

The Smithfield Town Council met in regular session on Tuesday, March 5, 2019 at 7:00 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

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

Councilmen Absent

Administrative Staff Present

Michael Scott, Town Manager
John Blanton, Fire Chief
Ted Credle, Public Utilities Director
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
Shannan Parrish, Town Clerk
R. Keith Powell, Chief of Police
Greg Siler, Finance Director
Stephen Wensman, Planning Director

Present:

Bob Spence, Town Attorney

Administrative Staff Absent

Lenny Branch, Public Works Director

CALL TO ORDER

Mayor Moore called the meeting to order at 7:00.

INVOCATION

The invocation was given by Mayor Pro-Tem Scott. Members of Boy Scout Troop 33 presented the colors and lead the Pledge of Allegiance.

Spotlight Smithfield

Mayor Moore informed the Council and the public that the Town had begun a new initiative highlighting businesses in Smithfield. He shared the video with those in attendance.

APPROVAL OF AGENDA:

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Scott, to approve the agenda with the following change:

- Add to Business Items: Discussion concerning water rates.

Unanimously approved

PRESENTATIONS:

1. FY 2017- 2018 Audit Presentation

Greg Siler informed the Council that the audit was delayed this year due to software conversion and the auditing firm experiencing damages due to a recent hurricane. He introduce Alan Thompson from the auditing firm of Thompson, Price, Scott, Adams, and Company, PA to present the audit findings.

2. Recognition of Finance Department Staff for Successful Completion of Software Conversion

Finance Director Greg Siler recognized the finance department staff for successful completion of the new finance software.

3. Presentation of Tethering Ordinance # 498

Police Chief R. Keith Powell informed the Council that the Police Department had been approached by citizens to consider amending the Town Ordinance concerning the tethering of animals. It was suggested that the ordinance be amended to no longer allow animals to be tied, chained, fastened, or otherwise tethered to any stationary or inanimate object as a means of confinement. Animals would be in an approved enclosure. After speaking with Councilman Barbour, language should be added to allow limited tethering of dogs if the owner is observing the animal or for short periods of time.

Mayor Pro-Tem suggested the Council defer any action for thirty days to allow public feedback. The proposed ordinance would be further amended to allow for limited tethering.

Mayor Pro-Tem Scott made a motion, seconded by Councilman Ashley, to table this item for 30 days to allow for citizen feedback.

PUBLIC HEARINGS:

1. Permanent Street Closure of Meadowbrook Drive between Vermont Street and First Street and along Meadowbrook Branch. Consideration to adopt Resolution # 636 (03-2019)

Councilman Barbour made a motion, seconded by Councilman Stevens, to open the public hearing. Unanimously approved

Town Attorney Bob Spence informed the Council that the public hearing was required to withdrawal a street that was recorded on a plat, but never opened. The Town has no use for the street. Pursuant to NCGS 160A-299, the question must be answered whether or not the closing would be detrimental to the public interest or to the property rights of any individual. Mr. Spence stated that he and the Town Manager met with all the affected property owners and all have signed an agreement. None of the property owners are contesting or questioning the withdrawal of the street or the boundary lines and all have agreed to a utility easement for the Town.

Mayor Moore asked if there were any questions from the Council.

Mayor Pro-Tem Scott asked if per the statute, the questioned had been answered if the closing of the street would be detrimental to the public. Mr. Spence responded in his opinion there was no detriment to the public and no one was in opposition.

Councilman Ashley stated the Town was not closing a street, but simply taking the dedication off the books. Mr. Spence responded in the affirmative.

Mayor Moore asked if there was anyone in attendance that wished to speak on the matter. There was none.

Councilman Ashley made a motion, seconded by Councilman Rabil, to close the public hearing. Unanimously approved

Councilman Stevens made a motion, seconded by Councilman Dunn, to approve Resolution #636 (03-2019) vacating the unopened portion Meadowbrook Drive between Vermont Street and First Street and along Meadowbrook Branch . Unanimously approved

Mr. Spence informed the Council that he requested language from the contract be added to the resolution in regards to the easement. This language has been added to the below Resolution.

Town of Smithfield
Resolution 636 (03-2019)
Street Closing Order

A RESOLUTION ORDERING THE CLOSING OF MEADOWBROOK DRIVE BETWEEN
VERMONT STREET AND FIRST STREET AND ALONG MEADOWBROOK BRANCH

WHEREAS, on the 5th day of February, 2019, the Town Council of the Town of Smithfield directed the Town Clerk to publish the Resolution of Intent of the Town Council the closing of Meadowbrook Drive between Vermont Street and First Street and along Meadowbrook Branch, in the News and Observer's Southeastern Zone Edition once each week for four successive weeks, such resolution advising the public that a meeting would be conducted in the Council Chambers at the Town Hall, 350 E Market Street, Smithfield, NC 27577 on March 5, 2019; and

WHEREAS, the Town Council on the 5th day of February, 2019, ordered the Town Clerk to notify all persons owning property abutting Meadowbrook Drive between Vermont Street and First Street and along Meadowbrook Branch, as shown on the county tax records, by registered or certified mail, enclosing with such notification a copy of the Resolution of Intent; and

WHEREAS, the Town Clerk has advised the Town Council that she sent a letter to each of the abutting property owners advising them of the day, time and place of the meeting, enclosing a copy of the Resolution of Intent, and advising the abutting property owners that the question as to closing all of Meadowbrook Drive between Vermont Street and First Street and along Meadowbrook Branch would be acted upon, said letters having been sent by certified mail; and

WHEREAS, the Town Clerk has advised the Town Council that adequate notices were posted on the applicable streets as required by G.S. 160A-299; and

WHEREAS, after full and complete consideration of the matter and after having granted full and complete opportunity for all interested persons to appear and register any objections that they might have with respect to the closing of said street in the public hearing held on March 5, 2019; and

WHEREAS, it now appears to the satisfaction of the Town Council that the closing of said street is not contrary to the public interest, and that no individual owning property, either abutting the street or in the vicinity of the street or in the subdivision in which the street is located, will as a result of the closing be thereby deprived of a reasonable means of ingress and egress to his or her property;

NOW, THEREFORE, Meadowbrook Drive between Vermont Street and First Street and along Meadowbrook Branch is hereby ordered closed, and all right, title, and interest that may be vested in the public to said area for street purposes is hereby released and quitclaimed to the abutting property owners in accordance with the provisions of G.S. 160A-299.

BE IT FURTHER RESOLVED, The Town reserves and the parties hereby dedicate, grant, bargain, sell and convey a perpetual easement to run with the land and to burden the property within the former Street for the existing sewerage and water line with the right of the Town to extend, improve, relocate, repair or construct said line or additional lines or appurtenant utilities within said Street as the Town deems necessary for the interests of its sewerage and water systems. Said easement rights will terminate only when the Town withdraws them expressly of record.

The Mayor and the Town Clerk are hereby authorized to execute quitclaim deeds or other necessary documents in order to evidence vesting of all right, title and interest in those persons owning lots or parcels of land adjacent to the street or alley, such title, for the width of the abutting land owned by them, to extend to the centerline of the herein closed alleys.

The Town Clerk is hereby ordered and directed to file in the Office of the Register of Deeds of Johnston County a certified copy of this resolution and order.

Upon motion duly made by Councilman Stevens and duly seconded by Councilman Dunn, the above resolution was duly adopted by the Town Council at a meeting held on the 5th day of March, 2019 in the Town Hall Council Chambers located at 350 East market Street, Smithfield, North Carolina.

Upon call for a vote the following Councilman voted in the affirmative:

Councilman Stephens, Councilman Dunn, Mayor Pro-Tem Scott, Councilman Ashley, Councilman Barbour, Councilman Lee, and Councilman Rabil

and the following Councilmembers voted in the negative: none

2. **Zoning Text Amendment – Dan Simmons (ZA-19-01)**: The applicant is requesting an amendment to the Town of Smithfield Unified Development Ordinance (UDO) Article 6, Section 6.5 Table of Uses and Activities that will remove the 35 maximum employee limitation on light manufacturing activities located within the B-2 (Business), B-3 (Highway Entrance Business) and LI (Light Industrial) zoning districts.

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

Planning Director Stephen Wensman addressed the Council on a request by Dan Simmons for an amendment to the Town of Smithfield Unified Development Ordinance (UDO) Article 6, Section 6.5 Table of Uses and Activities that will remove the 34 maximum employee limitation on light manufacturing activities located within the B-2 (Business), B-3 (Highway Entrance Business) and LI (Light Industrial) zoning districts. Staff believes this ordinance is trying to limit intensity by limiting number of employees, but more effective tools exist to limit intensity in the UDO, such as parking standards, stormwater management standards, & landscape buffer standards.

Planning Staff and the Planning Board recommend the Town Council approve zoning text amendment ZA-19-01 with a statement declaring the request consistent with the Town of Smithfield Comprehensive Growth Management Plan and that the request is reasonable and in the public interest.

Planning Director Stephen Wensman has incorporated his entire record and provided it to Council in written form in the March 5, 2019 agenda packet.

Mayor Moore asked if there were any questions from the Council. There were none.

Mayor Moore asked if there was anyone in attendance wishing to speak on this matter.

Dan Simmons of 125 Everitt Lane, Smithfield stated this ordinance puts him in an awkward position when he is conducting feasibility studies for industries wishing to expand. He has been forced to tell clients that an industry in the LI zoning district can have no more than 35 employees even though it has never been enforced.

Mayor Moore questioned if Mr. Simmons had any idea why this was in the UDO. Mr. Simmons responded it has been in the UDO for 15-20 years.

Mayor Pro-Tem Scott questioned if Mr. Simmons had to pay the application fee for this request. Mr. Simmons responded that staff waived the fee.

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

Mayor Pro-Tem Scott made a motion, seconded by Councilman Rabil, to approve Text Amendment Ordinance ZA-19-01 as submitted stating the request was consistent with the Town of Smithfield Comprehensive Growth

Management Plan and the request was reasonable and in the public interest.
Unanimously approved.

ORDINANCE # ZA-19-01
AN ORDINANCE TO AMEND THE TOWN OF SMITHFIELD UNIFIED DEVELOPMENT
ORDINANCE
ARTICLE 6, SECTION 6.5, TABLE OF USES AND ACTIVITIES.

WHEREAS, the Smithfield Town Council wishes to amend certain provisions in the Unified Development Ordinance by making changes to the Town of Smithfield Unified Development Ordinance to allow for churches/places of worship and clubs or private lodges meeting halls within shopping centers providing additional supplemental standards can be met.

WHEREAS, it is the objective of the Smithfield Town Council to have the UDO promote regulatory efficiency and consistency and the health, safety, and general welfare of the community;

NOW, THEREFORE, be it ordained that the following Articles are amended to make the following changes set forth in the deletions (strikethroughs) and additions (double underlining) below:

[Revise Article 6, Section 6.5, to eliminate the 34 employee maximum limitation on light manufacturing uses when the light manufacturing use is not specifically listed in the Table of Uses and Activities.]

PART 1
SECTION 6.5 TABLE OF USES AND ACTIVITIES.

Uses	B-2	B-3	LI (Sect. 7.2)
Light manufacturing uses involving fewer than 35 employees and not otherwise listed/identified	S	S	P

PART 2
That the Unified Development Ordinance shall be page numbered and revision dated as necessary to accommodate these changes.

PART 3
That these amendments of the Unified Development Ordinance shall become effective upon adoption.

Town Clerk Shannan Parrish administered affirmations to those that wished to offer testimony during the Public Hearing

- 3. Special Use Permit Request – Smithfield Storage (SUP-19-04):** The applicant was requesting a special use permit to operate a U-Haul truck and trailer rental facility on property located within a B-3 (Business) zoning district. The property considered for approval is located 1343 West Market Street and further identified as Johnston County Tax ID# 15077023.

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

Planning Director Stephen Wensman testified that Smithfield Storage is requesting a special use permit for a U-Haul Rental business in association with its storage business located at 1343 West Market Street, PID#83-2293165 in the B-3 Zoning District. Article 6 of the Unified Development Ordinance (UDO) requires a special use permit for vehicle rental. The 4.29 acre property consists of a mini-storage business with seven buildings. The rental office and a paved parking lot with 17 striped parking stalls is located along the W. Market Street frontage. The area behind the office building is fenced off containing the remaining six storage structures and gravel access lanes. The grassy site area to the northwest of the storage buildings is used for recreation vehicle storage.

A similar special use permit was approved, on May 2, 2006, which has since expired. Special use permits immediately expire when discontinued for a period of one (1) year. Staff could not find any special use permits for the mini-storage business or the RV storage. These may be legal nonconforming business, as the UDO currently requires a special use permit for both.

The applicant provided a sketched site plan indicating showing the elimination of 12 existing parking stalls and realignment of the drive lane to the rear storage areas to make room for U-Haul parking on the southeast boundary of the parking lot. The sketch plan shows parking for up to 6 U-Haul trailers and 4 U-Haul trucks. The office/storage business requires 2 parking stalls, so there remains adequate parking to accommodate the storage business and the U-Haul business. There is adequate paving width for the parking of the U-Haul trucks along the southeast edge of the parking lot.

Mr. Wensman reviewed staff's findings. They are as follows:

STAFF'S FINDINGS OF FACT

1. The rental use will not be detrimental or endanger the public health, safety, or general welfare. The use has occurred there in the past with no known issue.
2. The rental business is complimentary to the mini-storage business and an allowed use in the B-3 District with a special use permit.
3. The proposed use will not have any impact on the normal and orderly development and improvement of the adjacent properties.
4. Adequate utilities are present. The use will have no impact on the utilities.
5. The rental business will utilize the existing ingress and egress to the paved parking lot.
6. The use will be in conformance with regulations as conditionalized.
7. The use will have no impact on the public access.
8. The proposed use is consistent with town plans.

The Planning Department recommends approval of the Special Use Permit, SUP-19-01, with the following conditions:

1. That the rental be limited to (6) U-Haul trailers of any size and (4) U-Haul trucks parked in designated and striped parking stalls.
2. Parking and lot striping shall be consistent with the submitted site plan.
3. The 12 existing parking stalls are to be eliminated.

Planning Director Stephen Wensman has incorporated his entire record and provided it to Council in written form in the March 5, 2019 agenda packet.

Mayor Moore asked if there were any questions from the Council.

Mayor Pro-Tem Scott asked the applicant if he was in agreement with staff's recommended conditions. The applicant responded, it would be a rarity that we would need any more than what staff is recommending. If it became a problem, they could reroute incoming trucks to another dealer.

Mayor Moore asked the applicant if he was in agreement with the testimony provided by Mr. Wensman. The applicant stated he was in agreement with the testimony offered by Mr. Wensman.

Mayor Moore asked if there was anyone in attendance sworn to testify in this matter. There were none.

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

The Written Finding

Councilman Ashley made a motion, seconded by Councilman Rabil, to vote in the affirmative to all of the below eight stated Finding of Fact. Unanimously approved.

The Town Council shall issue a special use permit if it has evaluated an application through a quasi-judicial process and determined that:

1. The establishment, maintenance, or operation of the special use will not be detrimental to or endanger the public health, safety, or general welfare.
2. The special use will be in harmony with the existing development and uses within the area in which it is to be located.
3. The establishment of the special use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
4. Adequate utilities, access roads, drainage, parking, or necessary facilities have been or are being provided.
5. Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
6. The special use shall, in all other respects, conform to all the applicable regulations of the district in which it is located.
7. Public access shall be provided in accordance with the recommendations of the Town's land use plan and access plan or the present amount of public access and public parking as exists within the Town now. If any recommendations are found to conflict, the system requiring the greatest quantity and quality of public access, including parking, shall govern.
8. The proposed use will be in conformity with the land use plan, thoroughfare plan, or other plan officially adopted by the Town Council.

Record of Decision: Approval of Conditional Use Permit Application Number SUP-19-01

Councilman Ashley made a motion, seconded by Councilman Rabil, based upon satisfactory compliance with the above eight stated findings and fully contingent upon acceptance and compliance with all conditions as previously 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 Special Use Permit Application #SUP-19-01 with the following conditions:

1. That the rental be limited to (6) U-Haul trailers of any size and (4) U-Haul trucks parked in designated and striped parking stalls.

2. Parking and lot striping shall be consistent with the submitted site plan.
3. The 12 existing parking stalls are to be eliminated.

Unanimously approved.

CITIZENS' COMMENTS:

- Harold Tharrington of 106 Castle Drive in Smithfield requested a meeting be scheduled with the residents of Castle Drive, Mayor Moore, Councilman Barbour, Town Manager Michael Scott, Senior Planner Mark Helmer and Code Compliance Officer Tommy Choe. The purpose of the meeting is to discuss the concerns of the community.
- Emma Gemmel of 207 Hancock Street in Smithfield expressed her concerns about water rates, water lines, water loss and the water plant expansion. She explained from 2016 to 2020, the Town water rates will have increased by 31%. She explained the Town only budgets \$50,000 each year for water line repairs. She explained the Town experiences a 60% water loss every year. These are all issues the Town Council should consider before moving forward with the water plant expansion project. She stated the County has no cost or low cost in all of the water plant improvements.
- Pam Lampe of 415 North Second Street in Smithfield expressed her concerns about the water plant expansion project. She explained that the wholesale bulk water agreement with the County triggered the need for the water plant expansion. It did not make sense for the Town to expand the water plant solely for the county's water needs and it appeared that the citizens of Smithfield were subsidizing the County. She requested a detailed analysis of how selling 1.5 million gallons of water per day to the County would pay for the expansion and the expected revenue of bulk water sales and profit would be the next 20 years. So far, there have been no financial numbers that has justified the expansion of the water plant.

CONSENT AGENDA:

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

1. The following minutes were approved
 - February 5, 2019 – Regular Meeting
2. Approved a Career Ladder promotion in the Police Department. The officer was promoted from the rank of Police Officer II to the rank of Master Police Officer.
3. Bid was awarded to North State Resurfacing in the amount of \$8,950.00 for the resurfacing of the basketball courts at Community Park. Bids received were as follows:
 - North State Resurfacing: \$ 8,950.00
 - Outer Banks Tennis Contractors: \$ 14,260.75
 - Court 1 Did not submit a quote
4. Bid was awarded to Blackmon's Fencing in the amount of \$5,820.67 for the replacement of fencing at the Public Works Facility. Bids received were as follows:
 - Blackmon's Fence Company \$5,820.67
 - TEBCO Fence \$6,938.75
 - Evans Fencing \$8,772.40
5. Bid awarded to Rhinehart Fire Services in the amount of \$154,582.00 for the purchase of 20 Air-Packs to be utilized by the Fire Department. Bids received were as follows:
 - Rhinehart Fire Services \$154,582.00

- Municipal Emergency Services \$178,716.00
 - Grainger Incomplete did not or could not provide all needed equipment
6. Bid was awarded to C. W. Williams in the amount of \$16,345.28 for the purchase of fire nozzles to be utilized by the Fire Department. Bids received were as follows:
- C.W. Williams \$16,345.28
 - Fire Connections \$17,965.20
 - NAFECO \$28,811.64
7. Approval was granted to Adopt Capital Project Ordinance # 499 establishing a budget for FEMA Acquisitions and Elevations

TOWN OF SMITHFIELD
CAPITAL PROJECT ORDINANCE No. 499
FUND 48
FEMA ELEVATIONS/ACQUISITIONS

BE IT ORDAINED by the Town Council of the Town of Smithfield, North Carolina, that, pursuant to section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

SECTION 1. The project authorized is the elevations or acquisitions of flooded property from Hurricane Matthew financed by Hazard Mitigation Grants and general fund appropriations

SECTION 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the grant and the budget contained herein.

SECTION 3. The following amounts are appropriated for the acquisition project:

Miscellaneous	48-00-4110-5700-4500	\$ 84,748
Architectural and Engineering	48-00-4110-5700-4501	9,600
Project Inspection	48-00-4110-5700-4503	4,000
Admin and Legal	48-00-4110-5700-4504	44,400
Relocation	48-00-4110-5700-4505	6,000
Site Work	48-00-4110-5700-4506	28,000
Demolition and Removal	48-00-4110-5700-4507	173,099
Land, Structures, Appraisals, Right-of-Way	48-00-4110-5700-4508	1,429,866
		<u>\$ 1,779,713</u>

SECTION 4. The following revenues are anticipated to be available to complete this project:

Hazard Mitigation Grant	48-00-3700-4110-0000	\$ 1,779,713
Transfer from General Fund	48-75-3870-3870-0000	-
		<u>\$ 1,779,713</u>

SECTION 5. The following amounts are appropriated for the elevations project:

Miscellaneous		48-00-4100-5700-4500	\$ 14,252
Architectural and Engineering		48-00-4100-5700-4501	31,500
Project Inspection		48-00-4100-5700-4503	300
Admin and Legal		48-00-4100-5700-4504	9,100
Relocation		48-00-4100-5700-4505	6,000
Site Work		48-00-4100-5700-4506	11,000
Construction		48-00-4100-5700-7310	227,140
			<u>\$ 299,292</u>

SECTION 6. The following revenues are anticipated to be available to complete this project:

Hazard Mitigation Grant		48-00-3700-4100-0000	<u>\$ 299,292</u>
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SECTION 7. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient, specific detailed accounting records to satisfy the requirements of the state grant agreement.

SECTION 8. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

SECTION 9. The Finance Officer is directed to report, on a monthly basis, on the financial status of each project element in Section 3 and 5, and on the total grant revenues received or claimed.

SECTION 10. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

SECTION 11. Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

8. New Hire Report

<u>Position</u>	<u>Department</u>	<u>Budget Line</u>	<u>Rate of Pay</u>
No new hires			

Current Vacancies

<u>Position</u>	<u>Department</u>	<u>Budget Line</u>
Licensed Water Plant Operator	PU – Water Plant	30-71-7200-5100-0200
Police Officer I	Police	10-20-5100-5100-0200
Sanitation Equipment Operator	PW – Sanitation	10-40-5800-5100-0200

Unanimously approved.

Business Items:

1. Consideration and Request for approval to update the Public Utilities Capital Improvement Plan

Councilman Ashley questioned if this item should be made a part of the budget discussions. The Town Manager responded while it could be delayed until the budget process, staff does update it more than one a year.

Public Utilities Director Ted Credle addressed the Council on a request to update the public utilities capital improvement plan. He explained the capital improvement plan guides the direction of the Department. Although the updates are not required, they are necessary to qualify for loans and grants. Mr. Credle highlighted changes in the Electric Department, Water Sewer Department and Water Plant. He further explained that this update like all updates are non-binding and simply a plan for future capital needs.

Mayor Pro-Tem Scott questioned if the items denoted in red (old Goldsboro Road tie in and sodium chloride bulk tank) had been completed or removed from the capital improvement plan. Mr. Credle responded that those items have been completed.

Mayor Pro-Tem Scott further questioned if the riverbank refurbishment had been completed. Mr. Credle responded it would be completed in the next 30-60 days. Councilman Scott further questioned if there was any need for future riverbank refurbishment. Mr. Credle responded the plan outlines intake improvements in years six and eight.

Councilman Ashley questioned if the SCADA upgrades were ongoing. Mr. Credle responded in the affirmative.

Councilman Ashley further questioned if the sludge process maintenance was an ongoing process. Mr. Credle responded that maintenance for the sludge pressed were ongoing. Staff has identified other water plants that may want Smithfield to process their sludge and the Town could create a revenue stream from processing sludge. Smithfield has processed sludge from the Town of Selma.

Mayor Pro-Tem Scott asked Mr. Credle to explain the 60% loss of water and the budgeted amount of \$50,000 to repair pipes brought up by Mrs. Gemmel. Mr. Credle responded that the Town's water loss has been between 10-15% which is typical throughout the state. Mr. Credle further responded that although \$50,000 was a low amount, this amount has been budgeted to start the program and keep it going. Mr. Credle stated that a bigger problem than leakage was the infiltration and intrusion which the Town has been working to correct.

Councilman Ashley made a motion seconded by Mayor Pro-Tem Scott, to table the request until the budget discussions. Unanimously approved.

Mayor Moore reminded the Council that this was a plan that the Council requested. It was merely a proposed plan.

2. Water Rate Discussion

Mayor Pro-Tem Scott informed the Council the Wooten Company provided the Town an assessment and an update was recently provided simply because the Town citizens are about to be faced with a \$17 million water plant expansion. This is a significant debt for the next thirty years with an annual debt payment of \$732,000. After looking at the Wooten Report, Mayor Pro-Tem Scott felt the Town needed a further assessment of the water rates.

He suggested the Town enter into an agreement with Utility Financial Services (UFS) to conduct a cost of service study for all water and water/sewer services. He suggested that USF could provide a breakdown of rates and classify every customer who purchases water from the Town. He explained there are classifications and rates for residential, commercial and industrial customers, but there is nothing for wholesale customers. Rates set by the Town Council could effect people's decision to buy. Mayor Pro-Tem Scott further stated that while the sale of water to the County is important for the cash flow of the Town, if the County chose to stop purchasing water from the Town, it would be a significant increase to the Town's customers. Mayor Pro-Tem Scott questioned the cost of the water plant expansion to the Town's customers if the County chose not to purchase water from the Town. He stated that all water customers should be treated equally and the Council should know what it costs to produce water.

Mayor Pro-Tem Scott made a motion to enter into an agreement with UFS to do an

analysis on the Town's water rates.

Before calling for a second to the motion or a vote, Mayor Moore questioned the cost of the study. Mayor Pro-Tem Scott responded the electric study was approximately \$30,000 so he assumed it would be no more than that. He further responded that UFS was able to assist the Town with electric rates and he was certain they could assist with the water rates.

Mayor Moore stated he was hesitant to enter into any type of agreement without knowing the cost and suggested the Council table this request until the Council met for its first budget session at the end of the month. Mayor Pro-Tem Scott responded he would amend the motion that the cost was not to exceed \$30,000, but he wanted his motion to remain and not be delayed.

Councilman Ashley stated he was in agreement with Mayor Pro-Tem Scott that the Council should have all the facts before making a decision and it was important to have a third party assess the situation.

Mayor Moore reminded the Council that they may have some legal obligation to set this service out to bid. Town Attorney Bob Spence responded he would research it and report back to the Council.

Councilman Stevens questioned how the \$30,000 figure was determined. Mayor Pro-Tem Scott responded the cost of service study conducted by UFS for electric rates was approximately \$30,000. He didn't feel that the cost of service study for water rates would exceed that amount because they were less technical.

Mayor Pro-Tem Scott made a motion, seconded by Councilman Ashley, to enter into an agreement with UFS not to exceed \$30,000 to conduct a cost of service study on the Town's water rates. Should the analysis exceed \$30,000, it must come back to the Council for a vote. This is also contingent on legal review by the Town Attorney. Unanimously approved.

Mayor Moore questioned if there were any budgetary issues if the agreement was less than \$30,000. The Town Manager responded there are currently budget issues in the water department because there is \$3.25 million that has not been taken in from the County per the wholesale water agreement. The Town Manager stated that fund balance could be used for this expense.

Mayor Pro-Tem Scott stated it was important that the Town Manager and Staff understand that all sales should be considered in the cost of service study. He also requested that surcharges and capacity fee be included in the analysis.

Councilmembers Comments:

- Councilman Barbour expressed his appreciation to the Parks and Recreation staff and Advisory Commission. He stated based on the potential growth of the Town, he would like to have a work session whereby the Council discuss a long term strategic plan for the Town's Parks and Recreations.
- Councilman Ashley stated a few months ago, the Town approved a subdivision in the ETJ whereby the issue was who would provide water to the residents of that subdivision. Since the developer chose not to annex into the Town, the Council chose not to provide water services. The concern of Councilman Ashley was that the Town was selling water to the County and they were in turn selling it those customers more inexpensively than the Town could have had the Council chose to sell water to those residents in the subdivision.
- Mayor Pro-Tem Scott stated he had similar concerns as Councilman Ashley. He suggested the Town Council consider forming a Utilities Advisory Board comprised of citizens, Council and staff.
- Mayor Moore asked Police Chief R Keith Powell how many Police Officers have been hired since the last meeting. The Police Chief responded five have been hired leaving three vacancies. Mayor

Moore also informed the Council that April 12th – 27th is NCDOT's Little Sweep. He will be sending a challenge out to Mayors in Johnston County and to Johnston County Commissioners requesting that the County as a whole work together for this initiative. Mayor Moore congratulated the Town Manager and Town staff on the audit.

Town Manager's Report:

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

- The Town Manager stated that the water and sewer fund has increased significantly since 2014. He attributed that to the hard work by staff and their fiscal responsibility to the consumers. While he appreciated the research completed by Mrs. Gemmel and Mrs. Lampe, he struggled to find a 31% increase in rates. He explained that while the base fee from 2015-2016 has increased to \$4.40, the usage charge has decreased from \$4.29 to \$4.16.
- Ladder Truck: The expected delivery of the new ladder truck is July 19th. During the budget process the Council should discuss how to dispose of the old ladder truck. Staff will be working to determine a monetary value should we try to auction it.
- JCC: The new fire training facility is nearing completion at JCC. A ribbon cutting has been scheduled for June 14th. Invitations will be sent out as the date approaches.
- A highlight of each department's monthly activities was given to the Council

Adjourn/ Recess

Being no further business, Mayor Pro-Tem Scott made a motion, seconded by Councilman Stevens, to recess the meeting until March 26, 2018 at 6:30 pm. Unanimously approved. The meeting recessed at approximately 9:04 pm.

ATTEST:

M. Andy Moore, Mayor

Shannan L. Parrish, Town Clerk