

The Smithfield Town Council reconvened its April 26, 2018 meeting on Thursday, April 26, 2018 at 6:00 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Travis Scott, Mayor Pro-Tem
Marlon Lee, District 1
David Stevens, District 2
Dr. David Barbour, District 4
John A. Dunn, At-Large
Stephen Rabil, At-Large

Councilmen Absent

Emery Ashley, At-Large

Administrative Staff Present

Michael Scott, Town Manager
John Blanton, Fire Chief
Lenny Branch, Public Works Director
Ted Credle, Public Utilities Director
Gary Johnson, Parks and Recreation
Tim Kerigan, Human Resources/PIO
Shannan Parrish, Town Clerk
R. Keith Powell, Chief of Police
Greg Siler, Finance Director

Reconvene: April 24, 2018 Meeting

Mayor Moore reconvened the meeting at 6:09 pm

1. FY 2018- 2019 Budget Discussions

a. Water/ Sewer

Public Utilities Director informed the Council that most of the department's budget remained status quo. Mr. Credle highlighted some line items in the proposed FY 18-19 Water/Sewer budget. They are as follows:

- Vehicle Supplies and Maintenance: The increase in this line item was due to repairs of aging department vehicles
- Supplies and Operations: Increase in this line item was approximately \$29,000. This was due to increased construction material costs.
- Sewage Treatment: Decrease in this line item of \$100,000
- Service Contracts: Increase in this line item was due to contract services to pave streets for utility cuts in the amount of \$30,000.
- Water/Sewer Fund Economic Development: This was a new line item created to assist with economic development efforts of utility infrastructure.
- Transfer to Water/Sewer Capital Projects: The total amount in this line was \$340,000 and will be used for the following projects: I & I Reduction in the amount of \$100,000, Lift Station Repairs in the amount of \$ 150,000, Manhole Rehab in the amount of \$50,000 and Fire Hydrant Valve Insertion in the amount of \$40,000.
- Capital Outlay: The total amount in this line item was \$908,000. The major expense was the 16" water line along Durwood Stephenson Highway. The total cost of the project was \$750,000. A grant from the Golden Leaf Foundation in the amount of \$500,000 was awarded to the Town with the Town's matching amount being \$250,000.
- Debt Service: A DNER loan was retired in 2018. There will be no new debt service unless the Council chooses to expand the Water Plant. .
- Contingency: \$775,414 was included in this line in the event that the Council chooses to move forward with the Water Plant Expansion Project.

Finance Director Greg Siler informed the Council that the Town received an invoice from the NC Employment Security Commission for unemployment benefits. He requested that \$15,000 be budgeted in each of the three funds to account for this expense.

b. Water Plant

Public Utilities Director informed the Council that most of the department's budget remained status quo. Mr. Credle highlighted some line items in the proposed FY 18-19 Water Plant budget. They are as follows:

- Overtime: This line increased by \$1,500. This is need for the coverage of a night operator who is sick or on vacation and another
- Supplies and Operations: This line increased due to caustic being manufactured only in China. With talks of a tariff, the cost increased 12.
- Service contracts: There was a reduction in this line because of sludge removal. Also, a local contractor takes the sand so it does not have to be disposed.
- Capital Outlay: Projects include: Riverbank refurbishment in the amount of \$200,000, Sodium chloride bulk tank in the amount of \$30,000, SCADA upgrades in the amount of \$50,000 and the design firm for the expansion of the water plant in the amount of \$150,000
- Water plant expansion: Mr. Credle explained the water plant expansion in detail. Part of the expansion included adding another finished water tank because state law says that the town must have ½ of our permit capacity in the mandates that the town must have 72 hours of our treatment capacity on reserve. In order to expand the water plant, a portion of Second Street will have to be closed and the greenway will have to be rerouted. There was discussion concerning the best route for the relocation of the greenway,

Mayor Moore explained that even if the Council passed a resolution to close North Second Street, it was not obligated to do so. He expressed his concerned about the total cost of the water plant expansion.

Councilman Stevens made a motion, seconded by Councilman Dunn, to adopt Resolution # 616 (3-2018). Unanimously approved.

Resolution 616 (03-2018)
Town of Smithfield
to Close A Portion
Of Second Street in Smithfield, North Carolina

WHEREAS, the Town of Smithfield will be undertaking a large construction project to expand the capacity of the Water Treatment Plant to serve the growing population in the Town of Smithfield; as well as, the rural areas of Johnston County;

WHEREAS, such an expansion requires the construction of certain structures that are required by hydraulic means to be located at a short distance from the existing Treatment Plant facility;

WHEREAS, this expansion will entail the structures to encroach into the existing right-of-way of Second Street in the vicinity of the Water Treatment Plant; and

WHEREAS, vehicular traffic may safely route the same course of access through the Town via North Street and Buffalo Road; thereby not hindering the public flow of traffic;

NOW THEREFORE BE IT RESOLVED, by the Town Council of Smithfield, North Carolina, that:

The portion of Second Street from the intersection of Second Street and North Street to the intersection of Second Street and Hospital Road shall be closed to public vehicular traffic, effective September 1, 2018

2. Employee Handbook

Town Manager Michael Scott outlined changes to the employee handbook. They are as follows:

- **Section 10:** Section has been removed
- **Section 11:** Section has been removed
- **Section 14:** Section has been removed
- **Section 17: Starting Salaries**

All persons employed in positions approved in the ~~position classification~~ pay plan shall be employed at least at the minimum hiring salary for the classification in which they are employed; however, exceptionally well qualified applicants may be employed above the hiring rate of the established salary range up to the mid-point of the hiring range for the position classification upon approval of the Town ~~Manager-Council~~. **The Town Manager may approve starting employees up to five percent (5%) above the minimum starting salary without Town Council Approval.**
- **Section 19: Merit pay – changed for clarification Section 19. Merit Pay**

~~Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria. Procedures for determining performance levels and performance pay increases or other performance-related movement within the range shall be established in procedures approved by the Town Manager. An employee is eligible for a performance evaluation with merit pay, subject to the quality of work performed, at the annual review periods that are established by the Town Manager for the entire Town and/or department, and every year thereafter. Merit Pay shall be based upon available funds and by approval of the Town Council. All pay increases are subject to available funds. Merit pay, when approved by the Town Council, will be available to all Town departments. Merit pay will be provided following annual evaluations, as approved by the Town Council during the annual budget process.~~
- **Section 20. Merit Pay- Bonus for Top of Salary Range Employees**

Employees who are at the maximum amount of the salary range for their position classification are eligible to be considered for a **Merit Bonus at their regular performance evaluation time during the same time period as other employees receive approved salary adjustments.** ~~Merit bonuses shall be awarded based upon the performance of the employee as described in the performance evaluation and in the same amounts as employees who are within the salary range. Merit bonuses shall be awarded in lump sum payments and do not become part of base pay. Merit-Bonus Pay shall be based upon available funds and by approval of the Town Council.~~
- **Section 21: Salary Effect of Promotions, Demotions, Transfers, and Reclassifications** Promotions. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. When an employee is promoted, the employee's salary shall normally be advanced to the minimum rate of the new position, or to a salary which provides an increase of ~~5%~~, **10%** whichever is greater. **Career Ladder promotions will carry a 5% increase.** In the event of highly skilled and qualified employees, shortage of qualified applicants, or other reasons related to ~~the merit principle of employment~~, the Town Manager, with approval of the

Town Council, may set the salary at an appropriate rate in the range of the position to which the employee is promoted that best reflects the employee's qualifications for the job and relative worth to the Town. In no event, however, shall the new salary exceed the maximum rate of the new salary range. In setting the promotion salary, the Town shall consider internal comparisons with other employees in the same ~~or similar~~ jobs. Promoted employees will be required to complete a six-month probationary period. Annual evaluation date may be adjusted to coordinate with Town-wide evaluation dates.

- **Section 22:** Section has been removed
- **Section 25: Overtime Pay Provisions:** The change in this section included the following language:

Department Heads will report all overtime hours to ~~the Human Resources Department~~ **the Finance Department. The Police Chief may authorize additional overtime to be paid outside of FLSA restrictions, while remaining within budget allocations, during emergency or investigative situations, in order to secure needed staffing.**

- **Section 27: Call-back and Stand-by Pay: Call-back.** Non-exempt employees will be guaranteed a minimum payment of two hour's wages for being called back to work outside of normal working hours. Employees will not be paid while serving on call-back status unless actually called back and then only for the minimum two-hour period, or longer, if the time actually worked exceeds two hours. **Only hours actually worked will be used when calculating overtime.** "Call-back" provisions do not apply to previously scheduled overtime work. Exempt employees are not eligible for call-back and stand-by pay.

~~certification is received or the next fiscal year. Certification Pay increases, approved by the Town Manager after the first working day of the pay period, shall become effective at the beginning of the next pay period. Only one certification pay, per fiscal year, per employee shall be granted.~~

~~The Department Head must submit documentation showing that the employee has completed the requirements for Certification Pay to the Town Manager and Human Resources Officer for approval.~~

Certification standards are as follows:

Low – Certification Pay: Employees may receive up to a 2% increase in hourly rate of pay for certifications that ~~are job related and improve the basic skills of the employee provided that the training is above the requirements of the job currently being~~ **Stand-by.** Non-exempt employees required to be on "stand-by" duty will be paid for eight hours of work for each week of stand-by time they serve. Stand-by compensation for less than one full-week shall be determined by the ratio of .065 hours of pay per one hour of stand-by time. **For police officers, one hour is compensated for every 24 hour period he or she is on stand-by.** Hours actually worked while on stand-by are calculated beginning when the employee reports to the work site and is added to the regular total of hours worked for the week. **Time spent during actual "stand-by" is not considered hours worked when calculating overtime.** Stand-by time is defined as that time when an employee must remain near an established telephone or otherwise substantially restrict personal activities in order to be ready to respond when called. **Stand-by time must receive prior approval from the department head.**

- **Section 31: Certification Pay** has been removed
- **Section 34: Recruitment, Selection and Appointment** removed applicant interest card
- **Section 35: Probationary Period**

An employee appointed or promoted to a permanent position shall serve a probationary period. Employees shall serve a six (6) month probationary period, except that sworn police personnel, Water Plant Operators, and Department Heads shall serve a twelve (12)

month probationary period. During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. ~~Employees~~ **Police Officers** serving twelve (12) month probation shall have a performance review ~~at the end of six (6) months~~ **as required in the police department field training program** as well as before the end of twelve (12) months. There are no automatic increases in salary for the employee at the end of a successfully completed probationary period.

○ **Section 38. Transfer**

Transfer is the movement of an employee from one position to a **similar** position in ~~a class a different department~~ in the same salary range. If a vacancy occurs and an employee in another department is eligible for a transfer, the employee shall apply for the transfer using the usual application process. The Department Head wishing to transfer an employee to a different department ~~or classification~~ shall make a recommendation to the Town Manager with the consent of the receiving Department Head. Any employee transferred without requesting the action may appeal the action in accordance with the grievance procedure outlined in this chapter. An employee who has successfully completed a probationary period may be transferred into the same classification without serving another probationary period.

○ **Section 44A:** Whistleblower policy is an adopted policy that is being added to the handbook

○ Acceptable use policy is an adopted policy that is being added to the handbook

○ Alcohol and Controlled Substance policy is an adopted policy that is being added to the handbook

○ **Section 68. Holidays: Compensations When Work is Required or Regularly Scheduled Off for Shift Personnel**

Non-exempt, full time employees required to perform work on regularly scheduled holidays may be granted compensatory time off **at the one and one-half rate** or be paid at their **hourly overtime** rate for hours actually worked in addition to any holiday pay to which they are entitled, **provided the employee has not missed any other work hours during that week. If the employee has missed additional work hours during that week, regular FLSA requirements would apply.**

○ **Section 70: 6 months Section 70. Vacation Leave: Use by Probationary Employees**

Employees serving a probationary period following initial employment may accumulate vacation leave but shall not be permitted to take vacation leave during the ~~probationary period~~ **the first six months of employment** unless approved in a pre-employment agreement. Employees shall be allowed to take accumulated vacation leave after six (6) months of service.

○ **Section 71: Vacation Leave: Accrual Rate**

Each full and **permanent** part-time employee of the Town shall earn vacation leave at the following schedule.

○ **Section 72A: Vacation Compensation**

Payable in the first pay check in November of each year, every full-time employee who has successfully completed six months of employment with the Town of Smithfield by November 1 may request a minimum of eight (8) hours and a maximum of forty (40) hours of accrued vacation time be converted to salary. All income from this benefit is subject to state and federal deductions.

In order to be eligible, an employee must have no disciplinary actions since November 1 of the previous year and retain a minimum of forty (40) hours of accrued vacation leave as of November 1 of the current year. This benefit is available as the Town budget permits and as approved by the Town Council during the annual budget process.

- **Section 73: Vacation Leave: Manner of Taking**
 Employees shall be granted the use of earned vacation leave upon request in advance and approval by the Department Head at those times designated by the Department Head which will least obstruct normal operations of the Town. Department Heads are responsible for insuring that approved vacation leave does not hinder the effectiveness of service delivery. ~~Vacation may be taken in a minimum of four hour (4 hour) increments unless approved in writing by the Town Manager.~~ **Vacation must be taken in one hour increments.**
- **Section 74: Vacation Leave: Payment upon Separation**
 An employee who has successfully completed six (6) months of the probationary period will normally be paid for accumulated vacation leave upon separation not to exceed ~~30 days~~ **240 hours** provided written notice is given to the supervisor at least two weeks in advance of the effective date of resignation. Any employee failing to give the notice required by this section shall forfeit payment for accumulated leave. The notice requirement may be waived by the Town Manager when deemed to be in the best interest of the Town. Employees who are involuntarily separated shall receive payment for accumulated vacation leave subject to the ~~30 day~~ **240 hour** maximum. Employees dismissed for criminal conduct may be determined ineligible to receive vacation pay.
- **Section 76: Sick Leave**
 Sick leave with pay is not a right that an employee may demand but a privilege granted by the Town Council for the benefit of an employee when sick. Sick leave may be granted to a probationary or regular employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examinations or treatment, or exposure to a contagious disease, when continuing work might jeopardize the health of others. Sick leave, **up to five (5) days per calendar year**, may be used when an employee must care for a member of his or her immediate family who is ill. **Sick leave use in excess of five (5) days for this purpose requires prior Town Manager Approval.**
- **Section 78: Transfer of Sick Leave from Previous Employer**
~~Unless approved by the Town Council,~~ **upon hire** the Town will accept only the transfer of up to 350 hours of sick leave hours for employees from other employers who are participants of the Local or State Employees Retirement System. The sick leave will be treated as though it were earned with the Town of Smithfield. The sick leave amount must be certified by the previous employer. This provision shall not be retroactive to policy adoption. **The transfer of more than 350 hours requires Town Manager approval and will be evaluated on a case by case basis.**
- **Section 87: Military Leave**
 Regular employees who are members of an Armed Forces Reserve organization or National Guard shall be granted two calendar weeks per year for military leave without pay. On rare occasions due to annual training being scheduled on a federal fiscal year basis, an employee may be required to attend two periods of training in one calendar year. For this purpose only, an employee shall be granted an additional ten days of military leave during the same calendar year. If the compensation received while on military leave is less than the salary that would have been earned during this same period as a Town employee, the employee shall receive partial compensation equal to the difference. The effect will be to maintain the employee's salary at the normal level during this period. If such duty is required beyond this ten workdays, the employee shall be eligible to take accumulated vacation leave or be placed in a leave without pay status, and the provisions of that leave shall apply. **Sick leave will not be used for this purpose.** While taking military leave, the employee's leave credits and other benefits shall continue to accrue as if the employee physically remained with the Town during this period. Employees who are eligible for military leave have all job rights specified by the Vietnam Veterans Readjustment Act
- **Section 102: Unsatisfactory Job Performance Defined**
 - k. **Insubordination (added to the section)**

- **Section 106: Pre-disciplinary conference meet with the HR Director Section 106. Pre-disciplinary Conference**
Before suspension, demotion, or dismissal action is taken, whether for failure in personal conduct or failure in performance of duties, the Department Head ~~and~~ **will consult with the Human Resources Department** ~~will~~ **and** conduct a pre-disciplinary conference. At this conference, the employee may present any response to the proposed disciplinary action to the Department Head ~~and Human Resources Department~~. The Department Head ~~and Human Resources Department~~ will consider the employee's response, if any, to the proposed disciplinary action, and will, within three working days following the pre-disciplinary conference, notify the employee in writing of the final decision to take disciplinary action, upon approval by the Town Manager. The notice of the final disciplinary action shall contain a statement of the reasons for the action and the employee's appeal rights.
- **Section 107: Non-Disciplinary Suspension**
 - c. **Terminate the employee should the employee be unable or unwilling to report to work to complete the internal investigation. (added to the section)**
- **Section 112: Personnel Advisory Committee**
~~The Personnel Advisory Committee may only be assembled and utilized in cases involving, suspension, demotion or discharge, or when grieving a promotional process. There is established a Personnel Advisory Committee, is~~ composed of three persons designated by the Town Council, with authority to hear employees' grievances and recommend decisions to the Town Manager.
- **Section 114: Maintenance of Records**
All documentation, records, and reports will be retained for a minimum of three (3) years and shall be held by the Human Resources Department. These records will be subject to review by the grievant, the employee's Department Head, the Town Manager, and the Town Council, **as applicable under State law**
- **Section 117: Personnel Actions**
The Town Manager will prescribe necessary forms and reports for all personnel actions and will retain records necessary for the proper administration of the personnel system. There shall be one set of official personnel files, centrally located ~~as designated by the Town Manager~~ **in the Human Resources Office**. Any document not located there is not an official part of that employee's personnel record.

3. General Fund

a. General Government

Town Manager Michael Scott highlighted some line items in the proposed FY 18-19 General Fund budget. They are as follows:

- **Salaries:** Salaries for the General Fund employees are divided among all three funds. Included in this budget was the addition of a Marketing Technician at a starting salary range of approximately \$40,500. Mayor Moore asked that a job description for this position be provided to the Council.
- **Legal Fees:** This line item increased by \$5,000 to allow for the use of outside council for reimbursement policies.
- **Legal Advertising:** This item increased because \$5,000 was moved from the Planning Department Budget to the General Government budget to account for all legal advertisements.
- **Capital Outlay:** Included in this line are office chairs, carpet for the Council Chambers, a digital marquis sign and an ID maker for employee badges.

b. Finance

Finance Director Greg Siler highlighted some line items in the proposed FY 18-19 Finance Department Budget. They are as follows:

- Salaries: Salaries for the Finance Department employees are divided among all three funds.
- Maintenance and Repair Equipment: \$4,200 is budgeted in this line for offsite storage of finance documents. The Town Manager explained that in the next budget year, the Police Department may propose to build storage on the vacant lot adjacent to the Police Department. This could be a shared storage space.
- Capital Outlay: \$2,675 was budgeted in this line for surveillance cameras at the collection clerks' windows.

Adjourn

Councilman Dunn made a motion, seconded by Councilman Stevens, to adjourn the meeting. The meeting adjourned at approximately 8:40 pm.

ATTEST:

M. Andy Moore, Mayor

Shannan L. Parrish, Town Clerk