

DECEMBER 4, 2006

The Duplin County Board of Commissioners met in Regular Session on Monday, December 4, 2006 at 9:00 a.m. in the Commissioners' Room, County Administration Building (224 Seminary Street), Kenansville, North Carolina.

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

Absent: Ms. Teresa Lanier, Finance Officer

Also Present: Mr. Mike Aldridge, County Manager; Ms. Julia Herring, Administrative Officer; and Ms. Wendy Sivori, County Attorney (arrived late and noted in Minutes.)

Commissioner Reginald Wells gave the invocation.

The following reports were received by the Board and are on file with the Clerk:

Affidavits of Publication
Personnel Report – October 2006

Motion was made by Commissioner Wells, seconded by Commissioner Guy, carried unanimously, to approve the Consent Agenda which included the following: Minutes – November 20, 2006; Minutes – November 27, 2006; Budget Amendments #115 - #117, Solid Waste Releases #3408 - #3430, and Tax Releases #3379 - #3407; and to add a discussion on economic development; Robb Wells, Tourism Director – a report on the NC Motorcoach Association; Water District F – Certificate of Substantial Completion; and a Personnel Report to be made part of the Minutes.

Mr. Mike Aldridge presented Administrative Budget Amendments #EO83 - #EO91 to be made a part of the Minutes.

Judge Russell J. Lanier, Jr. administered the Oath of Office for County Commissioner to Mr. Cary Turner.

Judge Russell J. Lanier, Jr. administered the Oath of Office for County Commissioner to Mr. Harold L. Raynor.

Motion was made by Commissioner Raynor, seconded by Commissioner Turner, carried unanimously, to nominate Commissioner David Fussell as Chairman.

Commissioner Fussell took over as Chairman. He expressed appreciation to the board for being selected as Chairman.

Motion was made by Commissioner Fussell, seconded by Commissioner Raynor, carried unanimously, to nominate Commissioner L.S. Guy, Jr. as Vice Chairman.

Vice Chairman Guy thanked the board for their support.

Public Comments:

Mr. Thurman Herring of Mount Olive, asked that the commissioners consider holding board meetings in a larger place. He stated that the current meeting room has a capacity of only 46 and isn't large enough and that people are being asked to leave, or having to stand in hallway, etc. Mr. Herring stated that he has been coming to commissioner's meetings for over ten years and this has always been a problem.

The board presented a retirement plaque to Mr. Wayne Brock, Evidence Technician, with the Sheriff's Department for his years of service (April 16, 1991 – November 30, 2006).

A Public Hearing was called to order at 9:41 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 between Duplin County and Moulding Solutions, Inc. owned by Mr. Chris Jones and located in Fountaintown. Mr. Brinson explained that the funds would come from the Duplin County Economic Development Revolving Loan Fund that was created from two federal grants. The loan to Moulding Solutions, Inc. would be in an amount not to exceed \$200,000 at 4 percent for a period not to exceed 12 years.

Mr. Thurman Herring: What would this do for the county? What kind of benefits and wages would this offer to your employees if you add on?

Mr. Chris Jones: One of the main things of this expansion project would be providing active management positions that will pay higher than an just an average manufacturing wage, which is what we will have to have as we expand and do more things where we're at. And that will include a full employee benefits package to the employee. If they want their family to be covered, then of course, they will have to pay for that. But employee self-coverage is provided in full – health insurance benefits.

Commissioner Fussell: Mr. Jones, will you tell the public what you do at your company?

Mr. Chris Jones: Absolutely. We started basically in May of 2001. I've been in the floor covering industry all of my life. We saw a need where the trims and the mouldings were always an issue for retailers. That's the side of the business that we grew up in. And we wanted to address that need. So, we started out in Fountaintown, in the back of the hardware store, in a 45' x 45' room with a little 10' x 20' office. We didn't do any of the manufacturing or finishing in house. We had everything outsourced. And it basically just took off from there because the need was there. And we've grown in excess of sixty percent just about every year since we've been in business. Now we've got five buildings and we desperately need a facility to work in to do what we do. We do amazingly well with what we do have now. We initially brought the finishing operation in because we needed more control of what we did as business started increasing. Then we brought the manufacturing side in as well and started adding people. One reason we want to stay there is because we have real good people, local people, that don't have to drive far to go to work and we've got some people that we don't want to lose. Most of our success is due to the people that we've gotten to work for us at our facility. We haven't pursued any new marketing efforts because of our limitations of our building and we've still grown at that rate. We haven't been to a trade show in three years and haven't made a sales call in two years. Now people are just referring other people to us, people that I couldn't have paid five years ago to talk to me are now wanting to talk to me. We haven't actively pursued anything and we are still growing at that rate so we're thrilled with that.

Mr. Woody Brinson: Any other public questions or comments?

Mr. Taylor Jefferson: If I understood this right, are you asking for money at a four percent interest rate for twelve years and this money would be furnished by Duplin County?

Mr. Woody Brinson: The company is asking for a loan for 12 years at 4 percent. The money is federal grant money that the county has received over the last twenty years and was repaid to us by the first businesses that we loaned money to. We keep turning it over and over and re-loaning it out at the rate of normally – we've done as low as 3 percent and done as high as 4 ½ percent. But it is a subsidized interest rate to encourage companies to invest in Duplin County. It is not Duplin County property tax money, it's federal grant money.

Mr. Taylor Jefferson: But it is controlled by Duplin County?

Mr. Woody Brinson: Yes, it is controlled by the county commissioners.
Yes, sir.

Commissioner Guy: Woody, it might be good for all of us to explain about security.

Mr. Woody Brinson: Security. We will have what's called a co-participation. The company has also borrowed money from the Neuse River Development Authority, which is a regionally financing non-profit group out of New Bern that serves Duplin and nine other counties. They will be loaning them \$480,000 and we will be loaning them \$200,000. We will both have an equal first position on all the buildings, the new building, the new land he's buying, the equipment that he's purchasing, and also there will be personal guarantees by Mr. Jones and his wife.

Commissioner Fussell: Any other questions from the public? If not, any from the county commissioners?

Commissioner Turner: The last statement you made, Woody, were you making reference to collateral?

Mr. Woody Brinson: Yes sir. That's the type of collateral that we will have. There will be a first lien against the new building. Some of the equipment we will be financing. And he and his wife will also give personal guarantees. We usually get real good security. And I have to say that, knock on wood, we've been in this business for close to twenty years and have not had a default on any of our loans.

Commissioner Turner: This revolving fund, for the benefit of the public as well as Mr. Raynor and myself, these funds are only allowed to be used for this purpose, right?

Mr. Woody Brinson: We have in the past only used them for loans to the industries, yes sir. There is a clause in our guidelines that states that if we have no activity for an extended period of time, that the county commissioners can withdraw some of the money for other purposes. But fortunately, we've always had good activity. And right now, we have more applications pending than we have funds available.

Commissioner Turner: Does it state what purposes, or is it a general statement?

Mr. Woody Brinson: We've looked at it. Well, I'll use for example, the Town of Beulaville has a similar loan program. They did pull a \$100,000 out one time to extend water and sewer to an industry when they couldn't get a grant. But we've been fortunate to be able to get grants to serve our new industries and business and we have not pulled out any and hopefully will not have to in the future because, like I say, we've got this loan and the other one that we're having the public hearing on today, we'll be down to about \$400,000. We've got applications pending right now that are over a million dollars. So, we've got a good problem, we may run out of money.

Commissioner Fussell: Any other commissioners have a question?

Commissioner Raynor: Yes, I'd like to speak please. Mr. Jones, he doesn't know me but his business is approximately three miles from our home. One of my questions is, will your main building be facing Fountaintown Road or Hwy111?

Mr. Chris Jones: Actually, it will be on the back of the property. It will run parallel with Hwy111, on the very back of that property.

Commissioner Raynor: Okay, that's what the people have been asking, because I know some of your employees. For me, it sounds great.

Commissioner Williams: I see one of the advantages that you'll be having 10-12 new employees. Now my question is, Woody, have we always extended for twelve years? Or how do we set the years?

Mr. Woody Brinson: If it's working capital, we usually loan money for three to five years. If it's just for equipment, five to seven years. And when buildings and real estate are involved, we've gone as much as ten to twelve years. And if Neuse River Development Authority says that they're not going to do but ten years, then we won't do but ten years. If they go fifteen years, we will still max out at twelve years.

With no further public comments, the public hearing was called to a close at 9:54 a.m.

Motion was made by Commissioner Guy, seconded by Commissioner Wells, carried unanimously, to approve the loan to Moulding Solutions, Inc. in a sum not to exceed \$200,000 at the interest rate of 4 percent for a period not to exceed 12 years and for these funds to come from the Duplin County Economic Development Revolving Loan Fund, thereby approving budget amendment #0118

A second Public Hearing was called to order at 9:55.

Mr. Woody Brinson, Economic Development Director, explained that the purpose of the public hearing was to receive citizen comments on the proposed loan between Duplin County and Accu-form Polymers, Inc. of Warsaw. Mr. Brinson stated that Accu-form Polymers was started in 1989 in Wendell and moved to its current location on Water Tank Road in Warsaw in 1993. At that time, the company employed eight, now it employs 48 people. With the proposed expansion, they will add 16 new jobs. Accu-form Polymers is seeking to add 10,000 square feet to its current 55,000 square foot facility and buy new equipment. Mr. Brinson explained that the funds would come from the Duplin County Economic Development Revolving Loan Fund that was created from two federal grants. The loan to Accu-Form Polymers, Inc. would be in an amount not to exceed \$170,000 at 4 percent for a period not to exceed 12 years.

Commissioner Fussell: I'd like to ask Pat to come forward too and give us a little history about his company.

Mr. Pat Renfro: As Woody said, we started the company in 1989 in Wendell and moved here in 1993. We had eight employees and have steadily grown. One of the main reasons that we came here, we had chance to use some of the funds from the Revolving Loan Fund, I think \$200,000 originally, to build a building and get some equipment and actually some operating capital at that time. We have grown steadily and in 1999, I started a proprietary company making kayaks and that has really driven a lot of the growth in the business. Our custom business has been steady – 10, 12, and 15 percent a year and our kayak business has been 50- 60 percent a year growth. And we're really pushed for space. A lot of this space that we're adding on is going to be for assembly and secondary processes dealing with the kayaks. Some of the equipment that we're putting on will support that part of the business but will also help us on our custom line. And were doing a lot of stuff for some larger parts and we're farming that out. When you see the little dumpsters, we call them the "dead hog boxes" for the hog industry, we're making those. We don't have a piece equipment large enough to do it, so we're farming that part out. So, we can bring that part back to North Carolina. We've been farming it out to a South Carolina company. We have added on a lot of, I'll say, higher salaried jobs this year. We've put on two people in just sales and marketing, actually three counting a full-time salesman in Charlotte. We've been quite successful in attracting good people but we're to the point where we've got to go to the next step. And I'd say beyond this step, we're probably looking at a purpose site-built building to be pretty large. That's probably 24 – 48 months down the road. This is more of a stop cap to get us through this coming season or two for the kayak business and then we'll see from there. It's a good problem to have.

Commissioner Fussell: Questions from the public?

Mr. Jim Harris: This is one of our major businesses in Warsaw and in the county. It has been proven in the past that he has repaid his loan. He has kept a good-standing in our community. He has provided a lot of jobs and a lot of tax base to the Town of Warsaw. And anything you can do to help him expand, I'd appreciate it.

Commissioner Fussell: Are there any other questions or comments from the public? If not, are there questions from the commissioners?

Commissioner Guy: I'd just like to emphasize again that most good business, and a lot of good business in North Carolina and Duplin County, are classified as small businesses. And we have over the years been committed to helping our small businesses grow and to become better and to expand. And this revolving loan fund has been accessible to us for that purpose. And I don't think anybody has defaulted completely, have they Woody?

Mr. Woody Brinson: No, we've had to clamp down on a couple to get them back on schedule but we've never had anyone to default.

Commissioner Guy: But we have had good success in helping these small businesses to grow and to establish a higher tax base for Duplin County. And our hope is probably not going to be bringing a lot of big business in Duplin County. So, back when we can help small business to grow, I'm committed to doing that and I think commissioners have over the years.

Mr. Pat Renfro: They have over the years and that's why we've been successful. No question about it. Without that fund, quite honestly, I do not believe that we'd be in Duplin County. Because at that time, we were in need of \$400,000 total and being a small business, not really a start-up but not really an established business, the senior lending institutions just wouldn't take a look at it. It helped me jump-start my business to what I knew it could be and I've had 100 percent support of the county, and the Town of Warsaw was also very supportive. So, I'm pleased to be here and ask for this one more time and then probably the next time its going to be something up and further and beyond what we've all dreamed about. We'll be approaching the 100 employee mark within the next two to three years which is beyond my wildest imagination.

Commissioner Raynor: I'd like to ask a question. Since I worked in Warsaw for 26 years, I can't figure out where Water Tank Road is at.

Mr. Pat Renfro: You know where the hardware store is? It's one block behind Ace Hardware. There's the water tank, Water Tank Road and Gum Street, we have 14 acres where they meet.

Mr. Woody Brinson: What they call Works Farm Road goes by right there also. Like you're going out where the Quinn's have their complex. He's right there at that crossroads right behind the water tank. He's actually on both sides of the water tank. He has two buildings, one that faces one road and one that faces the other.

Mr. Pat Renfro: Open invitation anytime that any of the commissioners want to stop by, feel free to do that. We'd be glad to show you what we're doing. We're proud to be in Duplin County and have always been.

With no further comments, the Public Hearing was called to a close at 10:03 a.m.

Motion was made by Commissioner Wells, seconded by Commissioner Guy, carried unanimously, to approve the loan to Accu-form Polymers, Inc. in a sum not to exceed \$170,000 at the interest rate of 4% for a period not to exceed 12 years and for these funds to come from the Duplin County Economic Development Revolving Loan Fund, thereby approving Budget Amendment #0119.

Ms. Jerri Parker, DOT Maintenance Engineer, gave an update on various roads in Duplin County.

Roads discussed: Kelly Springs Road in Mount Olive – road is still closed at Wayne & Duplin County line and has been closed for awhile but no work seems to be in progress; Hwy 41 from Beulaville to the Jones County line – road needs resurfacing; Hwy 41 east of Chinquapin – an eight foot culvert has caused a big washout on the left-hand side of the road.

Mr. Ronnie Raynor from the Fountaintown area advised of a canal problem causing drainage issues near SR1715 off of Hwy 111 at his residence at 2092 S. Hwy 111. He stated that there is only one tile and should be more.

Ms. Evelyn Warren of Faison, stated that something should be done to correct the drainage issues in the county by cleaning the storm debris from streams and swamps. Ms. Warren asked if the inmates could work to clear the swamps and streams.

Ms. Frances Parks from Calypso, discussed US 117 Hwy from Faison to Calypso. The road is in need of resurfacing.

Ms. Parker stated that US 117 Hwy from Calypso to Faison was scheduled to be resurfaced in Spring 2007.

Mr. Win Batten, Mayor of Warsaw, advised of the Transportation Improvement Program meeting that will be held on December 12, 2006 at Brunswick Community College at 2:00 p.m. He stated that the purpose of the meeting was to review and suggest improvements that would be made to the state road system from now until 2013.

Ms. Wendy Sivori, County Attorney, arrived at this time.

Mr. Neil Browder, representative with Mark III Employee Benefits, appeared before the board to discuss the services that his company offers. Mark III is an independent health & employee benefits consulting firm whose purpose is to evaluate and assist agencies in negotiating health coverage and benefit plans.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, to approve the Agent of Record Notice with Mark III Employee Benefits, Inc. and to authorize the Chairman and the County Manager to sign same. Commissioner Fussell voted for and Commissioners Guy, Raynor, and Turner voted against. (A tie vote results in no action being taken.)

Motion was made by Commissioner Williams, seconded by Commissioner Guy, carried unanimously to recess Regular Session and to go into Water District E.

The Board returned to Regular Session.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to recess Regular Session and go into Water District F.

The Board returned to Regular Session.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to recess Regular Session and go into Water District G.

The Board returned to Regular Session.

Mr. Eric West, District Conservationist, appeared before the board to present the bid summary and contract with Santee Modular Homes, Inc. for the stream debris removal for the Maxwell Creek Management Project. (See handout in Minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to exclude Commissioner Fussell from voting due to a potential conflict of interest. Commissioner Fussell owns land in the Maxwell Creek area.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to approve the contract with Santee Modular Homes, Inc. in the amount of \$82,600 and authorize the Chairman to sign same, thus approving Budget Amendment #0120.

Mr. Alex Asbun with El Centre Latino de Duplin, appeared before the board to give an update on their organization and on relocating their facilities into modular units donated by Four Oaks Bank. Mr. Asbun stated that the units will be located on land outside of Rose Hill's ETJ near the Nash Johnson Plant. He stated that this property will be leased at no cost from Mr. Bob Johnson. (See handout in Minutes.)

Ms. Ila Davis, Health Department Director, appeared before the board to discuss the two Environmental Health Specialist position vacancies. (See handout in Minutes.)

Motion was made by Commissioner Guy, seconded by Commissioner Raynor, carried unanimously, to authorize the County Manager and the Health Department Director to negotiate with prospective employees to fill the Environmental Health vacancies.

Mr. George Futrelle, Airport Director, appeared before the board to present the Transportation Improvement Program (TIP) Project Listing Plan for 2008-2012. Mr. Futrelle stated that the plan was prepared by an airport engineering firm and that no funding is needed, just approval committing to the plan. (See handout in Minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Guy, carried unanimously, to approve the TIP Project Listing Plan as outlined by the Airport Director.

Mr. Futrelle asked the board for approval to advertise for bids for the South Parallel Taxiway Project.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to authorize the Airport Director to advertise for bids for the South Parallel Taxiway Project.

Mr. Futrelle asked the board for a commissioner replacement for the Airport Board to fill the vacancy left by Mr. Larry Howard. Commissioner Guy expressed interest in the serving on the Airport Board.

Motion was made by Commissioner Williams, seconded by Commissioner Wells, carried unanimously, to appoint Commissioner L.S. Guy, Jr. to the Duplin County Airport Board.

Mr. Steve Moore, Transportation Director, appeared before the board to seek approval on a job reclassification for the Transit Secretary position (Grade 57, Step 3A). Mr. Moore asked that this position be reclassified to a Secretary/Scheduler/Dispatcher (Grade 59, Step 3A). Mr. Moore also asked that this reclassification be made retroactive from the established start date of October 17, 2006.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to approve the reclassification of the Transit Secretary Position (Grade 57, 3A) to a Secretary/Scheduler/Dispatcher position (Grade 59, 3A) and to make the reclassification retroactive to October 17, 2006.

Mr. Jim Harris, owner of Cardinal Coach and President of the NC Motorcoach Association, appeared before the board to give an update on the activities that the association is involved in. Mr. Harris also discussed the recent bus rodeo that was held at the Duplin Events Center.

Mr. Mike Aldridge informed the board that during a recent audit, the NC Association of Counties discovered that Duplin County had not signed resolutions to participate in Health, Liability, and Worker's Compensation insurance pools in 2002. The Association requests that the resolutions now be signed. (See handout in Minutes.)

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to authorize the Chairman to sign the Health, Liability & Property, and Worker's Compensation resolutions.

Mr. Mike Aldridge presented a resolution for Lyman Volunteer Fire Department to enter into a refinancing contract with the USDA in the amount of \$65,000. Mr. Aldridge stated that board approval was necessary for the fire department to enter into the contract in order to meet IRS regulations for the financing to be on a tax-exempt basis. (See handout in Minutes.)

Motion was made by Commissioner Guy, seconded by Commissioner Wells, carried unanimously, to adopt the resolution approving the refinancing by Lyman Volunteer Fire Department, Inc. in the amount of up to \$65,000 with USDA.

Mr. Aldridge informed the board of the 2007 Legislative Goals Conference at the Pinehurst Resort in Moore County to be held January 11-12, 2007. Also, Mr. Aldridge stated that an orientation workshop for new board chairs would be held January 10, 2007. Mr. Aldridge asked the commissioners if they planned to attend. Commissioners Guy, Fussell, Wells, and Williams stated that they would be attending. (See handout in Minutes.)

Mr. Aldridge informed the board that Services to the Aged will be holding their annual Christmas Party on December 6, 2006 at 11:00 a.m. at the Kenan Auditorium and they the were invited to attend.

Commissioner Fussell asked that the Economic Development Board give an update at the next commissioner's meeting on December 18, 2006 at 6:30 p.m. at the Town Square in Rose Hill.

Mr. Woody Brinson asked that the request be delayed until the commissioner's meeting on January 15, 2007 due to the fact that the Economic Development Board is in the process of recommending new members.

Motion was made by Commissioner Guy, seconded by Commissioner Wells, carried unanimously, to go into Closed Session pursuant to N.C.G.S. 143-318.11 (a)(4).

The board returned to Regular Session.

Motion was made by Commissioner Wells, seconded by Commissioner Williams, carried unanimously, to hold a Public Hearing on January 2, 2007 to receive citizen comments regarding an incentive package to U.S. Cold Storage.

Motion was made by Commissioner Wells, seconded by Commissioner Guy, carried unanimously, to authorize the Chairman and County Manager to sign a grant application agreement requesting \$25,000 from the NC Eastern Region to assist with this project.

The Board adjourned to meet again on Monday, December 18, 2006 at 6:30 p.m. at the Town Square in Rose Hill, North Carolina.

Clerk