

The Smithfield Town Council met in regular session on Tuesday, March 4, 2014 at 7:30 p.m. in the Council Chambers of the Smithfield Town Hall. Mayor John H. Lampe II. presided.

Councilmen Present:

M. Andy Moore, Mayor Pro-Tem  
Marlon Lee, District 1  
J. Perry Harris, District 2  
Travis Scott, District 3  
Emery D. Ashley, At-Large  
Charles A. Williams, At-Large

Councilmen Absent

Roger A. Wood, District 4

Administrative Staff Present

Paul Sabiston, Town Manager  
Lenny Branch, Public Works Director  
Pete Connet, Interim Public Utilities Director  
Paul Emblar, Planning Director  
Kenneth C. Griffin, Public Utilities Director  
Patrick Harris, Emergency Services  
Tim Kerigan, Human Resources/PIO  
Tim Johnson, Parks & Rec Director  
Mike Scott, Police Chief  
Greg Siler, Finance Director  
Shannan Williams, Town Clerk

Present:

Bob Spence, Town Attorney

Staff Absent:

The invocation was given by Councilman Scott followed by the Pledge of Allegiance led by Preston Renfrow of Boy Scout Troop 33.

**APPROVAL OF AGENDA:**

Councilman Harris made a motion, seconded by Councilman Ashley, to approve the agenda with the following amendments:

- Add Business Item 8: Request to Contract with Power Services.
- Add Business Item 9: Request to replace pool heaters and UV system at the SRAC.

Unanimously approved.

**PRESENTATION:**

**1. West Smithfield Beautification Project Proposal**

Planning Director Paul Emblar addressed the Council Town on the West Smithfield Beautification project. He explained that the planning staff, working with the Appearance Commission has prepared a conceptual plan showing landscape improvements to West Market Street entrance corridor from the Neuse River Bridge to Wilsons Mill Road. The proposed plan is part of a continuing effort to upgrade the primary entrance corridors into Smithfield. The proposed landscape improvements represented by the plan west of downtown are a logical extension of the improvements which have been made on the east side of Town. The landscape improvements proposed on the west side of downtown are so designed to accomplish two goals: 1.) Reclaim the right of way of US 70 and 2.) Beautify and enhance the entrance corridor. All improvements within the right of way must be approved by NCDOT. In order to accomplish these goals, it is proposed that the right of way proper will be reclaimed by actually grading, grassing and landscaping the entire area of the right of way outside the limits of pavement. Drive way entrances will be brought to NCDOT standards so as to accommodate the grassing and the landscaping as well as to facilitate drainage. Landscape plantings will be primarily street tree plantings supplemented by shrub and groundcover plantings in specific locations. Street tree plantings are proposed to be similar to tree plantings at RDU along Airport Blvd. from I-40 to the terminals. The street tree plantings at RDU are grouped into orchards and then the planting scheme alternates between deciduous shade trees, flowering trees and evergreen trees. A similar approach for street tree plantings is proposed for West Market Street.

Councilman Scott questioned the time line of the project. Mr. Emblar responded that the completed project will take several years.

Councilman Scott made a motion, seconded by Councilman Harris, to approve the concept and move forward with the project. Unanimously approved. (ATTACHMENT I)

**PUBLIC HEARING: None**

**CITIZENS COMMENTS:**

- Sarah Edwards – Interim Executive Director of the Downtown Smithfield Development Corporation informed the Council, of the Downtown Smithfield Community Economic Vision Forum that will be held at First Presbyterian Church on Monday, March 17, 2014 at 6:30 pm.

**CONSENT AGENDA:**

Councilman Scott made a motion, seconded by Councilman Harris, to approve the following items as listed on the Consent Agenda:

1. Meeting Minutes
  - February 4, 2014 – Regular Meeting
  - February 4, 2014 – Closed Session
  - February 10, 2014 – Closed Session
2. Resolution # 539 (01-2014) – Approving the 2012 Local Water Supply Plan (ATTACHMENT II)
3. Resolution # 540 (02-2014) – Endorsing the negotiations of definitive agreements for the sale of certain generating assets owned by the NCEMPA to Duke Energy Progress and for Power Supply. (ATTACHMENT III)
4. The Public Works Department is requesting approval to fill several vacant positions.
5. Advisory Board /Committee Appointments
  - (1st Term) Board of Adjustments, In-Town Resident – Michael Exum Johnson
6. North Carolina Eastern Municipal Power Agency (NCEMPA) Board of Commissioners Appointment – Consideration to appoint Public Utilities Director, Ken Griffin, to serve as the First Alternate Commissioner

Unanimously approved.

**BUSINESS ITEMS:**

**1. Consideration to approve Career Ladder Promotions and pay increases for three Police Officers**

Police Chief Mike Scott addressed the Council on a request to promote two police officers from the rank of Police Officer One (PO I) to Police Officer Two (PO II) and promote one Officer holding the rank of PO II to Master Police Officer (MPO). The required salary increases for the current budget year will be, respectively, \$1,087.00 (annually starting next year-\$3,534.00) for the two promotions to PO II and \$571.00 (annually next year-\$1,865.00) for the promotion from PO II to MPO. Current impact on the current budget is \$1,658. The three officers have followed the career ladder policy and have earned these promotions.

Councilman Ashley made a motion, seconded by Councilman Charles A. Williams, to approve the career ladder promotions and pay increases for three police officers as submitted. Unanimously approved.

## **2. Consideration to approve the amended audit contract with Petway Mills & Pearson, PA.**

Finance Director Greg Siler addressed the Council on approval of amending the original audit contract. He stated that the Town of Smithfield's 2013 Audit report was received in the State and Local Government Finance Division's office on January 15, 2014. In order for the auditor's final invoice to be approved by the State and Local Government Finance Division the Town must provide a written explanation regarding the late audit submission (along with the plan for the FY 2014 audit report to be submitted on time) and sign an amended contract. Item #15 of the Town of Smithfield's original 2013 Audit contract specifies – "If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the LGC for approval. No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor." The original Audit submission date under Item #6 of the 2013 Audit contract was October 31, 2013. The late 2013 audit submission has changed the original approved Audit contract and thus an amended contract and written explanation of the change is now required to be sent to the State and Local Government Finance Division for approval.

Mayor Pro-Tem Moore questioned why the audit was submitted late. Mr. Siler responded that the auditor didn't receive information from outside sources in a timely manner.

Councilman Charles A. Williams asked if this could be prevented in the further. Mr. Siler responded that language could be inserted in the contract, but it was doubtful if an auditor would accept terms with deadlines.

Mayor Lampe explained that he originally refused to sign the amended contract, but was informed that this is a requirement of the LGC.

Town Manager Paul Sabiston explained to Council that there was no fault on the part of staff as to why the audit was not received on time. He commended the finance staff for gathering the information and submitting it to the auditor prior to the October deadline.

Councilman Harris made a motion, seconded by Councilman Ashley, to approve the amended audit contract with Petway Mills and Pearson as submitted. Unanimously approved.  
(ATTACHMENT IV)

## **3. Approval to change vendors for the Merchant Services Agreement for credit and debit card transactions.**

Finance Director Greg Siler addressed the council on a proposal to change vendors for the merchant service credit and debit card transactions. Mr. Siler explained that currently, credit/debit card transactions (AKA Merchant Services) for the Town of Smithfield are processed through First Citizens Bank. The cost to the Town for the service in FY13 was \$69,583. In an effort to reduce the cost the Town received proposals from five local banks bidding for its' merchant business. The lowest proposal, PNC Bank, proposed cost plus pricing of .20 basis points and .08 cents per transaction. PNC's proposal should save the Town between \$21,600 and \$36,000 annually for the service.

Councilman Scott questioned if this agreement will allow utility bills to be paid online. Mr. Siler responded that online bill pay is a separate process. Mr. Sabiston explained that the Town is researching the option of a third party vendor for online bill pay that will interface with our current accounting software.

Councilman Ashley made a motion, seconded by Councilman Harris to award PNC Bank the merchant agreement for credit/debit card transactions. Unanimously approved.

**4. Approval of contract to update the Town’s Strategic Economic Development Plan with Sanford Holshouser.**

Town Manager Paul Sabiston addressed the Council on a request to enter into contract with Sanford Holshouser to update the Town’s Strategic Economic Development Plan. Mr. Sabiston explained that this firm conducted the initial plan back in 2004. The plan is a basic report and study of economic development factors impacting Smithfield and the immediate area. It uses raw data from the US Census Bureau and other sources to help determine which businesses and industries will benefit by locating in Smithfield. The current study is in need of an update. Mr. Sabiston informed the Council that the total cost for the project would be approximately 10, 000 plus some minor expense. He solicited other entities to contribute to the study’s update. Those entities include: Johnston County Visitor’s Bureau, Greater Smithfield Selma Area Chamber of Commerce, Downtown Smithfield Development Corporation and ElectriCities. Each entity will contribute approximately \$2,000 for the study.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to approve the request as submitted. Unanimously approved. (ATTACHMENT V)

**5. Approval of changes to the May 6, 2014 Regular Town Council Meeting**

Town Manager Paul Sabiston addressed the Council on possible changes to the May 6, 2014 regularly scheduled Town Council meeting. Mr. Sabiston informed the Council that the Town has been contacted by the Johnston County Board of Elections regarding reserving the Town Hall Council Chambers for the May 6th Primary Election as the polling place for the East Smithfield Precinct. Since this is the Council’s regularly scheduled meeting, staff is requesting that the Council consider rescheduling the meeting to Wednesday, May 7, 2014 in the Town Hall Council Chambers at 7:30pm or change the venue of the May 6th meeting to the Fire Station Training Room.

Councilman Harris made a motion, seconded by Councilman Scott, to move the May 6, 2014 regularly scheduled meeting to the Fire Station training room. Unanimously approved.

**6. Employee Compensatory Time and revisions to the Employee Handbook**

Mayor John Lampe opened the discussion concerning compensatory time and revision to the employee handbook.

Councilman Ashley submitted the following statement for consideration:

*Employees in positions determined to be “exempt” from FLSA (as Executive, Administrative, or Professional staff) shall not be entitled to pay or compensatory time for hours worked in excess of forty (40) hours per week.*

*In extraordinary circumstances only, these employees may be granted personal leave by the City Manager, for excessive hours worked. The determination of such extraordinary circumstances shall be within the discretion of the City Manager. Extraordinary circumstances may include, but are not limited to, inclement weather, major fires, major investigations, and such similar circumstances.*

Councilman Ashley made a motion, seconded by Councilman Harris, to adopt the above recommended changes to the Employee Handbook in regards to compensatory time for exempt employees. Unanimously approved.

Mayor Pro-Tem Moore expressed his appreciation to the committee that reviewed the policy and offered a recommendation to the full Council.

## **7. Approval of FY 2014-2015 Budget Schedule and setting of next Budget Meeting**

Town Manager Paul Sabiston addressed the Council on the FY 2014-2015 budget schedule. Mr. Sabiston explained that the proposed budget schedule provides general dates for internal deadlines for draft budget and then the adoption dates that the Town must meet to comply with North Carolina law.

Councilman Ashley made a motion, seconded by Councilman Charles A. Williams, to adopt the FY 2014-2015 Budget Schedule as submitted. Unanimously approved.  
(ATTACHMENT VI)

Mr. Sabiston requested direction from the Council concerning the date of the next meeting budget meeting.

Councilman Harris suggested that the draft budget be submitted to Council and that they have a week to review it before the meeting was called.

Mayor Lampe suggested that the Department Heads be on hand to answer any questions with a planning session at the end.

It was the consensus of the Council that the Clerk would coordinate with the Council their availability for an acceptable meeting date and time.

## **8. Power Services Contract to evaluate the Bond Order Covenant**

Finance Director Greg Siler addressed the Council on consideration to enter into contract with Power Services to evaluate the electric fund's financials. Mr. Siler explained that Section 5.02(a) of the Electrical System Revenue Bond Order stated that each fiscal year net revenues will not be less 120 percent of the debt service requirement. For the first time since the bond issuance in 2007, the debt ratio dipped to 63 percent. As a result, section 5.02(d) the Bond Order calls for a consulting engineer to make recommendations, if any, as to what is needed in order to satisfy the rate covenant. Mr. Siler further explained that three engineering firms were contacted. Verbal bids ranged from \$2,200 to \$35,000. Power Services, managed by R.L. Willoughby, gave the lowest bid of \$2,200. Power Services is agreeing to evaluate the last five years of electric financials, by budget line item; this year's budget; present electric rates; anticipated rate increases; capital improvement plan; the line item details that went into the debt service covenant analysis. They will present their findings to Town officials.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to award the contract to Power Services to evaluate the Bond Order Covenant and make recommendations. Unanimously approved. (ATTACHMENT VII)

Councilman Harris expressed his concerns about hiring a consultant without any guidance. Mr. Harris stated that raising electric rates was not an option.

Councilman Ashley agreed with Councilman Harris and questioned if the Council was obligated to do anything other than hire a consultant. Mr. Sabiston responded that the Council was only obligated to hire a consultant. The consultant would submit many recommendations to address the issue.

Councilman Scott explained that the goal was not to raise electric rates, but to be revenue neutral in the electric fund. Mr. Scott suggested that staff consider the transfers that are made from the electric fund into the general fund.

Mayor Pro-Tem Moore stated that the Council will have to do what it must out of obligation to the bond holders.

## 9. Replacement of Pool Heaters and UV Systems at the SRAC

Parks and Recreation Director Tim Johnson addressed the Council on a request to immediately replace one pool heater and a total of five in the near future. The heaters at the splash park were both inoperable thus causing it to be closed. The splash park generates revenue so it is imperative that it be repaired as soon as possible. The costs for the heaters are approximately \$9,700 each. Also, the UV system, which helps to treat the pool water, needs to be replaced. The replacement cost for the UV system is \$6,500. The Johnston County School system shares in the replacement cost on a 50/50 basis with the Town. Johnston County Schools has agreed to fund its entire 50% in this fiscal year. The total cost for these items is \$55,050 or \$ 27,525 for each entity.

Mr. Sabiston recommended that three of the five heaters be replaced at this time.

Councilman Scott expressed his concerns because there seemed to be no plan for equipment maintenance.

Councilman Harris suggested that the Town Manager look at all facilities and submit to the Council a long range maintenance plan.

Councilman Ashley questioned if the town would have money by replacing all the heaters and UV system at the same time. Mr. Johnson responded that there would be some savings.

Councilman Harris question if this item was put out for bid. Mr. Johnson responded that staff has been working on this since November and they only received responses from two vendors.

Councilman Scott made a motion, seconded by Councilman Harris, to replace one heater at the splash park with a commercial unit and develop a plan for the others that are in need of repair. Unanimously approved.

### Councilmembers Comments:

- Councilman Charles A. Williams expressed his appreciation to the Department Heads that included the information he requested in their monthly reports.
- Councilman Ashley welcomed new Public Utilities Director, Kenneth C. Griffin, to the Town of Smithfield.

### Town Manager's Report:

- **Department Reports**
  - A highlight of each department's monthly activities was given to the Council.
- **Financial Report**
  - General Fund revenues for the month ending January 31, 2014 were \$3,704,408. Year to date revenues for FY 2013-2014 general fund were \$10,018,311. The general fund expenditures for the month ending January 31, 2014 were \$1,228,951 and YTD expenditures were \$7,298,049.
- **Manager's Updates**
  - Smithfield Crossings Project – An update was given to Council on this project.

Councilman Harris questioned if the roundabout would have water and electric. Mr. Sabiston responded that the Town staff will complete that part of the project.

- Water Plant Intake System's Preliminary Repairs – The Council was given an update on this project.
- Water Main Break on North Brightleaf Blvd. – The Council was informed of the water main break and given an update on when the repairs to the street would be completed.
- Outlet Center Drive – The name change from Industrial Park Drive to Outlet Center Drive should be completed by July 1, 2014.
- RADA Project Update – The monthly RADA report was submitted to Council.

## **Adjourn**

There being no further business, Councilman Charles A. Williams made a motion, seconded Councilman Harris to adjourn. Unanimously approved.

The meeting adjourned at 9:01 pm.

---

John H. Lampe II., Mayor

ATTEST:

---

Shannan L. Williams, Town Clerk