

The Smithfield Town Council met in regular session on Tuesday, February 7, 2017 at 7:02 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Emery Ashley, Mayor Pro-Tem
J. Perry Harris, District 2
Travis Scott, District 3
John A. Dunn, At-Large
Stephen Rabil, At-Large

Councilmen Absent

Marlon Lee, District 1
Roger A. Wood, District 4

Administrative Staff Present

Michael Scott, Town Manager
John Blanton, Fire Chief
Lenny Branch, Public Works Director
Ted Credle, Public Utilities Director
Paul Embler, Planning Director
Veronica Hardaway, Deputy Town Clerk
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
R. Keith Powell, Chief of Police
Greg Siler, Finance Director
Shannan Williams, Town Clerk

Present:

Bob Spence, Town Attorney
Bill Dreitzler, Town Engineer

Administrative Staff Absent

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

APPROVAL OF AGENDA:

Councilman Scott made a motion, seconded by Mayor Pro-Tem Ashley, to approve the agenda as written.

Unanimously approved.

PRESENTATIONS: None

PUBLIC HEARING:

1. Local Government Commission Financing for the Booker Dairy Road Project

Mayor Pro-Tem Ashely made a motion, seconded by Councilman Harris to open the Public Hearing. Unanimously approved.

Finance Director Greg Siler explained that in accordance with North Carolina General Statute 160A-20, it required a unit of local government to hold a public hearing before entering into a contract involving the purchase or improvement of real estate. The purpose of the public hearing was to allow citizen input on an application to the Local Government Commission for the financing of the Booker Dairy Road Project. Mr. Siler explained that the Town of Smithfield is considering financing the relocation and extension of the Town's Water Distribution System in the right-of-way of Booker Dairy Road (SR1923) in accordance with NCDOT TIP Project U-33348. This project includes the following: the widening of Booker Dairy Road for Buffalo Road to Bradford Street, construction of Booker Dairy Road from Bradford Street to existing Ava Gardner Drive, and reconstruction of Ava Gardner Drive from the newly constructed Booker Dairy Road Extension to US-301. The loan amount is approximately \$2,037,249. Interest is fixed at a rate of 2.03% for 7 years. Payments would be made twice a year at \$156,838 or \$313,675 annually. It is anticipated that within a two year timeframe the loan will be paid down by approximately \$500,000 with NCDOT reimbursement proceeds; at

which time the loan can be amortized for the remaining 5 years at the reduced principal balance.

As required by the Local Government Commission, the Town must estimate the impact on rates to cover the annual debt service. For illustrative purposes only, a water increase of .73 cents per 1000 gallons is needed to meet the annual loan payment of \$313,676. This estimate is for informational and reference purposes in evaluating the potential impact of this project on the town's budget and financial condition. This project is included in the Town's annual Capital Improvements Plan (CIP), and estimated debt service requirement is included in the latest rate model study.

Mayor Moore asked if there were any comments/questions from those that wished to speak on this matter. There were none.

Mayor Moore asked if there were any questions from Council.

Mayor Pro-Tem Ashley asked if this project would provide stability and increased water pressure for the area. Public Utilities Director Ted Credle responded that it would provide both stability and increased supply and water pressure in the area.

Councilman Harris made a motion, seconded by Councilman Rabil, to close the Public Hearing. Unanimously approved.

Councilman Harris made a motion, seconded by Mayor Pro-Tem Ashley, to adopt Resolution #597 (02-2017) authorizing the filing of an applicant for approval of financing agreement authorized by North Carolina General Statute 160A-20. Unanimously approved.

RESOLUTION #597 (02-2017)

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the Town of Smithfield, North Carolina, desires to secure financing for the relocation and extension of the Town's Water Distribution System in the Right-Of-Way of Booker Dairy Road (SR1923) in accordance with NCDOT TIP Project U-33348 to better serve the citizens of Smithfield and

WHEREAS, The Town of Smithfield, North Carolina, desires to finance the Projects by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Smithfield, North Carolina, meeting in regular session on the 7 day of February, 2017, make the following findings of fact:

1. The proposed contract is expedient because the relocation and extension of the Town's Water Distribution System in the Right-Of-Way of Booker Dairy Road (SR1923) will benefit the Town in multiple ways. The immediate benefit is the increase in the pipe diameter thereby increasing the water pressure in an area plagued by low pressure issues. The added diameter in the water main will also allow the Town to provide a greater quantity of water to that area of the Town which is most likely to grow in the next 0-10 years. Since the Town's inter-connection with Johnston County is in close proximity to Booker Dairy Road, this increase in potential supply will also make more water available for Johnston County to assist in their growing supply needs as well, and the proposed contract would make the project feasible while ensuring proper debt management.
2. This project keeps the Town in compliance with the encroachment agreement executed between the Town and the NCDOT, when Booker Dairy Road was constructed. Since the agreement mandates

the relocation of the water line as the road widens, there is really no other option. The Town decided to use the mandatory relocation as an opportunity to address some deficiencies in the Town's water distribution system.

3. The proposed contract is preferable to a bond issue for the same purpose because the Town can relocate and extend the water line in a more timely manner while taking advantage of current purchase cost and practicing proper debt management. The Town can also service the debt on this project, fund other projects, and keep a healthy fund balance without significantly increasing the tax burden on the residents of the Town. The proposed amount of up to \$2,037,249 could not be prudently raised with current appropriations, unappropriated fund balance and non-voted bonds that could be raised in a timely manner.
4. The cost of financing under the proposed contract is expected to be approximately the same as the costs of issuing general obligation bonds.
5. The sums to fall due under the contract are adequate and not excessive for the proposed purpose. The Town will carefully review proposed financing rates with the help of the LGC and will closely monitor proposed construction costs to ensure sums are not excessive.
6. The Town of Smithfield debt management procedures and policies are good, as verified by the Town's Finance Director and through annual audits. The Town is in compliance with all applicable laws and will continue to manage its debt in such a manner.
7. The maximum increase in taxes necessary to meet the sums to fall due under the proposed contract will be no greater than 0 cents per \$100 valuation and is not deemed to be excessive.
8. The Town of Smithfield, North Carolina, is not in default in any of its debt service obligations.
9. The attorney for the Town of Smithfield has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Interim Town Manager is hereby authorized to act on behalf of the Town of Smithfield, North Carolina, in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 7 day of February, 2017.

The motion to adopt this resolution was made by Councilman Harris, seconded by Mayor Pro-Tem Ashley and passed by a vote of 5 to 0.

CITIZENS' COMMENTS:

- Brian Barefoot, Atlantic Resources Inc., 1515 S Brightleaf Boulevard, provided an update to the Council on Hurricane Matthew clean-up efforts. He stated he is in the process of handing everything over to the SBA to finalize their plan for compensation from the damages caused by Hurricane Matthew. Mr. Barefoot explained he received a list from his case agent with SBA requesting an engineer's report from the Town with estimates in repairs to the ARI building both inside and outside the perimeter of the property. He asked if the Town could assist with the engineer's report. The case agent also requested to include the cleanup of the ditch behind the building; as well as, any pieces and parts that have floated out around the area. To date, the company has spent \$385,000 with no return from SBA. Mr. Barefoot stated he has applied for a small grant from Carolina Small Business Fund and has converted their original CDBG grant over to hurricane cleanup however; the business will still keep the same job process. He requested a meeting at his business to review flood areas as the SBA is requiring him to purchase flood insurance. Mr. Barefoot conveyed his appreciation for all the Town has done.

- Susanne Mitchell, Principal at Selma Elementary, asked for support for Smithfield Selma Strong Community Day. This event will take place at the Smithfield Selma High School football field on April 22, 2017 from 11am-1pm. The goal of this event is to bring the Smithfield Selma community together to celebrate our community with entertainment by school groups, vendors, exhibits, and hayrides. Games and events will be free, food will be available for purchase from local businesses, and everyone is welcome. Ms. Mitchell thanked the Council for their continued support of our local schools.

Councilman Harris thanked the school administrators present for taking the initiative to do something great like this.

- Charles Forte, 303 Oak Street, stated he met with Town Manager Michael Scott regarding an outstanding utility bill. He stated he was charged for a back bill in the amount of \$1,790.81, but was not in agreeance. He stated he also received a new bill in the amount of \$299.72 which can't be accurate due to the power being shut off on 12/7/2016. He explained that Mr. Scott proposed he pay half of the debt, \$894.40, up front and in turn would allow him to pay a \$250 deposit in lieu of the full \$500 deposit amount. He also stated Mr. Scott would allow him to make \$50/month payments to pay off the debt. Mr. Forte stated he does not agree with the outstanding amount and believes he is being treated unfairly. He made a proposal to the Council that he would pay \$790.81 if the Council would forgive \$1,000.

Town Manager Michael Scott conveyed he would be happy to meet with Mr. Forte again to examine the new bill in question.

Councilman Scott apologized to Mr. Forte on behalf of the Town. He explained to Mr. Forte if he would provide Council with consent they could review his bills. He conveyed to Mr. Forte the Council has to make a decision that would be fair to all Smithfield citizens.

Charles Forte gave the Council full permission to access his billing information.

- Lucy Washington, 46 Birch Street, stated there is a For Sale sign on Market Street between Pine Street and Oak Street that is obstructing the view of drivers and making for a dangerous situation. The sign is sitting too close to the road and should be moved back.

Mayor Moore stated the Council will contact the owner of the sign to see if it can be moved.

- Sarah Edwards, Downtown Smithfield Development Corporation (DSDC) Executive Director, stated she attended the County Commissioners meeting and shared with them her letter regarding the proposed location of the Safety Center. DSDC feels the center will be beneficial for downtown to remain downtown as well as the county and taxpayers. She explained to the Council if they need any assistance with the process to keep the center downtown please let her know.

Sarah informed the Council of Downtown Customer Appreciation Week that will be held 2/7/2017-2/14/2017. She stated 26 local businesses will be participating in running specials and giving back to customers.

CONSENT AGENDA:

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

1. Approved the following Minutes:

January 3, 2017 – Regular Meeting
January 3, 2017 – Closed Session

2. Approved Various Budget Amendments

BUDGET AMENDMENTS						
February, 2017						
Part II						
				BEFORE	ADJ.	AFTER
WATER/SEWER CAPITAL PROJECTS FUND						
1. Expenditure						
45-7200-7408 Grid Bee Mixers				\$ -	\$ 65,000	\$ 65,000
45-7200-7405 Intake Sand Removal				\$ 530,000	\$ (65,000)	\$ 465,000
				<u>\$ 530,000</u>	<u>\$ -</u>	<u>\$ 530,000</u>
To establish and fund four (4) mixers for Water Plant						
GENERAL FUND				BEFORE	ADJ.	AFTER
1. Expenditure						
10-9990-5300 General Fund Contingency				\$ 173,552	\$ (50,120)	\$ 123,432
10-6200-7400 Recreation - Capital Outlay				\$ 126,261	\$ 50,120	\$ 176,381
				<u>\$ 299,813</u>	<u>\$ -</u>	<u>\$ 299,813</u>
To fund the cost of river bank repair next to walking trail as approved at the October 4, 2016 Council Meeting						
GENERAL CAPITAL PROJECTS FUND						
2. Revenue						
46-3900-4112 Building Reuse - ARI Contribution				\$ -	\$ 22,250	\$ 22,250
46-3900-4113 Building Reuse - RIA Grant				\$ -	\$ 175,000	\$ 175,000
				<u>\$ -</u>	<u>\$ 197,250</u>	<u>\$ 197,250</u>
Expenditure						
46-4110-3200 Building Reuse - ARI				\$ -	\$ 183,750	\$ 183,750
46-4110-3201 Building Reuse - Consultant				\$ -	\$ 13,500	\$ 13,500
				<u>\$ -</u>	<u>\$ 197,250</u>	<u>\$ 197,250</u>
To establish and fund the Rural Infrastructure Authority Grant (AKA The Building Reuse Grant for Atlantic Resources, Inc.) and Professional Services Agreement with Greene and Associates as approved at the January 5, 2016 and February 2, 2016 Council Meetings respectively						

3. Approved Concessions Contract

A copy of the contract is on file in the Office of the Town Clerk

4. Approved the purchase of a new generator in the amount of \$46,000 for the Operations Center

5. Approved the purchase new chemical tanks (alum & caustic) in the amount of \$22,135.32

6. Approved a career ladder promotion for an employee at the Water Plant. This increase will promote the employee from Water Plant Operator I (Grade 12) to Water Plant Operator II (Grade 13)

7. Advisory Board Appointments

- Michael Exum Johnson was reappointed to serve a second term on the Board of Adjustment.
- Robbie Parker was reappointed to serve a fourth term on the Parks and Recreation Advisory Committee.

- Crystal Kimpson Roberts was appointed to a first term on the Library Board of Trustees.
- Eddie Foye, Jr. was appointed to a first term on the Parks and Recreation Advisory Committee.

8. Economic Development Update; Strategic Economic Development Action Items

9. New Hire Report

<u>Filled Position</u>	<u>Department</u>	<u>Budget Line</u>	<u>Rate of Pay</u>
Animal Control Officer	Police	10-5100-0200	\$14.45/hr (\$30,056.00/yr)
Admin Support Specialist	Planning	10-4900-0200	\$13.76/hr (\$28,260.80/yr)
Facility Maint. Specialist	PW – Sanitation	10-5800-0200	\$10.75/hr (\$22,230.00/yr)
Equipment Operator	PW – Sanitation	10-5800-0200	\$13.10/hr (\$27,248.00/yr)
Equipment Operator	PW – Sanitation	10-5800-0200	\$13.10/hr (\$27,248.00/yr)
Water Plant Operator I	PU – Water Plant	30-7200-0200	\$14.45/hr (\$30,056.00/yr)

In addition, please find the following current vacancies:

<u>Position</u>	<u>Department</u>	<u>Budget Line</u>
Code Enforcement Officer	Planning	10-4900-0200
Police Officer	Police	10-5100-0200
Equipment Operator	PW – Sanitation	10-5800-0200
Appearance Crew Leader	PW – General	10-5500-0200
Facility Maint. Supervisor	P&R - Recreation	10-6200-0200

Unanimously approved.

BUSINESS ITEMS:

1. Consideration and Approval of the lowest bidder for financing of the Booker Dairy Road Project estimated cost \$2,037,249.

Finance Director Greg Siler addressed the Council on financing for the Booker Dairy Road Project. Mr. Siler explained a request for proposal was sent out on January 20, 2017 to eight (8) lenders soliciting financing bids on the Booker Dairy Road Project. The relocation, extension, or expansion of the water line along Booker Dairy Road will take part in three phases and they are as follows:

- Widening of the Booker Dairy Road from Buffalo Road to Bradford Street (\$850,957)
- Construction of Booker Dairy Road from Bradford Street to existing Ava Gardner Drive (\$678,583)
- Re-Construction of Ava Gardner Drive, from the newly constructed Booker Dairy Extension to US-301 (\$243,329)

In addition, engineering and contingency is estimated at \$264,380.

Mr. Siler explained the Town received financing bids from 3 of 8 lenders on the \$2,037,249 loan request. All bids were based on a seven year term with semiannual payments. BB&T proposed 2.03% while First Citizens Bank and KS Bank proposed 2.34% and 3.49% respectively. The fixed semi-annual payment using BB&T's rate of 2.03% for 7 years is \$156,838 or \$313,676 annually.

Mr. Siler stated the Town also received bids from 2 of the 8 lenders for 10 year terms. BB&T proposed 2.24% and KS Bank proposed 3.69%. Since the cost of the project is considerably less than the estimated 3.5 million projected in earlier years and the higher cost was considered in the latest rate model study, the Finance Director is recommending the shorter loan term of 7 years. In addition, increased revenue from the sale of water to Johnston County is expected beginning July 2017. Board

approval to proceed with financing was decided with the approval of the 2017 Fiscal Year Budget and Budget Ordinance.

Councilman Scott asked what fund this project would be paid out of.

Mr. Siler stated the Water/Sewer Fund.

Mayor Pro-Tem Ashley asked if a rate increase would be required under current projections.

Mr. Siler explained the Town did a water/sewer rate study last year and the study was based on a 3.5 million estimation; therefore the \$313,000 annual payment is well below the projected amount. There will be no additional rate projections farther than what has already been discussed.

Councilman Rabil asked if the pre-payment penalty is negotiable.

Mr. Siler stated he would look into it.

Councilman Harris stated this project is moving very quickly and asked if this project would be completed this fiscal year or next.

Public Utility Director Ted Credle stated it will be completed this fiscal year.

Councilman Harris asked if the project was projected in this year's budget.

Town Manager Michael Scott responded that is was.

Mr. Siler stated there is one additional step in this process which is for the Town Manager to meet with the Local Government Commission to discuss the application; the meeting is scheduled for March 7, 2017.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Harris to award bid to the lowest bidder for financing of the Booker Dairy Road Project estimated cost \$2,037,249.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Rabil, to adopt Resolution #598 (03-2017) approving financing terms for Booker Dairy Road Project. Unanimously approved.

Resolution #598 (03-2017)
Resolution Approving Financing Terms

WHEREAS: The Town of Smithfield ("Town") has previously determined to undertake a project for the financing of a water line project, (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Town hereby determines to finance the Project through Branch Bank and Trust Company ("BB&T"), in accordance with the proposal dated February 6, 2017. The amount financed shall not exceed \$2,037,249.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.03%, and the financing term shall not exceed 7 years from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have

been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Town shall not take or omit to take any action the Town of Smithfield or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Rabil, to adopt Resolution #599 (04-2017) approving declaration of official intent to reimburse for Booker Dairy Road Project. Unanimously approved.

RESOLUTION #599 (04-2017)
TOWN OF SMITHFIELD, NORTH CAROLINA
DECLARATION OF OFFICIAL INTENT TO REIMBURSE

This declaration (the "Declaration") is made pursuant to the requirements of the Unified States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of The Town of Smithfield, North Carolina, (the "issuer") with respect to the matters contained herein.

1. **Expenditures to be Incurred.** The Issuer anticipates incurring expenditures (the "expenditures") for Booker Dairy Road project (the "project").
2. **Plan of Finance.** The Issuer intends to finance the costs of the projects with the proceeds of debt to be issued by the Issuer (the "Borrowing"), the interest on which is to be excluded from gross income for Federal income tax purposes.
3. **Maximum Principal Amount of Debt to be Issued.** The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Projects is \$2,037,249.
4. **Declaration of Official Intent to Reimburse.** The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the expenditures incurred by it prior to the issuance of the borrowing.

2. Consideration and Approval of a bid award in the amount of \$2,200,000 for the Booker Dairy Road Extension.

Public Utility Director Ted Credle addressed the Council on the Booker Dairy Road Water Main Extension project. The project is the relocation and associated construction of a 16” water line that runs along Booker Dairy Road (SR1923) from Buffalo Road to US-301. As the Council has been made aware, the “let” date for the NCDOT project is January 2018. Therefore, the Town needs to relocate the water line prior to that date. Bids were received on January 12, 2017 to construct the water line, per the approved plans. The low bidder was R.D. Braswell, Inc. It is of note that the project budget is significantly lower than the original engineer’s estimate. Further, to simplify construction the capital project extending the water line from US-301 to the Jones Brothers Tank was included in this bid and is part of this award. The funds for the “Jones Brothers” extension were approved in the FY 2016-2017 budget. Mr. Credle explained to execute this project; staff is asking Council to authorize the Town Manager to execute any contracts with selected contractors, to perform the work intended by the project scope, not to exceed the project budget limit of \$2,200,000. Based on the bids and proposals the Town has already received, the budget for the “Booker Dairy Road Water Main Extension” project is as follows:

<i>Project</i>	Current Budget		Budget Total
Construction Contract	\$ 1,935,619.78		\$ 1,935,619.78
Construction Observation/Administration	\$ 95,400.00		\$ 2,031,019.78
Contingency (8%)	\$ 168,980.22		\$ 2,200,000.00

Mr. Credle explained the right-of-way acquisition may cause some timing issues and at some point may have to stop the project to wait on NCDOT.

Mayor Pro-Tem Ashley asked if timing would affect the contractors bid.

Mr. Credle stated they would issue a change order for remobilization but the acquisition of the material would be stored.

Councilman Harris clarified what Mayor Pro-Tem Ashley was asking and stated if the Town is hiring a contractor to complete this project and can only do part of it because NCDOT hasn’t acquired the land, the Town could possibly incur additional charges for the inconvenience.

Mr. Credle agreed that was very likely. Charges for a remobilization fee could be anywhere from 6-8% of the project bid and that’s why the contingency was projected higher.

Mayor Pro-Tem Ashley stated the Town is unsure of what the remobilization fee could be which could potentially be greater than 8%.

Mayor Moore asked why the Town would start this project given the fact most of the land has yet to be acquired.

Councilman Harris asked Town Attorney Bob Spence if litigation or condemnation would take a considerable amount of time.

Town Attorney Bob Spence explained condemnation would happen immediately. If there’s a delay it could mean they’re working on design features.

Councilman Harris asked if the Town should be concerned with much of the land that has yet to be acquired.

Mr. Spence stated it would be concerning if the contract does not reflect that information. He suggested the Town negotiate with Mr. Braswell to see if he would disregard a remobilization fee.

Councilman Scott asked if NCDOT would be willing to change their deadline.

Mr. Credle stated that his contact with NCDOT has told him the let date has been set and is solid.

Councilman Scott stated the let date and deadline should be negotiated.

Mayor Moore asked if all environmental testing has been completed.

Mr. Credle stated all permits have been acquired.

Town Manager Michael Scott informed the Council that if the Town is going to be finished with this project by the let date we have to start the project soon. NCDOT is not changing their let date of January 1, 2018 and are confident they will acquire those properties. A meeting is scheduled with NCDOT later this month regarding this project specifically with committee members.

Mayor Pro-Tem Ashley conveyed he would like the Town Attorney to be involved in this project.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Harris, to approve the bid award under the condition the contract states the Town will not be penalized for increases or delays due to NCDOT failure to acquire properties.

3. Consideration and Approval to authorize the Finance Director to create Line Item 45-7200-7408; approve the transfer of \$65,000 from line item 45-7200-7405 to line item 45-7200-7408; and authorize the purchase of Water System Equipment at the Water Plant.

Public Utility Director Ted Credle addressed the Council and stated the Capital Improvement project "Sand Removal" was previously approved for the Water Plant by Council in FY 2015-2016. This project was constructed and completed in March of 2016. Funds for this project were acquired through a private lending institution, which forwarded the complete loan balance in the fall of 2016. The cost of the project construction was less than the budgeted amount, as well as the loan balance that was granted by the lending institution. The Water Plant has the need to install four (4) water mixers throughout the distribution system. Two (2) will be installed within the finished water clear well and one (1) each at elevated water tanks in the distribution system. By mixing the water within the tanks, the water is less susceptible to settling issues, aging issues, and short-circuiting. Also, the Town will need two (2) bulk water flow meters installed at the delivery points where the Town delivers water to Johnston County. These meters will verify how much water the County is purchasing from the Town. Currently, the Town has no such measuring device. Mr. Credle stated staff is proposing to use the funds, saved by the economical installation of the "Sand Removal" project to purchase and install the needed mixers and one (1) of the meters. Installation of the second meter will be paid through other funds.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Dunn to authorize the Finance Director to create Line Item 45-7200-7408; approve the transfer of \$65,000 from line item 45-7200-7405 to line item 45-7200-7408; and authorize the purchase of Water System Equipment at the Water Plant.

4. Consideration and Approval Funding for NCDOT Agreement.

Public Utility Director Ted Credle addressed the Council and explained during the recent natural disaster (Hurricane Matthew), the Town, through no fault of its own, experienced a loss of power which affected a majority of the Town customers. Until power was restored, a dangerous situation was noticed. Many drivers approached various intersections without stopping, or even slowing down. This clear and present danger was somewhat lessened by having the Town Police Department direct traffic in the busiest intersections. Mr. Credle explained the NCDOT has a specification that allows their stoplights to be converted to a light that can accept generator power. The Town feels that in the rare occasions when power may be out for extended time, it may be best to use generator power to operate the busiest intersections, which in turn, would free up the Police to patrol and safeguard the

citizens. The first step in converting the NCDOT stoplights is to establish an agreement with the NCDOT to allow the Town to perform the conversion. A part of this agreement specifies the Town is to submit \$2,500 to execute the agreement.

Mayor Moore asked if \$2,500 was for one intersection or would the fee have to be paid every time.

Mr. Credle stated the agreement is for all 10 intersections.

Councilman Scott asked if generators would have to be put at each intersection.

Mr. Credle stated they are plug-in generators.

Mayor Pro-Tem Ashley asked what the \$2,500 covers.

Mr. Credle responded it was an administrative fee to allow the Town to perform the conversion.

Mayor Moore asked if this was the same process for every municipality.

Mr. Credle responded it was a standard agreement with standard specifications.

Mayor Moore addressed the Council and stated he believes this should wait until after the NCDOT meeting.

Councilman Harris asked if other Towns have this conversion.

Mr. Credle responded that the only other Town he knew of was Ayden.

Councilman Scott made a motion, seconded by Councilman Harris, to table until after the NCDOT meeting.

5. Consideration and Approval of Preliminary Plat for Belle Square Subdivision

Planning Director Paul Emblar addressed the Council and explained on September 16, 2016 the Town Council approved a rezoning request (RZ-16-02) and a Conditional Use Permit request (CUP-16-09) to allow the applicant, Genesis Living, Inc. to modify a previously approved, permitted and constructed subdivision from a 22 unit duplex subdivision to a 45 unit row house subdivision. All water, sewer, electrical, storm drainage and streets were previously constructed and inspected by the Town but were never accepted because the previous developer did not construct the permitted/approved storm water management facility to serve the subdivision. The new developer (Genesis Living, Inc.) has re-designed and re-permitted the storm water management facility.

Mr. Emblar explained the Preliminary Plat of Belle Square dated 1/22/17 as prepared by Hall Land Surveying, Inc. and shows a 45 lot subdivision with recreational amenities that complies with the Town's Unified Development Ordinance. The development is proposed for three phases with lots 1-14 comprising the first phase. The subdivision will be landscaped according to code. Streets are curbed and guttered and will have sidewalks constructed on each side of the street. There will be a home owners association established for the development to maintain all common property including the storm water management facility. Streets, storm drainage and utilities that were constructed by the previous developer along with the sidewalks that will be constructed by the current developer and will be dedicated to and maintained by the Town. Duke Power will provide electrical service for the development. Construction of the storm water management facility, sidewalks (by phase) and landscaping (by phase) must be completed, inspected and accepted by the Town before any certificates of occupancy are issued for any houses that are constructed, in lieu of bond.

Councilman Scott asked what financial burdens would be on the project.

Mr. Embler responded there would be no financial burden to the Town for the construction of the storm water management plan. That is a developer held improvement. The Homeowner Association would be responsible for the management plan and the Town would enforce.

Councilman Scott stated the developer has received this land with an already approved project and asked how this would affect them financially.

Mr. Embler stated that whether the previous project or the current project was completed, a storm water management facility pond would have to be in place. The collection systems and the catch basins are already installed in the subdivision and are diverted under Barbour Road to the other side of the road. The storm water management facility pond was never constructed.

Mayor Pro-Tem Ashley asked if the elevations are sufficient.

Mr. Embler responded that they are sufficient.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Dunn, to approve the preliminary plat for Belle Square Subdivision.

6. Consideration and Approval of Belle Square Final Plat Phase I.

Planning Director Paul Embler addressed the Council on the Final Plat: Phase1 Belle Square subdivision dated 1/22/17 as prepared by Hall Land Surveying, Inc. shows a 14 lot Phase One development of the Belle Square subdivision that complies with the Town's Unified Development Ordinance. The development is proposed for three phases with lots 1-14 comprising the first phase. The subdivision will be landscaped by phase according to code. Streets are curbed and guttered and will have sidewalks constructed on each side of the street. There will be a home owners association established for the development to maintain all common property including the recreational amenity and the storm water management facility. Streets, storm drainage and utilities that were constructed by the previous developer along with the sidewalks that will be constructed by the current developer will be dedicated to and maintained by the Town. Duke Power will provide electrical service for the development. Mr. Embler explained in lieu of bond, no certificates of occupancy for Phase 1 lots will be issued until such time the storm water management facility is completed and accepted by the Town Engineer. In a similar manner sidewalks and landscape will be constructed and no certificate of occupancy for Phase 1 lots will be issued, in lieu of bond until the sidewalks (for Phase 1) and landscape (for Phase 1) have been inspected and accepted by the Town.

Councilman Harris made a motion, seconded by Mayor Pro-Tem Ashley, to approve Belle Square Final Plat Phase I.

Councilmembers Comments:

- Mayor Moore asked Fire Chief John Blanton when the new fire truck would be delivered.

Chief Blanton stated it should be ready by April or May.

Mayor Moore informed everyone there are several vacancies on our Advisory Boards.

Mayor Moore addressed the Town Manager to look into the cooperative extension that offers a Master Gardener class and asked the Council to think about sponsoring citizens to take the class.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Harris, to allow the Town Manager to write a letter to the County Commissioners respectfully requesting the Town be allowed to meet with them regarding the proposed jail site.

- Councilman Harris stated he would like for the Town to come up with a plan to allow farmers to sell fresh produce on private property.

Mayor Pro-Tem Ashley requested staff to come up with a proposal within the next two weeks.

Councilman Harris thanked Sarah Edwards for her letter to the County Commissioners. He stated he agreed with the courthouse staying downtown.

Town Manager's Report:

Town Manager Michael Scott gave a brief update to the Council on the following items:

- Venture Drive Project – Bids have been received considerably higher than expected. A bid was received under budget, however it did not include undercutting the road which would put an added \$300,000 over budget. GeoTechnologies also suggested a Full Depth Reclamation (FDR) where they re-use part of the road. Personal contact has been made with the business owners on Venture Drive and they have been furnished with the information given to Council.

Mayor Moore requested that GeoTechnologies provide a presentation to the Council at the next meeting.

Mayor Pro-Tem Ashley requested staff to inquire if the County would assist with the cost of this project.

- Colonial Rest Home – Johnston County has condemned the building. Discussions with the owners of the building are being had regarding what they intend to do with a possibility of demolition.

Councilman Scott informed the Council he received an email regarding a property in West Smithfield and asked if the Town keeps track of non-compliant businesses.

Town Manager Michael Scott responded that the Town does keep a list of areas that are non-compliant. West Smithfield has a used car business that has not been very receptive to code compliant issues, but the Town has been very diligent in keeping them accountable.

Councilman Harris stated there's another property across from the Magic Tunnel that should be looked into also.

- Family Life Center – the Town has received the deed to the building and the Police and Parks and Recreation Department are working to clean the building out. The previous owners still have property in the building.
- Harbor Valentine Event – February 11th, please see website.

- **Department Reports**

- A highlight of each department's monthly activities was given to the Council.

- **Financial Report**

- A financial report was given to the Council in written form.

Closed Session: Pursuant to NCGS 143-318.11 (a) (5) to Consult with the Town Attorney.

Councilman Harris made a motion, seconded by Councilman Dunn to go into closed session pursuant to NCGS 143-318.11 (a) (5). Unanimously approved at 8:39pm.

Reconvene in Open Session:

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Dunn to reconvene in open session. Unanimously approved at 10:01 pm.

Adjourn

There being no further business, Mayor Pro-Tem Ashley made a motion, seconded by Councilman Dunn, to adjourn the meeting. Unanimously approved.

The meeting adjourned at 10:01 pm.

M. Andy Moore, Mayor

ATTEST:

Veronica Hardaway, Deputy Town Clerk