field located in the southern portion of Duplin County that has been in recent news. He stated that officials have not contacted the county in regards to locating the landing field in Duplin County but he will contact officials in the governor's office to find out more.

Mr. Aldridge gave an update on the private water extension policy. He stated that McDavid Associates should have a draft copy of the policy ready for review in a couple of weeks.

Mr. Aldridge stated that Ms. Katie Harrell, Clerk of Court, is recommending that Mr. Robert Ray Thomas be appointed to the jury commission.

Motion was made by Commissioner Guy, seconded by Commissioner Turner, carried unanimously, to appoint Mr. Robert Ray Thomas to the jury commission for a two year term.

Mr. Aldridge stated that the Rural Center will be conducting a workshop at the North Raleigh Hilton October 24<sup>th</sup> – 25<sup>th</sup> to announce water and sewer grant opportunities and review the application process. (See handout in minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Turner, carried unanimously, to endorse Commissioner Guy as the board's representative to attend the Rural Center workshop.

Ms. Wendy Sivori gave an update on the lease agreement with Jeff Foster at WestPark. She stated that she has sent a second letter by certified mail that was signed for by a representative of the company and that she has not had any response. (See handout in minutes.)

Motion was made by Commissioner Turner, seconded by Commissioner Raynor, carried unanimously, to authorize the county attorney to proceed with any action necessary to evict CropHoldings, Inc. from WestPark.

Motion was made by Commissioner Williams, seconded by Commissioner Wells, carried unanimously, to go into Closed Session pursuant to N.C.G.S 143-318.11 (a)(6).

The board returned to Regular Session.

The board adjourned to meet again on Monday, October 15, 2007 at 8:00 a.m. in the Commissioner's Meeting Room, County Administration Building (224 Seminary Street), Kenansville, North Carolina

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Clerk