

The Smithfield Town Council reconvened its May 15, 2018 meeting on Monday, May 21, 2018 at 6:00 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor Pro-Tem Scott presided until Mayor Moore arrived at 6:25 pm.

Councilmen Present:

Mayor Pro-Tem Scott
Emery Ashley, At-Large
David Stevens, District 2
Dr. David Barbour, District 4
John A. Dunn, At-Large
Stephen Rabil, At-Large

Councilmen Absent

Marlon Lee, District 1

Administrative Staff Present

Michael Scott, Town Manager
John Blanton, Fire Chief
Lenny Branch, Public Works Director
Gary Johnson, Parks and Recreation
Tim Kerigan, Human Resources/PIO
R. Keith Powell, Chief of Police
Greg Siler, Finance Director
Stephen Wensman, Planning Director

Reconvene: May 15, 2018 Meeting

Mayor Pro-Tem Scott reconvened the meeting at 6:00 pm

Prior to the budget discussions, Town Manager Michael Scott informed the Council that the Executive Director of the Chamber of Commerce contacted him regarding the Chamber being incorporated into a foundation that they began several years ago thus making the Chamber a nonprofit organization. The Chamber Director inquired if the Town would find issue with the decision. As a nonprofit organization, the Chamber would no longer be required to pay taxes on its property. Ultimately, their Board of Director will decide if they are to become a nonprofit organization. The Town Manager was directed to investigate the amount of property taxes the Chamber currently pays.

Summary/Discussion Budget Changes

(a) Police Department Take Home Fleet Program

Town Manager Michael Scott stated that during the budget discussions, he was asked to bring option to the Council on how to implement the Police Department take home fleet program. The Town Manager informed the Council that it would cost \$533,220 to implement the program with an annual estimated fuel cost of \$28,000. The personnel benefitting from this program would be sixteen patrol officers, four sergeants and 4 lieutenants. The Police Department tends to lose more patrol officers than any other type of officer.

The Town Manager provided 6 options to implement the program. They are as follows:

- Option A: Purchase all 12 vehicles at a cost of \$533,220. Budget additional \$28,000 for fuel. Use loan for 5 years for a debt service payment of \$117,864 annually.
- Option B: Use Fund Balance for the total purchase, but with the allocation of the \$320,000 for street resurfacing that would reduce the General Fund Balance to approximately 35%.
- Option C: Use some Fund Balance and some loan proceeds for the total amount which would reduce the fund balance to approximately 42%
- Option D: Purchase fourteen vehicles over a three year period by using Fund Balance, but only if the Fund Balance remains stable.
- Option E: Use a Capital Reserve Fund to purchase all the vehicles after July 1, 202. The Town would add \$220,000 to the Capital Reserve account thus earmarking the money only for this project.
- Option F: Create a Take Home Fleet for only those officers residing in the Corporate Town Limits. Budget for the purchase of a car as is needed.

Councilman Stevens questioned if it would be more beneficial if the Council increased the starting salary. Chief Powell responded it would help, but his officers would still want a take home car.

Councilman Barbour questioned if it would be beneficial if the Council implemented Option F and increased the base salary. Chief Powell responded it would not help the current officers as most already have bought home outside the Town limits.

Councilman Stevens questioned the average turnover rate for a Patrol Officer. Town Manager Michael Scott responded that it was approximately four officers a year. Chief Powell responded that he currently has two vacancies with three other officers considering offers from other agencies.

The Town Manager reminded the Council that they voted to conduct a pay study. He cautioned the Council not to add reoccurring costs that are unnecessary until the pay study has been completed because the Council may find themselves in a difficult position.

Councilman Barbour stated that once the salary study is completed that not every employee will get a raise. It will be dependent on what the job is worth.

The Town Manager explained that he had conversations with Managers from other municipalities and they are facing some of the same issues. One Manager of a smaller Town outside Charlotte were losing their officers to Charlotte because Raleigh was recruiting officers from Charlotte. This is a problem we could potentially have because we are so close to Raleigh. The Town cannot compete with Cities like Raleigh.

Councilman Barbour questioned the moral of the officers if the take home fleet is not implemented. Chief Powell responded that it will drop moral in the department.

Councilman Rabil questioned if the Town could lessen some of the equipment. Chief Powell responded that rifles and computer could be shared.

Councilman Dunn questioned if the Town has lost a lot of officers to Clayton. The Town Manager responded the Police Department hasn't lost a lot of officers to Clayton. The Town has lost officers to the Sheriff's Department, to the Town of Knightdale and other Wake County Municipalities. Councilman Dunn stated a decision could be made later in the year.

Councilman Barbour questioned how the Town would purchase a vehicle under Option F. The Town Manager responded if it was something the Council wanted to implement, the Police Chief would be asked to bring back a policy for the Council's approval. But the vehicle(s) would have to be included in the budget. Finance Director Greg Siler responded that Contingency Funds could be used to purchase the vehicle.

It was the consensus of the Council to delay a decision on the take home fleet until the salary study is completed and the findings presented to the Council.

(b) House Bill 947

Town Manager Michael Scott informed the Council that HB 947 is a local act for the Town of Mooresville. The Town of Mooresville is proposing to add a quarter cent sales tax for road repairs. The Town Manager contacted the local representative to ascertain if it would be possible to add the Town of Smithfield to this bill or propose creating a similar local act of the Town. Mayor Moore stated that the representative contacted him and it would only be considered if the Town passed a resolution.

Councilman Ashley made a motion seconded by Councilman Stevens to Adopt Resolution # 617 (04-2018) requesting a local act to increase the Town's local sales tax option by .25% to be used for road repairs. Unanimously approved.

RESOLUTION# 617 (04-2018)
TOWN OF SMITHFIELD TOWN COUNCIL

AUTHORIZING LOCAL OPTION SALES TAX

WHEREAS, The Town Council of Smithfield completed a community wide survey in 2017 and the primary recommendation among citizens was additional street repairs and resurfacing; and

WHEREAS, Smithfield is located on Highway 95 and is home to shopping, hotels, restaurants and tourist destinations, as well as the County Seat of Johnson County; and

WHEREAS, This additional visitor traffic weighs heavily upon the streets and roads of Smithfield and increases the need for road repairs; and

WHEREAS, the Town Council has met in open session on May 21, 2018 and approved a resolution to request an Act to Authorize a Levy of a Municipal One-Quarter Percent Sales and Use Tax to be used specifically for street improvements.

NOW THEREFORE, I, M. Andy Moore, Mayor of the Town of Smithfield along with the Members of the Smithfield Town Council: Authorize the Mayor and, alternatively, the City Manager, to request our state Representatives and Senators to support a Local Act for Smithfield to authorize a levy of a municipal one-quarter percent sales and use tax to be used exclusively for street improvements in Smithfield.

(c) Employee Handbook

The Town Manager requested direction from the Council on three changes to the handbook

- **Section 21: Salary Effect of Promotions, Demotions, Transfers, and Reclassifications**
Promotions. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. When an employee is promoted, the employee's salary shall normally be advanced to the minimum rate of the new position, or to a salary which provides an increase of 5%, 10% whichever is greater.

Mayor Moore suggested the wording be an "increase of up to 10% at the Manager's discretion based on funds available at the time." The Manager would have to justify the amount, but it was suggested by the Mayor that more of an increase would be given based on the amount of people supervised.

- **Section 72A: Vacation Compensation:** *Payable in the first pay check in November of each year, every full-time employee who has successfully completed six months of employment with the Town of Smithfield by November 1 may request a minimum of eight (8) hours and a maximum of forty (40) hours of accrued vacation time be converted to salary. All income from this benefit is subject to state and federal deductions.*

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

Mayor Moore informed the Council he had asked the Town Manager to remove this from the Handbook and to create a separate policy. He does not want the employees to rely on these funds as they would only be available if it was economically feasible. This policy would be discussed during the budget process every year.

- **Section 78: Transfer of Sick Leave from Previous Employer**
~~Unless approved by the Town Council,~~ upon hire the Town will accept only the transfer of up to 350 hours of sick leave hours for employees from other employers who are participants of the Local or State Employees Retirement System. The sick leave will be treated as though it were earned with the Town of Smithfield. The sick leave amount must be certified by the previous employer. This provision shall not be retroactive to policy adoption. **The transfer of more than 350 hours**

requires Town Manager approval and will be evaluated on a case by case basis.

The Town Manager explained that Councilman Barbour had questioned if hours from the State Employees Retirement System could be transferred to a Town Employee. The Town Manager stated that after some investigating, it was determined that the Town could accept those sick hours.

Councilman Ashley stated that those hours would be a liability to the Town.

Mayor Pro-Tem Scott stated that Johnston County allows an employee to transfer a certain amount of sick time that an employee can use, but they keep the remaining balance to go towards an employee's retirement. If an employee with the County does not have continued service from one government entity to another, then the employee cannot transfer those hours to the County. He felt it was important to allow employees to transfer the sick time that they already earned.

- **Substance Abuse Policy**

- XIV. Accident Involving Town Vehicles.

- Alcohol tests following a traffic accident involving a Town vehicle shall be administered no later than eight hours from the time of the accident. Drug tests following a traffic accident involving a Town vehicle shall be administered no later than thirty-two hours from the time of the accident

The Town Manager informed the Council that this was a policy adopted by the Council and was simply being moved to the Handbook. In this policy it states that alcohol testing will be given to any Town employee that has been involved in an accident. This has not been the practice as only CDL drivers involved in accidents are being tested. It was suggested that the section heading be changed from Accidents involving Town Vehicles to Accidents Involving Town Vehicles Requiring a CDL or Equipment License for Operation.

It was the consensus of the Council to make no changes to that current section of the handbook.

(d) Water Plant Expansion

Town Manager Michael Scott reviewed the following information concerning the water plant expansion:

- A public hearing is scheduled for July 10th to discuss the closing of north Second Street.
- The Town has been awarded the Golden Leaf grant in the amount of \$500,000 with the Town matching \$250,000 for a total of \$750,000 to be used to install the 16 inch line down Durwood Stevenson Highway to increase pressure to West Smithfield. The Grant is contingent on the expansion of the water plant.
- The project is estimated to cost \$15.28 million. The agreement with Johnston County entered into last August increased the value of the water but also increased their intake of water from the water plant. Per the agreement, the County will pay a one-time capacity fee of \$3.25 million. The Town Manager confirmed with the County Manager that those funds were included in the County's proposed budget. The remaining balance is \$12.05 million to expand the plant. The Town has secured a loan at 1.81% for 20 years with an annual debt service payment of \$718,000 which should just about make up what the county will be paying the Town for the increased water they will be using. It should be about revenue neutral or maybe a little less.
- The Town received bids for engineering firms with the Wooten Company as the only firm to submit a bid for this project. Once the County starts to pull water we will be at 88%

capacity. If we don't expand the water plant, the County will request to pull more water out of the river and the Town will lose the ability to pull water meaning the Town will eventually begin buying water from the county because the water plant will not be able to expand.

- Once the water plant reaches just prior 90% capacity, under North Carolina DEQ rules, the Town must plan for water plant production to increase. The Town is required to expand the water plant to sell more water to the County. The plant will be going from 6.2 million gallons a day to 8.3 million gallons a day and moving 12 million of storage to 16 million in storage. At that point, the plant will be at 66 % capacity so there will be room for growth.
- Options for the closing of North Second Street and rerouting the greenway. The road would be closed just passed the private cemetery and Talton Field could become an actual park. Soccer fields would be moved from Talton Field to Johnson Park. The Greenway would be rerouted to create a loop trail to incorporate the existing restrooms. On the conceptual plans given to Council, Talton Park would include: a splash pad, playground, two dog parks with designated areas for large and small dogs, open greenspace, Freemans school and a parking lot. It was staff's intent to make this a positive area for the community and the Greenway. With its location to the Operation Center, there could be some Wi-Fi connection in the Park.

Mayor Pro-Tem Scott stated that he has been contacted with concerns about the traffic flow from Second, North and Third Streets. The Town Manager responded that NCDOT conducted a traffic count in that area during a 24 hour period and concluded that 2700 cars passed through the area. Public Works Director Lenny Branch was in the process of conducting his own traffic counts.

Councilman Ashley questioned if there had been any further discussions about aligning Buffalo Road with Third Street. Mayor Moore explained the idea had been before Council in the past, but the Council chose not to do that because of the complaints of the citizens in the area.

- Johnson Park would have four soccer fields to be used by youth 8 and under and youth 6 and under. The empty lot adjacent to the field which is owned by the Town could be used for parking. If lights for the fields were needed, they could be added later.

Mayor Moore reminded the Council that the Town does not own Johnson Park. It was suggested that the Town consider asking for a longer lease. The lease is currently a five year automatic renewal agreement.

The Town Manager explained he need the Council to approve and enter into an agreement to secure the loan so we could get an appointment with the Local Government Commission because that will take time.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Scott, to submit an application to the Local Government Commission for the Water Plant Expansion Loan. Unanimously approved.

The Town Manager explained before the LGC would approve the loan, Council must approve the water plant expansion.

Mayor Pro-Tem Scott made a motion, seconded by Councilman Rabil, to expand the water plant. Unanimously approved.

The Town Manager questioned when the Council would like to put these plans before the public. He explained that they could be discussed during the budget hearing. Mayor Moore suggested that the plan be presented to the Parks and Recreation Advisory Commission for their input. Mayor Moore

preferred knowing the estimated cost of the project before it was presented to the public. The Town Manager explained that preliminary estimates are a little over \$500,000. Mayor Moore reminded the Council there was \$425,000 in restricted fund balance from the sale of Bingham Park that can only be used for additional Parks. The Town Manager stated that there was a little over \$100,000 for the in lieu of parks fees. Those funds combined could be used to construct Talton Park. It was suggested that the Manager discuss these plans during the public hearing for the closing of a portion of North Second Street.

Mayor Pro-Tem Scott questioned if the County had ever been approached about having a reduced tax rate for citizen living inside any Town limit in the County. Also, concerning fees charged to Town, he questioned if the County has ever been approached about offering a municipal rate especially with landfill tipping fees since the Town citizens pay county taxes. Mayor Moore responded that this had been discussed before and he believed the statute mandated that the County cannot charge two different tax rates

Mayor Moore informed the Council that a brief meeting was held concerning the Dog Park and Civitan ark. They met with a fence company to determine the cost to fence the area.

Adjourn

Mayor Pro-Tem Scott made a motion, seconded by Councilman Dunn, to adjourn the meeting. The meeting adjourned at approximately 8:04 pm.

ATTEST:

M. Andy Moore, Mayor

Shannan L. Parrish, Town Clerk