

The Smithfield Town Council met in regular session on Tuesday, May 6, 2014 at 7:00 p.m. in the Fire Station Training Room located at 111 South 4th Street. Mayor John H. Lampe II. presided.

Councilmen Present:

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

Councilmen Absent

J. Perry Harris, District 2
Roger A. Wood, District 4

Administrative Staff Present

Paul Sabiston, Town Manager
Lenny Branch, Public Works Director
Paul Embler, Planning Director
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:

Kenneth C. Griffin, Public Utilities Director
Patrick Harris, Emergency Services

The invocation was given by Councilman Scott followed by the Pledge of Allegiance.

APPROVAL OF AGENDA:

Mayor Pro-Tem Moore made a motion, seconded by Councilman Charles A. Williams, to approve the agenda with the following amendments:

- Remove Consent Agenda Item #6: *The Finance Department is seeking approval for various budget amendments and to the Business Items as item # 9.*
- Remove Consent Agenda Item # 7: *The Parks and Recreation Department is seeking approval for a budget amendment that would transfer an overage in a revenue account to an expenditure line item for park repairs and add to the Business Items as item #10.*
- Add to the Consent Agenda Item #11: *Special Event – Robert Boyette of the Johnston County Veterans Affairs Office is petitioning the Town to conduct an outdoor Memorial Day Remembrance Event at the Johnston County Courthouse on May 26, 2014.*
- Add Business Item #11 – *Contract Agreement – St. Joseph’s of the Pines Rural Economic Development Building Reuse Program Grant.*
- Add Business Item #12 – *Resolution # 543 (05-2014): Accepting and approving the Preliminary Engineering Report (PER) for raw water improvements and augmentation prepared by the Wooten Company.*
- Add Business Item # 13 – *Consideration to authorize the Wooten Company to make application for CDBG grant funding.*

Unanimously approved.

PRESENTATIONS:

1. Administering of Oath of Office to New Police Officer, Christopher Norris.

Mayor Lampe administered the Oath of Office to Police Officer Christopher Norris and welcomed him to the Town of Smithfield Police Department.

2. Update from Raleigh Area Development Authority (RADA) concerning the Talent Enhancement Grant.

Project Manager Stanley King and RADA President Wallace Green updated the Council on the Talent Enhancement Grant. Mr. King stated that in February, RADA was notified by the Division of Community Assistance that changes were made to the Talent Enhancement Grant Program and the Community Development Block Grant program. He stated that divisions of the Department of Commerce had been eliminated and funding had been removed for requested assistance by the affected communities.

Mr. Green stated that RADA will continue to be active in the target areas of Belmont, Sandy Run, and Pine Acres. Mr. Green announced that RADA had been awarded a \$50,000 "Leading the Way Home" grant by Wells Fargo Bank. The funds were used to award \$12,500 in grants to the following non-profit organizations: Johnston-Lee-Harnett Community Action, Serve the Need, Me Fine Foundation, Community and Senior Services of Johnston County, and Johnston County Youth Services. RADA will continue to assist Piedmont Natural Gas with surveys in the target area..

Mr. King presented to Mayor Lampe a plaque for the Town's participation in the ECU/NC Commerce Talent Enhancement and Capacity Building Program.

PUBLIC HEARINGS:

Town Clerk Shannan Williams swore in persons wishing to offer testimony at the Public Hearings

1. Zoning Amendment: Hank Daniels, Danbar Limited Partnership (ZA-14-01)

Councilman Ashley made a motion, seconded by Councilman Scott, to open the public hearing. Unanimously approved.

Planning Director Paul Embler addressed the Council on a zoning amendment request by Hank Daniels. The applicant is requesting to amend the Town of Smithfield Unified Development Ordinance, Article 19-6 (B) (7) to specifically state that digital billboard signs shall not change more than one time in eight seconds. Mr. Embler stated that the existing Town of Smithfield Unified Development Ordinances regulating digital billboards mirrors the North Carolina Department of Transportation (NCDOT) standards in most respects. One major difference is the minimum time in which a message must remain before changing. The Town of Smithfield currently allows digital billboard messages to change no more than 1 (one) time in a 30 (thirty) second period while NCDOT requires a digital billboard messages change no more than 1 (one) time in an 8 (eight) second period. The applicant requested the Town of Smithfield to amend the Unified Development Ordinance to allow digital billboards message to change at the same rate in which NCDOT allows.

Planning Director Paul Embler has incorporated his entire record and provided it to Council in written form in the May 6, 2014 agenda packet.

The Planning Board, at its April 3, 2014 meeting, unanimously voted to recommend approval of the zoning text amendment that will allow for digital billboards to change no more than 1 (one) time in an 8 (eight) second time period

The Planning Department recommended approval of the proposed text amendment to allow digital billboard messages to change no more than 1 (one) time in a 15 (fifteen) second time period.

The applicant, Hank Daniels, stated that the digital billboard he owns is located on Industrial Park Drive. It was Mr. Daniels opinion that the allowing the billboard to change every eight seconds would not create a problem.

Mayor Lampe asked if there were any questions/comments from those persons in the audience that were duly sworn to testify. There were none.

Mayor Lampe asked if there were any questions/comments from the Council.

Councilman Scott questioned if the Town regulates the content. Mr. Emblar responded that the Town does not regulate the content.

Councilman Ashley questioned if the purpose of the billboard was to advertise to those traveling on Interstate 95. Mr. Emblar responded that any existing billboard can be affected by this text amendment to the ordinance.

Councilman Williams questioned if this would affect new billboards. Mr. Emblar responded the only location they are permissible is adjacent to Interstate 95 and must be located within 660 feet of the edge of the right-of-way of Interstate 95. Under the current requirements, there is not space for another billboard in the area.

Councilman Williams questioned the billboard located on Highway 301. Town Attorney Bob Spence responded that billboards outside of the I-95 corridor have grandfathered status because they were in existence before the ordinance changed. Mr. Spence stated there are no defined rules for those billboards that have grandfather status.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to close the public hearing. Unanimously approved.

Councilman Scott made a motion, seconded by Councilman Lee, to approve the zoning text amendment (ZA-14-01) that will allow for digital billboards to change no more than 1 (one) time in an 8 (eight) second time period. Unanimously approved.

ORDINANCE # 479

TO AMEND TOWN OF SMITHFIELD UNIFIED DEVELOPMENT ORDINANCE, ARTICLE 19, REGULATIONS FOR SIGNS, SEC. 91-6, SPECIALTY SIGNS (B) BILLBOARD, LED

BE IT ORDAINED by the Town Council of the Town of Smithfield that the Unified Development Ordinance, Article 19, Regulations for Signs, Sec. 91-6, Specialty Signs is amended to allow for LED Billboards to change its copy to once every eight seconds and shall read in its entirety as follows:

Section 19-6: Specialty Signs, (B) Billboard, LED (Light Emitting Diodes).

1. Billboard signs utilizing LED or other similar technologies shall be a permitted use by right in all zoning districts when adjacent to I-95. A zoning permit may be granted provided the following minimum standards are met.
2. The property on which the sign is to be located must be adjacent to I-95.
3. The sign must be located within six hundred sixty (660) feet of the edge of the right-of-way of I-95.
4. The sign shall comply with all regulations of the North Carolina Department of Transportation and with the North Carolina General Statutes.
5. No two (2) such LED billboards shall be placed less than two thousand five hundred (2,500) feet apart; however, an LED billboard may be allowed within five hundred (500) feet of a non-LED billboard. Distance shall be measured as specified in North Carolina Administrative Code T19A:023.0200.

6. No "stacking" of signs is permitted.
7. The sign shall be of monopole design and placed on the site so as to be viewed only from the corridor in which it is permitted.
8. Billboards may not change content more than one (1) time within an eight second period and the change must occur within a two (2) second period. All LED billboards must be equipped to automatically turn off in case of malfunction.

Duly adopted the 6th day of May 2014, by the Smithfield Town Council while in regular session.

2. Zoning Amendment : Town of Smithfield (ZA-14-02)

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to open the public hearing. Unanimously approved.

Planning Director Paul Embler addressed the Council on a request by the Town of Smithfield. The Planning Department is requesting to amend the Town of Smithfield Unified Development Ordinance, Article 5-2 (B), to reflect statutory changes to approval criteria for variances granted by the Town of Smithfield Board of Adjustment. Mr. Embler explained that the North Carolina General Assembly adopted land use regulations in 1923 including enabling statute for Boards of Adjustment. Ninety years later, the statute remained essentially the same despite decades of changes in land use law, numerous appellate opinions, advances in land use and planning theories, and the way we construct communities. In reaction to these changes, the North Carolina General Assembly during the 2013 session adopted a modern and more user friendly version of G.S. 160A-388 written in a simple, clear and concise language. The Planning Department is requesting the approval criteria for variance requests be adopted as it was approved by the North Carolina General Assembly in 2013.

Planning Director Paul Embler has incorporated his entire record and provided it to Council in written form in the May 6, 2014 agenda packet.

The Town of Smithfield Planning Board, at its April 3rd, 2014 meeting, was unable to make a recommendation on the proposed amendment to the Town of Smithfield Unified Development Ordinance, Article 5-2 (B) that reflects statutory changes to approval criteria for variances granted by the Town of Smithfield Board of Adjustment.

The Town of Smithfield Planning Department recommended approval of the request to amend the Town of Smithfield Unified Development Ordinance, Article 5-2 (B), to reflect statutory changes to approval criteria for variances granted by the Town of Smithfield Board of Adjustment.

Mayor Lampe asked if there were any questions/comments from those persons in the audience that were duly sworn to testify. There were none.

Mayor Lampe asked if there were any questions/comments from the Council.

Mayor Pro-Tem Moore questioned why the Planning Board could not make a recommendation. Mr. Embler responded that he was unsure why a recommendation could not be made.

Councilman Ashley made a motion, seconded by Mayor Pro- Tem Moore, to close the public hearing. Unanimously approved.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to approve zoning text amendment (ZA-14-02) that adopts the new approval criteria for variances granted by the Town of Smithfield Board of Adjustment. Unanimously approved.

ORDINANCE #480

**TO AMEND
TOWN OF SMITHFIELD UNIFIED DEVELOPMENT ORDINANCE, ARTICLE 5,
APPEALS, VARIANCES, INTERPRETATIONS,
SEC. 5-2: VARIANCES, (B)**

BE IT ORDAINED by the Town Council of the Town of Smithfield that the Unified Development Ordinance, Article 5, Variance approval criteria be amended to reflect statutory changes as found in G.S. 160A-388 and shall read in its entirety as follows:

Section 5-2: Variances (B).

(B) Variances. – When unnecessary hardships would result from carrying out the strict letter of a zoning ordinance, the board of adjustment shall vary any of the provisions of the ordinance upon a showing of all of the following:

- (1) Unnecessary hardship would result from the strict application of the ordinance. It shall not be necessary to demonstrate that, in the absence of the variance, no reasonable use can be made of the property.
- (2) The hardship results from conditions that are peculiar to the property, such as location, size, or topography. Hardships resulting from personal circumstances, as well as hardships resulting from conditions that are common to the neighborhood or the general public, may not be the basis for granting a variance.
- (3) The hardship did not result from actions taken by the applicant or the property owner. The act of purchasing property with knowledge that circumstances exist that may justify the granting of a variance shall not be regarded as a self-created hardship.
- (4) The requested variance is consistent with the spirit, purpose, and intent of the ordinance, such that public safety is secured, and substantial justice is achieved.

Duly adopted the 6th day of May 2014, by the Smithfield Town Council while in regular session.

3. Zoning Amendment: Steve R Hargis (ZA-14-03)

Mayor Pro-Tem Moore made a motion, seconded by Councilman Ashley, to open the public hearing. Unanimously approved.

Planning Director Paul Embler addressed the Council on a zoning amendment request made by Steve R. Hargis. Mr. Embler explained that the applicant requested to amend the Town of Smithfield Unified Development Ordinance, Article 10, Section 10-1, Table of Permitted Uses/Conditional Use Districts to allow for parks and recreation areas within the LI (Light Industrial) zoning district.

Planning Director Paul Embler has incorporated his entire record and provided it to Council in written form in the May 6, 2014 agenda packet.

The Planning Board, at its May 1, 2014 meeting, unanimously voted to approve the request to amend the Town of Smithfield Unified Development Ordinance, Article 10, Section 10-1, Table of Permitted Uses/Conditional Use Districts to allow for parks and recreation areas within the LI (Light Industrial) zoning district.

The Town of Smithfield Planning Department recommends approval of the request to amend the Town of Smithfield Unified Development Ordinance, Article 10, Section 10-1, Table of Permitted Uses/Conditional Use Districts to allow for parks and recreation areas within the LI (Light Industrial) zoning district.

The applicant, Steve R. Hargis, stated that he was in agreement with the testimony provided by Mr. Emblar.

Mayor Lampe asked if there were any questions/comments from those persons in the audience that were duly sworn to testify. There were none.

Mayor Lampe asked if there were any questions/comments from the Council. There were none.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to close the public hearing. Unanimously approved.

Councilman Ashley made a motion, seconded by Councilman Williams, to approve zoning amendment (ZA-14-03) that amends the Town of Smithfield Unified Development Ordinance, Article 10, Section 10-1, Table of Permitted Uses/Conditional Use Districts to allow for parks and recreation areas within the LI (Light Industrial) zoning district. Unanimously approved.

**ORDINANCE # 481
TO AMEND THE TOWN OF SMITHFIELD UNIFIED DEVELOPMENT ORDINANCE,
ARTICLE 10-1: ARTICLE 10, SECTION 10-1,
TABLE OF PERMITTED/CONDITIONAL USE DISTRICTS**

BE IT ORDAINED by the Town Council of the Town of Smithfield that Article 10, Section 10-1, Table of Permitted/Conditional Use Districts, Districts to allow for parks and recreational areas as a conditional use within the LI (Light Industrial) zoning district and shall read in its entirety as follows: (Excerpt from Permitted Use Chart)

ARTICLE 10. TABLE OF PERMITTED / CONDITIONAL USE DISTRICTS																	
PERMITTED USES	ICS*	R-6	R-8	R-10	R-20A	R-MH	PUD* *	RHO** *	O/I	B-1	B-2	B-3	ECOD***	LI****	HI*** *	AD	O S
PARKS AND RECREATION AREAS		C	C	C	C	C	P		P		P	P		<u>C</u>	C		

Duly adopted the 6th day of May 2014, by the Smithfield Town Council while in regular session.

4. Conditional Use Permit: Steve R. Hargis (CUP-14-05):

Mayor Pro-Tem Moore made a motion, seconded by Councilman Williams, to open the public hearing. Unanimously approved.

Planning Director Paul Emblar addressed the Council on a conditional use permit request by Steve R. Hargis. The applicant was seeking a conditional use permit to operate a warehouse and recreational facilities on properties located within a LI (Light Industrial) zoning district. The properties considered for approval are located on the east side of US 70 Business Highway West approximately 1000 feet north of its intersection with Cloverdale Drive and further identified as Johnston County Tax ID# 17J08001 and 17J08001C. Mr. Emblar explained that the proposed recreational facility is a permitted use within the LI (Light Industrial) zoning district with a Town Council approved conditional use permit. The applicant has provided a site plan as part of a complete application showing approximately thirty thousand square feet of a sixty thousand square foot warehouse facility being used towards the requested use. The building will house four basketball courts, restrooms, apparel shop, and concession stand. The site currently contains approximately 64 lighted and paved parking spaces. Overflow parking is located in the rear of the facility and should be

required to be constructed to Town standards if future needs dictate. The site is generally in compliance with what was originally approved by Johnston County in 1995 except for some missing and dead plant material which should be replaced prior to operation.

Planning Director Paul Emblar has incorporated his entire record and provided it to Council in written form in the May 6, 2014 agenda packet.

The Planning Board, at its May 1, 2014 meeting, unanimously voted to recommend approval of the conditional use permit to operate a warehouse and recreational facilities on properties located within a LI (Light Industrial) zoning district.

The Planning Department recommends approval of the Conditional Use Permit for a recreational facility providing the site is landscaped in accordance with the site plan approved by Johnston County in 1995 and to construct the parking area to Town standards if future needs dictate.

The applicant, Steve R. Hargis, stated that he was in agreement with the testimony provided by Mr. Emblar. Mr. Hargis asked that the Council consider allowing for a multi-purpose sports facility.

Mayor Lampe asked if there were any questions/comments from those persons in the audience that were duly sworn to testify. There were none.

Mayor Lampe asked if there were any questions/comments from the Council.

Mayor Pro-Tem Moore asked that the term multi-purpose be defined. Mr. Emblar responded that any type of high school court and/or field sports would be permissible in a multi-purpose sports facility.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to close the public hearing. Unanimously approved.

The Written Finding of Facts

At its May 6, 2014 regular meeting, The Town Council of the Town of Smithfield decided the matter of this Conditional Use Permit Application by motion and vote on each of the following four findings of fact.

- **Finding One of Four: Approved**

Based on the evidence and testimony presented, it is the finding of the Town Council that the application will not materially endanger the public health or safety if located where proposed and developed according to the plans as submitted and approved or is approved with the following stated conditions.

The proposed development will not endanger the public providing the plan meets all minimum required development regulations as found in the Town of Smithfield Unified Development Ordinance to include parking, landscaping, storm water, lighting, pedestrian circulation and all applicable fire and building codes.

- **Finding Two of Four: Approved**

Based on the evidence and testimony presented, it is the finding of the Town Council that the application meets all required specifications and conforms to the standards and practices of sound land use planning and the Town of Smithfield Unified Development Ordinance or other applicable regulations or is approved with the following additional stated conditions.

The applicant has provide a detailed site plan that meets all minimum development standards to include access, storm water, landscaping, buffers and parking and all other regulations to include fire and building codes and that all required improvements will be constructed prior to issuance of a zoning land use permit, and certificate of occupancy.

- **Finding Three of Four: Approved**

Based on the evidence and testimony presented, it is the finding of the Town Council that the application will not substantially injure the value of adjoining or abutting property and will not be detrimental to the use or development of adjacent properties or other neighborhood uses or is approved with the following additional stated conditions.

The proposed development will not substantially injure adjacent property values providing all minimum standards of the Town of Smithfield Unified Development Ordinance are met.

- **Finding Four of Four: Approved**

Based on the evidence and testimony presented, it is the finding of the Town Council that the application would not adversely affect the adopted plans and policies of the Town of Smithfield, or violates the character of existing standards for development of the adjacent properties or is approved with the following additional stated conditions.

The development proposal will not adversely affect the adopted plans and policies of the Town of Smithfield because the applicant has made clear his intent to meet or exceed all minimum development standards. In the event additional parking is needed beyond the first 80 spaces, the field behind the facility will be used as overflow parking.

Councilman Ashley made a motion, seconded by Councilman Scott to vote in the affirmative to the above four Finding of Facts for a multi-purpose sports facility. Unanimously approved.

Conditional Use Permit Approval

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Ashley, Based upon satisfactory compliance with the above four stated findings and fully contingent upon acceptance and compliance with all conditions noted herein and with full incorporation of all statements and agreements entered into the record by the testimony of the applicant and applicant's representative, I move to recommend approval of Conditional Use Permit Application # CUP-14-05 for a multi-purpose sports facility with the following conditions:

1. The site is landscaped in accordance with the site plan approved by Johnston County in 1995.
2. Construction of the parking area to Town standards if future needs dictate. The Planning Department will address any parking issues in the future.

Unanimously approved.

CITIZENS COMMENTS:

- Glenda Jordan – Ms. Jordan expressed her concerns about an article in *The Herald* regarding the electric funds transfers. She stated that citizens currently could not afford the high cost of electricity in the Town of Smithfield. She suggested that the Council consider raising property taxes to help generate revenue for the general fund. The added revenue would help eliminate the electric fund transfers and reduce the burden of the high utility bills on the citizens of Smithfield.

CONSENT AGENDA:

Councilman Williams made a motion, seconded by Mayor Pro-Tem Moore, to approve the following items as listed on the Consent Agenda:

1. Approval of Minutes:

April 1, 2014 – Regular Meeting
April 1, 2014 – Closed Session
April 2, 2014 – Special Meeting – FY 2014-2015 Budget
April 2, 2014 – Closed Session
April 8, 2014 – Special Meeting – FY 2014-2015 Budget
April 8, 2014 – Closed Session
April 22, 2014 – Special Meeting – FY 2014-2015 Budget
April 22, 2014 – Closed Session

2. Special Event – Woodall Heights Reunion. This outdoor event will be held on May 24, 2014 with amplified sound.
3. Special Event – The 3 Little Pigs Triathlon. Approved sworn officer assistance from the Smithfield Police Department for the triathlon.
4. Special Event – Relay for Life. This outdoor event is scheduled to be held June 6th and 7th. For informational purposes only as this was previously approved by Council as an annual event.
5. Approval to enter into a one year contract with Petway Mills & Pearson, PA to perform the Town's audit contract for fiscal year ending June 30, 2014.
6. Approval of one ten minute parking limit designation in front of We Ship IT!
7. Approval to add an additional "One Way" designation on South Front Street at Johnston Street.
8. Approval of a career ladder promotion and pay increase for one Police Officer.
9. Approval to fill an Electric Line Technician position due to a recent vacancy.
10. Approval to replace five part-time life guards at the Smithfield Recreation and Aquatics Center for the upcoming summer season.
11. Special Event – Memorial Day Remembrance event. This outdoor event will be held at the Johnston County Courthouse on May 26, 2014.

Unanimously approved.

BUSINESS ITEMS:

1. Resolution # 541 (03-2014) – Supporting the Johnston County Bike Routes.

Planning Director Paul Emblar addressed the Council on a request by the Johnston County Sports Council, a subcommittee of the Johnston County Visitors Bureau. They have been working on designation of bike routes throughout the county. NCDOT and the Johnston County Planning Department have been working with the Sports Council throughout the process to assure that the bike routes (which are mostly in the County's jurisdiction) comply with local and state laws and ordinances. The routes have been finalized and reviewed by NCDOT, the County and the affected municipalities' staffs.

In order to receive NCDOT funding from the Transportation Improvement Plan (TIP) for the bike routes for the purpose of providing signage and future bike lanes, the proposed routes must be adopted by resolution by various local governments (Benson, Clayton, Archers Lodge, Wilsons Mills, Kenly, Pine Level, Four Oaks and Smithfield.).

Councilman Ashley made a motion, seconded by Councilman Williams, to adopt Resolution # 541 (04-2014) supporting the Johnston County Bike Routes. Unanimously approved.

RESOLUTION #541 (03-2014)

SUPPORTING JOHNSTON COUNTY BIKE ROUTES

WHERE AS, tourism in Johnston County is a \$197 million dollar industry and is vital to small business owners along Interstates 95 and 40 and US Highway 70, such as, hotels, restaurants, shopping, attractions, and transportation services; and

WHERE AS, tourism in Johnston County provides over 4000 jobs and \$29 million in payroll in the county and generates over \$15 million in state and local taxes; and

WHERE AS, the Johnston County Sports Council and the Johnston County Tourism Authority recognize the potential for sports and recreation to drive additional tourism dollars to the county; and

WHERE AS, bicycle tourism is a growing industry in North Carolina, contributing to the economies of communities that provide facilities for such tourist; and

WHERE AS, several well established bike routes are utilized every day by biking enthusiasts; and

WHERE AS, bike routes are currently identified in the Johnston County Comprehensive Land Use Plan; and

WHERE AS, the Johnston County Sports Council has expanded town bike routes to include county roads which have been vetted by the NC Department of Transportation; and

WHERE AS, the Johnston County Visitors Bureau will market these four bike routes to attract visitors to the county through brochures and with online maps; and

WHERE AS, each community touched by these bike routes have reviewed each route as it pertains to their transportation plan,

NOW, THEREFORE, LET IT BE RESOLVED THAT: THE TOWN COUNCIL OF THE TOWN OF SMITHFIELD, supports and adopts the approved Johnston County Bike Routes presented by the Johnston County Sports Council.

Duly adopted the 6th day of May 2014, by the Smithfield Town Council while in regular session.

2. Contract Approval – CrossPoint Telecom & Consulting, LLC. to review the Town’s Telecommunication services.

Finance Director Greg Siler addressed the Council on a request to enter into contract with CrossPoint Telecom & Consulting, LLC. to review the Town’s telecommunication services. Mr. Siler explained that quotes were solicited from telecommunications companies to review Smithfield’s telecommunications service accounts (local, long distance, data, and wireless) to seek cost recovery, service elimination and cost reduction recommendations. All recommendations for improvements are subject to the Town’s approval. Any recommendations acted upon by the Town within twelve (12) months of submission by the company making the recommendation is due to be paid a fee for its’ finding and recommendation.

CrossPoint Telecom & Consulting and SpyGlass Group submitted proposals to review the Town’s telecommunication services. Their costs are outlined below.

	<u>CrossPoint</u>	<u>SpyGlass</u>
Cost Recovery	50% of savings	50% of savings

Service Elimination		50% of savings	100% for 12 months
Cost Reduction		50% for 12 months	100% for 12 months
Flat Fee		\$250	0

Councilman Williams made a motion, seconded by Councilman Ashley, to approve the contract with CrossPoint Telecom & Consulting, LLC. Unanimously approved.

3. Resolution # 542 (04-2014) – Modifying the Electric Fund Revenue Bond Rate and payment with Southern Bank.

Finance Director Greg Siler addressed the Council on consideration to approve a resolution modifying the electric fund revenue bond rate and payment with Southern Bank. Mr. Siler explained that Southern Bank has agreed to reduce the Town’s rate of interest on the Electric Revenue Bond loan (from 4.03 percent to 3.25 percent). The original loan of \$5 million was taken out in August, 2007, for 20 years. The principal balance outstanding today is 3.888 million with 14 remaining annual payments. Interest will continue to accrue at the current rate of 4.03 percent until the date of actual rate modification. From that date forward, the interest would accrue at the new rate of 3.25 percent. This fiscal year’s principal and interest payment of \$368,887 has already been paid. To avoid paying accrued interest (approximately \$126,602) again this fiscal year, the next scheduled payment on August 15, 2014, will remain at the current amortized rate of \$368,887. Hence, no savings will be realized in FY15, but each year thereafter the reduce payment will be \$342,992. Saving will be approximately \$25,895 per year or approximately \$232,000 over the remaining 13 annual payments.

This rate and payment modification will not amend the provision in the bond agreement to maintain 120 percent debt service coverage ratio that was noted in the Town’s FY13 audit.

Councilman Scott made a motion, seconded by Councilman Ashley, to approve Resolution # 542 (04-2014) – Modifying the Electric Fund Revenue Bond Rate and payment with Southern Bank and the modification agreement. Unanimously approved.

RESOLUTION #542 (04-2014)

Approving an Agreement

To Reduce the Interest Rate on the Town’s Existing Electric System Revenue Bond

WHERE AS, The Town of Smithfield has previously issued its \$5,000,000 Electric System Revenue Bond, Series 2007 (the “Bond”), to Southern Bank and Trust Company (the “Bank”) to provide financing for the construction of an electric substation; and

WHERE AS, at the Town’s request, the Bank has agreed to lower the annual interest rate on the remaining balance of the Bond from 4.03% to 3.25%. The other terms of the Bond will remain unchanged, except that the amount of future annual payments will go down to reflect the lower interest rate; and

WHERE AS, presented to the Town Council a draft of a Modification Agreement to be dated as of May 10, 2014, to carry out this rate reduction.

NOW, THEREFORE, LET IT BE RESOLVED THAT the Town Council of the Town of Smithfield, North Carolina, as follows:

1. **Approval of Modification** -- The Council approves the interest rate reduction described above.
2. **Approval of Modification Agreement** -- The Mayor or the Town Manager (or either of them) is authorized to execute and deliver the Modification Agreement in its final form. The Modification Agreement in its final form must be in substantially the form submitted to this meeting, which is hereby approved, with such changes as the officer signing the final form agreement may approve.
3. **Ratification of Existing Proceedings** -- Except as described in this resolution and the Modification Agreement, the Town ratifies and confirms the remaining provisions of the Bond and of the Bond Order and the Series Resolution, each adopted by the Council on August 15, 2007, which provided for the issuance of the Bond.
4. **Miscellaneous Provisions** -- All Town officers and employees are authorized to take all such further action as they may consider necessary or desirable in furtherance of the purposes of this resolution. All such prior actions of the Town officers and employees are ratified. All other Council proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

Duly adopted the 6th day of May 2014, by the Smithfield Town Council while in regular session.

4. Approval of an IT Assessment to be conducted by Alphanumeric and to amend the FY 2013-2014 in the amount of \$9,000 to fund the assessment.

Town Manager Paul Sabiston addressed the Council on a request to approve an IT Assessment to be conducted by Alphanumeric and to amend the FY 2013-2014 in the amount of \$9,000 to fund the assessment. Mr. Sabiston explained that during the budget meetings, the Council discussed the need for an assessment of the Town's information technology services. As a result of this discussion, staff has contacted Alphanumeric Systems, Inc. to perform the assessment. Alphanumeric will perform the assessment and provide a detailed report of the results of their findings and any recommendations revealed in the process. They will require approximately two weeks of engineering time at a total cost not to exceed \$9,000.00. Staff is recommending that contingency funds be utilized to pay for the cost associated with the assessment.

Mayor Pro-Tem Moore made a motion, seconded by Councilman Williams, to approve an IT Assessment to be conducted by Alphanumeric in an amount not to exceed \$9,000.00. Unanimously approved.

5. Employee Plan Renewals for Healthcare, Dental, and Life/AD&D Renewal and Employee Voluntary Insurance Options for FY 2014-2015

Town Manager Paul Sabiston and Human Resources Director Tim Kerigan addressed the Council on consideration to authorize staff to renew the annual employee primary health insurance, dental insurance and life/AD&D insurance for FY 2014-2015. Mr. Sabiston explained that the current proposed FY 2014-2015 budget estimated a 15% increased renewal rate over FY 2013-2014. The Town's actual increased renewal rate is 11.96%. Also requested was authorization to allow staff to renew the annual employee voluntary insurance options for FY 2014-2015 through Municipal Benefits, Inc. This would include all full-time employee-paid insurance options including short-term disability, long-term disability, group term life, guaranteed issue whole life, group critical illness, group cancer coverage, group accident coverage, vision care and other possible offerings. There is no cost to the Town for these offerings and are absolutely optional for our employees.

Councilman Scott questioned if employee co-pays and prescription costs would increase. Mr. Kerigan responded that they would remain the same.

Councilman Scott questioned if employee benefits were put out for bid. Mr. Sabiston responded that they were not.

Councilman Williams questioned if the employees were satisfied with the health insurance. Mr. Sabiston responded that First Carolina Care has done an excellent job. Mr. Kerigan responded that the employees were pleased with the insurance.

Councilman Williams made a motion, seconded by Councilman Ashley, to authorize staff to renew the employee's primary health insurance with First Carolina Care, dental insurance with Guardian and Life/AD&D Insurance with Lincoln Financial for FY 2014-2015 and to authorize staff to renew employee-paid voluntary insurance options through Municipal Benefits, Inc. for FY 2014-2015. Unanimously approved.

6. Workers' Compensation Renewal for FY 2014-2015

Town Manager Paul Sabiston addressed the Council on a request to authorize staff to renew the annual workers' compensation insurance coverage for FY 2014-2015. The workers' compensation insurance trust is administered by the North Carolina League of Municipalities. The renewal amount of \$279,765.81 has been included in the proposed budget line item 10-4110-5400 for FY 2014-2015.

Councilman Scott questioned if this item was or could be put out for bid. Mr. Sabiston responded that it is common practice for municipalities to utilize the services of the North Carolina League of Municipalities for workers' compensation.

Mayor Pro-Tem Moore made a motion, seconded by Councilman Williams, to authorize staff to renew the Workers' Compensation Insurance with the North Carolina League of Municipalities for FY 2014-2015. Unanimously approved.

7. Planning Board In-Town Member appointment

Town Manager Paul Sabiston addressed the Council on consideration to appoint a citizen to the Planning Board to serve as an In-Town member. Applications were received from David Auge and Michael Johnson. Current Planning Board member, John "Jack" Matthews, submitted an application for reappointment.

Councilman Williams made a motion, seconded by Mayor Pro-Tem Moore, to reappoint Mr. Matthews to serve on the Planning Board as an In-Town member. Unanimously approved.

8. Planning Board ETJ appointment recommendation to the Johnston County Board of Commissioners.

Town Manager Paul Sabiston addressed the Council on a recommendation to the Johnston County Board of Commissioners to appoint a citizen to serve on the Planning Board as an ETJ member. An application was received from Zachary Crocker concerning this appointment. Current Planning Board member, Ashley Spain, submitted an application for reappointment.

Councilman Scott made a motion, seconded by Councilman Williams, to recommend to the Johnston County Board of Commissioners that Ashley Spain be reappointed to serve on the Town of Smithfield Planning Board as an ETJ member. Unanimously approved.

9. FY 2013-2014 Budget Amendments

Finance Director Greg Siler addressed the Council on various FY 2013-2014 budget amendments.

Councilman Williams asked for clarification on budget amendment 4, 5 and 6. Mr. Siler explained that budget amendment 4 was created to establish and fund The Raleigh Area Development Authority (RADA) grant and expenditures. Mr. Siler further explained that budget amendments 5 and 6 were capital projects funds not transferred in prior years.

Councilman Williams made a motion, seconded by Mayor Pro-Tem Moore to approve the amendments to the FY 2013-2014 budget as presented. Unanimously approved.

Town of Smithfield

May, 2014

	<u>Description</u>	<u>Previous</u>	<u>Increase (Decrease)</u>	<u>Amended</u>
1. Expenditures				
10-6220-1700	SRAC - Equipmt Maintenance/Repair	\$ 20,000.00	\$ 19,887.00	\$ 39,887.00
10-4100-3400	General Government - Contingency	\$ 287,294.00	\$ (19,887.00)	\$ 267,407.00
		\$ 307,294.00	\$ -	\$ 307,294.00
Justification: To purchase one splash pool heater (\$4,800 Town's part) as approved at the March 4, 2014, Board Meeting				
To purchase one splash pool heater and two regular pool heaters (\$11,562 town's part), repair one UV System (\$3,025 town's part) as approved at the April 1, 2014, Board Meeting				
2. Revenue				
10-3700-0001	Economic Dev. Plan Contributions	\$ -	\$ 10,000.00	\$ 10,000.00
Expenditure				
10-4110-3502	Non-Dept.: Economic Dev Study	\$ -	\$ 10,000.00	\$ 10,000.00
Justification: To establish and fund Sanford Holshouser Economic Development Plan Study as approved at the Mach 4, 2014, Board Meeting.				
3. Revenue				
10-3560-0005	SRAC-Concessions/Pro Shop	\$ 25,000.00	\$ 5,000.00	\$ 30,000.00
Expenditure				
10-6220-4000	Concessions/Pro Shop	\$ 20,000.00	\$ 5,000.00	\$ 25,000.00
Justification: To increase Concessions /Pro Shop budget to accommodate greater than anticipated sales				
4. Revenue				
10-3900-1700	Grant Revenue	\$ 4,000.00	\$ 18,604.00	\$ 22,604.00
Expenditure				
10-4110-5706	Non-Dept./RADA Community Development	\$ -	\$ 18,604.00	\$ 18,604.00
Justification: To establish and fund The Raleigh Area Development Authority (RADA) grant and expenditures				
5. Revenue				
30-3970-0700	Water/Sewer Fund Balance Approp.	\$ -	\$ 244,540.00	\$ 244,540.00
Expenditure				
30-7220-9101	Water/Sewer Dist.- Transfer to W/S CPF	\$ 128,270.00	\$ 244,540.00	\$ 372,810.00
Justification: To bring forward capital projects funds not transferred in prior years. Transfers of \$308,000				

and \$143,000 were budgeted in FY12 and 13 respectively, but transfers weren't completed. The transfers				
were to fund the relocation of utility lines for Highway 70 bridge replacement				
6. Revenue				
31-3970-0000	Electric Fund Balance Approp.	\$	-	\$ 140,000.00 \$ 140,000.00
Expenditure				
31-7230-9102	Electric - Transfer to Electric CPF	\$	-	\$ 140,000.00 \$ 140,000.00
Justification: To bring forward capital projects funds not transferred in prior years. Transfers of \$65,000				
and \$75,000 were budgeted in FY12 and 13 respectively, but transfers weren't completed. The transfers				
were to fund routine equipment and utility pole replacement				
Approved by the Smithfield Town Council this the 6th day of May, 2014				

10. Parks and Recreation Budget Amendment Request

Parks and Recreation Director Tim Johnson addressed the Council on a request for a budget amendment that would transfer an overage in a revenue account to an expenditure line item to replace 4 irreparable scoreboards at Community Park and 1 at the Civitan Youth Baseball Field. The cost of the 5 scoreboards was \$19,908.00. Mr. Johnson explained that the excess revenue collected (Recreation Contributions: account # 10-3560-0000) derives from contributions, tournament fees, field rentals, concession contract, etc. and grant funding from the Johnston County Visitors Bureau in the amount of \$10,000. There was a balance of \$34,721.00 in the line item.

Councilman Scott questioned if the scoreboards were inoperable and how long they have been out of service. Mr. Johnson explained that they all are in working order, but the scoreboard technology is antiquated.

Councilman Scott questioned if the replacement for these scoreboards were put out for bid. Mr. Johnson responded that several vendors were solicited and the quoted amounts were basically the same.

Councilman Williams questioned if grant monies received from Johnston County Parks and Recreation grant program would be used for Smith Collins Park along with any overages in the recreation contributions line item. Mr. Johnson responded that it was his understanding that any monies received from Johnston County would be used for Smith Collins Park improvements.

Councilman Scott questioned if the proposed overage could be used for Smith Collins Park improvements instead of scoreboard replacements. Mr. Johnson responded that he would follow the direction of the Council.

Councilman Lee stated that the overage in the recreation contributions line item should be allocated to Smith Collins Park improvements because this was guaranteed money whereas the Johnston County Parks and Recreation grant funding was not guaranteed.

Councilman Scott made a motion, seconded by Councilman Lee, to allocate \$20,000 from the recreations contribution line item proposed for scoreboards to the Smith Collins Park improvements and to plan for the replacement of the scoreboards in the FY 2014-2015 budget. Unanimously approved.

Mayor Pro-Tem Moore questioned the plan for improvements at the Smith Collins Park. Councilman Ashley responded that a meeting should be scheduled with the committee to determine what improvements are most needed.

Mayor Pro-Tem Moore stated that it was his understanding that Smithfield and Selma would share allocated funding from the Johnston County Parks and Recreation grant. Mr. Johnson responded that fact was unknown at this time.

Mayor Pro-Tem Moore stated that at a recent budget meeting, the Council approved any funding awarded from the Johnston County Parks and Recreation grant would be allocated for Smith Collins Park improvements. He questioned if those funds would still be allocated to Smith Collins Park since \$20,000 was just allocated by the Council.

Councilman Scott made a motion, seconded by Councilman Williams, to allocate any funds received from the Johnston County Parks and Recreation grant to fund the replacement of scoreboards.

Mayor Pro-Tem Moore asked Mr. Johnson to devise a Parks and Recreation Improvement plan for all the parks in Smithfield.

11. Contract Agreement – St. Joseph’s of the Pines Rural Economic Development Building Reuse Program Grant.

Town Manager Paul Sabiston addressed the Council on consideration to approve a contract agreement for the St. Joseph’s of the Pines Rural Economic Development Building Reuse Program Grant. Mr. Sabiston explained that in June 2013, the Town of Smithfield was awarded grant funding by the Rural Economic Development Center under the Rural Hope Initiative Program. Funds were awarded in the amount of \$200,000 to assist the non-profit organization, St. Joseph’s of the Pines, to renovate the old Heileg Meyers building in West Smithfield for an adult day-care facility. This grant does not require matching funds from the Town. All matching funds will be paid by the applicant.

Town Attorney Bob Spence explained that after reviewing the contract, it was not a great contract to be entering into. Mr. Spence stated that most, if not all, governmental grant contracts are written in the manner presented to Council. In order to receive the funding, the application must be approved and executed.

Mayor Pro-Tem Moore made a motion, seconded by Councilman Ashley, to approve the contract agreement as submitted. Unanimously approved.

12. Resolution # 543 (05-2014) – Accepting the Preliminary Engineering Report (PER) for raw water improvements and augmentation prepared by the Wooten Company.

Town Manager Paul Sabiston addressed the Council on a request to approve the PER prepared by the Wooten Company. Mr. Sabiston explained that on April 30, 2014, The Wooten Engineering firm presented its preliminary engineering report regarding the water plant’s in-take system. At this meeting, discussion included adopting a resolution approving and accepting the PER prepared by the Wooten Company.

Councilman Ashley made a motion, seconded by Councilman Scott, to approve Resolution # 543 (05-2014) – Accepting the Preliminary Engineering Report (PER) for raw water improvements and augmentation prepared by the Wooten Company. Unanimously approved.

RESOLUTION #543 (05-2014)

RESOLUTION ACCEPTING AND APPROVING THE PRELIMINARY ENGINEERING REPORT FOR RAW WATER IMPROVEMENTS AND AUGMENTATION PREPARED BY THE WOOTEN COMPANY

WHEREAS, the Town of Smithfield was awarded grant assistance for the Preliminary Engineering Report for Raw Water Improvements project from the Planning Grants Program by the Rural Center; and

WHEREAS, The Town of Smithfield retained The Wooten Company to prepare a Preliminary Engineering Report (PER) to address raw water improvements at the water treatment plant; and

WHEREAS, at a Special meeting of the Town Council held on April 30, 2014, the Wooten Company presented a summary of the PER and offered a recommended alternative.

NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of Smithfield that the Raw Water Improvements and Augmentation Preliminary Engineering Report prepared by the Wooten Company is hereby accepted and approved

BE IT FURTHER RESOLVED, that the Town Council authorizes the preparation of the request for final reimbursement from the Rural Center.

Duly adopted the 6th day of May 2014, by the Smithfield Town Council while in regular session.

13. Approval to authorize the Wooten Company to make application for CDBG Grant Funding

Town Manager Paul Sabiston addressed the Council on a consideration to authorize the Wooten Company to make application for CDBG grant funding. Mr. Sabiston explained that on April 30, 2014, the Wooten Engineering firm presented its preliminary engineering report regarding the water plant's in-take system. At this meeting, discussion included authorizing the Wooten Company to make application for CDBG grant funding for the Town's water in-take according to the scope of work for services in the amount of up to \$7,000.00. Recommendation is that contingency funds be utilized for these services.

Mayor Pro-Tem Moore made a motion, seconded by Councilman Scott, to authorize the Wooten Company to make application for CDBG grant funding and approve the scope of work not to exceed \$7,000.00. Unanimously approved.

Councilmembers Comments:

- Councilman Scott expressed his appreciation to Downtown Smithfield Development Corporation Interim Director Sarah Edwards and to the Public Works staff for all their hard work during the Ham and Yam Festival.
- Councilman Lee stated that he stands for East Smithfield. He further stated that the citizens of East Smithfield are still a part of the Town and should be treated as such.

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 March 31, 2014 were \$1,033,973. Year to date revenues for FY 2013-2014 general fund were \$11,667,973. The general fund expenditures for the month ending March 31, 2014 were \$794,320 and YTD expenditures were \$8,598,283.

- **Manager's Updates**

An update was given to the Council on the following projects

- East Smithfield Improvement Organization's concerns about various conditions in East Smithfield.

- Mr. Sabiston expressed his appreciation to Downtown Smithfield Development Corporation Interim Director Sarah Edwards, the Police Department staff, the Fire Department staff and Public Works staff for their hard work during the Ham and Yam Festival.
- Smithfield Crossings Project – The road was scheduled to be completed and opened by May 13th.

Councilman Scott stated that the traffic pattern seemed awkward. Mr. Scott asked if there were any future plans for the roadway behind the restaurants. Mr. Sabiston stated that staff was investigating additional signage and possibly some sort of speed bumps/tabletops to slow down the traffic in the area.

Councilman Scott asked if an open meeting could be held to explain utility rates to the citizens of Smithfield. Mr. Scott requested an analysis of electric rates and how they are comparable to Duke Energy Progress.

It was the consensus of the Council to postpone the May 7th budget meeting until Tuesday, May 20th.

Adjourn

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

The meeting adjourned at approximately 9:46 pm.

ATTEST:

John H. Lampe II., Mayor

Shannan L. Williams, Town Clerk