



**Thursday, February 24, 2022
6:30 pm
Town Hall Council Chambers**

SPECIAL MEETING

- I. Call to Order**
- II. Approval of the Agenda**
- III. Closed Session: Pursuant to NCGS 143-318.11 (a) (5)**
- IV. Reconvene to Open Session**
- V. Items for Discussion**
 - 1. State Grant Requirement**
 - 2. The Police Department Expansion Project**
 - 3. FY 2022-2023 Budget Goals**
- VI. Adjourn**

Michael Scott, Town Manager
Greg Siler, Finance Director
Tim Kerigan, Human Resources/PIO
Shannan Parrish, Town Clerk



350 East Market Street
Post Office Box 761
Smithfield, NC 27577

Beth McKeel, Administrative Assistant

Telephone: 919.934.2116

Fax: 919.989.8937

Mayor and Council,

February 23, 2022

Following this memorandum, you will find items for the special meeting scheduled for Thursday, February 24, 2022. The first business item is a requirement by the Office of State Budget and Management (OSBM) to update the Town's current Conflict of Interest Policy. The Town is required to have a current conflict of interest policy that meets state statute. Staff had submitted our current policy, which is in the Town's Employee Handbook, to OSBM for review. OSBM came to the conclusion that the Town's current policy does not meet state statute requirements to receive grant funding. OSBM provided a draft conflict of interest policy that they request we use. Staff has used the state template to model a policy that meets state statute. Amending the Town's current policy is a requirement, for the Town to receive state grant funding. The draft policy mirrors the state template in every regard with the addition of identifying that volunteer firefighters are not considered staff members or providing services to the Town. This eliminates any argument about conflicts of interest involving volunteer firefighters acting as council members or contracting with the Town to complete specified, paid work. Attached is the following:

1. Email from the State
2. State Statute
3. Current Conflict of Interest Policy
4. Draft Conflict of interest Policy

The second business item is an update and discussion regarding the police department expansion. As you know, the price has doubled what was originally budgeted for this expansion. To date the Town has received a loan for the expansion in the sum of \$784,572. One payment has been made to date.

The anticipated cost today of the project has ballooned to \$1,393,209 due to increased labor and material costs and additional costs of storm water eradication from the site. Construction is set to begin so now is the time to elect to continue with the project and decide on additional funding, or table the project in hopes that material and labor costs decrease in the near future. Attached is a list of increases that our contract engineer Bill Dreitzler has created, as well as a spread sheet that explains the matter in greater detail. Bill will be present at the meeting to explain the matter in its entirety.

The last item is reserved for budget discussions. Staff is currently in the process of working on their department budgets. The Council requested a meeting to relay information to the staff regarding the Council's priorities prior to creation of the draft budget. Staff will be present from all departments to answer questions the Council might have.

Please contact me at your convenience, should you have any questions.

Michael L. Scott

Smithfield Town Manager

350 East Market Street

PO Box 761

Smithfield, NC 27577

919-934-2116 ext. 1104

michael.scott@smithfield-nc.com

Michael Scott

From: Greg Siler
Sent: Thursday, February 17, 2022 3:58 PM
To: Michael Scott
Subject: FW: SCIF grant forms needed
Attachments: Conflict-of-Interest-Policy_sample (3).docx; AppendixA-Scope_of_Work (2).pdf

FYI

From: Norboge, Nicolas <nicolas.norboge@osbm.nc.gov>
Sent: Thursday, February 17, 2022 3:53 PM
To: Greg Siler <greg.siler@smithfield-nc.com>
Cc: SCIFGrantsNC <SCIFGrantsNC@osbm.nc.gov>
Subject: SCIF grant forms needed

Hi Greg,

Would you be able to upload a copy of a voided check? We need that information to process your W-9 and electronic payment form.

The sworn statement you submitted looks good—thank you. **The conflict of interest policy from the town’s handbook doesn’t cover the components we need per statute. Would you please provide us with a stand-alone conflict of interest policy?** I’ve attached a template you could simply sign if you’d like.

We also still need a scope of work for both grants. I’ve attached the template you can use to build that out.

Thank you! Please let me know if you have any questions.

Nick

Nicolas D. Norboge, PhD
Principal Transportation Finance Analyst
Demographic and Economic Analysis
NC Office of State Budget & Management, Office #5076
(984) 236-0692 office
nicolas.norboge@osbm.nc.gov



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§ 143C-6-23. State grant funds: administration; oversight and reporting requirements.

(a) Definitions. - The following definitions apply in this section:

- (1) Grant or grant funds. - State funds disbursed as a grant by a State agency; however, the terms do not include any payment made by the Medicaid program, the State Health Plan for Teachers and State Employees, or other similar medical programs.
- (2) Grantee. - A non-State entity that receives State funds as a grant from a State agency but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.
- (3) Encumbrance. - A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided, or other legally binding agreement. A financial obligation is not an encumbrance for purposes of this section unless it (i) is in writing and has been signed by a person or entity who has authority to legally bind the grantee or subgrantee to spend the funds or (ii) was created by the provision of goods or services to the grantee or subgrantee by a third party under circumstances that create a legally binding obligation to pay for the goods or services.
- (4) Subgrantee. - A non-State entity that receives State funds as a grant from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(b) Conflict of Interest Policy. - Every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

(c) No Overdue Tax Debts. - Every grantee shall file with the State agency or department disbursing funds to the grantee a written statement completed by that grantee's board of directors or other governing body stating that the grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, State, or local level. The written statement shall be made under oath and shall be filed before the disbursing State agency or department may disburse the grant funds. A person who makes a false statement in violation of this subsection is guilty of a criminal offense punishable as provided by G.S. 143C-10-1.

(d) Office of State Budget Rules Must Require Uniform Administration of State Grants. - The Office of State Budget and Management shall adopt rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees. The Office of State Budget and Management shall consult with the Office of the State Auditor and the Attorney General in establishing the rules required by this subsection. The rules shall establish policies and procedures for disbursements of State grants and for State agency oversight, monitoring, and evaluation of grantees and subgrantees. The policies and procedures shall:

- (1) Ensure that the purpose and reporting requirements of each grant are specified to the grantee.
- (2) Ensure that grantees specify the purpose and reporting requirements for grants made to subgrantees.
- (3) Ensure that State funds are spent in accordance with the purposes for which they were granted.

Section 50. Conflict of Interest

It is the policy of the Town of Smithfield that no Council member, officer or employee of the Town receives any personal or private benefit resulting from the activities of the Town or from the receipt of the Town of funds, or funds from the State of North Carolina, or from any other source, apart from reasonable compensation for services rendered and reimbursement for reasonable expenses incurred in the conduct of the business of the Town. Further, no Council member, officer, or employee of the Town shall obtain any direct or indirect economic stake in any entity participating in the programs of the Town, and the Town shall not employ any individual who owns a stake in such entity.



TOWN OF SMITHFIELD

Conflict of Interest Policy

The purpose of the following policy and procedures is to prevent the personal interest of staff members and Council Members of the Town of Smithfield from interfering with the performance of their duties to the Town of Smithfield, or resulting in personal financial, professional, and/or political gain on the part of such persons at the expense of the Town of Smithfield.

Definitions: Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, Mayor and Council Members of the Town of Smithfield. Governing Board (also board) means the Town Council, including the Mayor. Town Council means an individual member of the Town Council, including the Mayor. Staff member means a person who receives all or part of his/her income from the payroll of the Town of Smithfield. Volunteer Firefighters are not considered staff members or performing services under this policy.

Policy:

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Town Council in all conflicts of interest, including but not limited to the following:
 - a) A Town Council Member is related to another Town Council Member.
 - b) A Town Council Member is related to a staff member.
 - c) A Town Council Member is also a staff member.
 - d) A staff member in a supervisory capacity is related to another staff member whom he/she supervises.
 - e) A Council Member or staff member receives payment from the Town of Smithfield for any contract, subcontract, goods, or services other than as part of his/her regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
 - f) A Council Member or staff member is a member of the governing body of a contributor to the Town of Smithfield.
 - g) A Council Member or staff member may have personal, financial, professional, or political gain at the expense of the Town of Smithfield.
 - h) A Council Member or staff member engages in activities that may cause a loss of public credibility in the Town of Smithfield or create a public impression of impropriety.
2. Following full disclosure of a possible conflict of interest or any condition listed above, the Town Council shall determine whether a conflict of interest exists and, if so, the board shall vote to authorize or reject the transaction and/or condition. Both votes shall be by a majority vote without counting the vote of any interested Council Member, even if the disinterested members are less than a quorum, provided that at least one consenting council member is disinterested.
3. An interested Council Member or staff member shall not participate in any discussion or debate of the board of directors, or of any committee thereof, in which the subject of discussion is a contract, transaction, or situation in which there may be a conflict of interest.

4. No Council Member or staff member shall participate in the selection, award, or administration of a procurement transaction in which federal or state funds are used, where to his/her knowledge, any of the following has a financial interest in that transaction: (1) the staff member or council member; (2) any member of his/her immediate family; (3) his/her partner; (4) an organization in which any of the above is an officer, director, or employee; or (5) a person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment.
5. Existence of any of the above-listed conditions shall render a contract or a transaction voidable unless full disclosure of personal interest is made in writing to the Town Council and such transaction was approved by the board in full knowledge of such interest.
6. The disinterested council members are authorized to impose by majority vote other reasonable sanctions as necessary to recover associated costs against a council member or staff member for failure to disclose a conflict of interest as described in Paragraph 1 or for any appearance of a conflict.
7. Appeal from sanctions imposed pursuant to Paragraph 5 and 6 above shall be prescribed by law in those courts of the State of North Carolina with jurisdiction over both the parties and the subject matter of the appeal.
8. In the event that the Town of Smithfield has incurred costs or attorney fees as a result of legal action, litigation, or appeal brought by or on behalf of an interested council member or staff member due to a conflict of interest and consequent sanctions and in the event that the Town of Smithfield prevails in such legal action, litigation, or appeal, the Town of Smithfield shall be entitled to recover all of its costs and attorney fees from the unsuccessful party.
9. A copy of this policy shall be given to all Council Members and staff members upon commencement of such person's relationship with the Town of Smithfield. Each board member and staff member shall sign and date the policy at the beginning of his or her term of service or employment and each year thereafter. Failure to sign does not nullify the policy.

Signed:

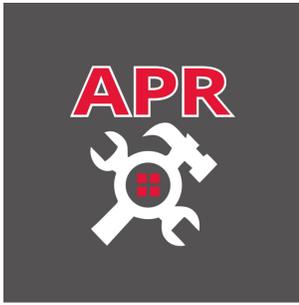
(signature)

(name printed)

(date)

To ensure the policy is being regularly enforced and monitored for compliance, the Town Manager shall remind board and staff members of the policy annually by email and shall require board and staff members to disclose annually any interests that may give rise to conflict.

Use the section below to disclose any interests that may give rise to conflict:



APR Restoration and Commercial Development Inc.
 9316 Smart Dr
 Raleigh, North Carolina
 27603, United States

Customer

Prepared By:
 Todd Waddell
 9193697955
 toddw@apr-nc.com

Project: Smithfield Police Dept Addition

Scope of Work

Design

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
Architect	1 ea	\$ 62,553.19	\$ 7,506.38	\$ 70,059.57
Engineer	1 ea	\$ 43,617.02	\$ 5,234.04	\$ 48,851.06

General Requirements

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
Permit Fee	1 ea	\$ 5,319.15	\$ 638.30	\$ 5,957.45
01 General Requirements	1 ea	\$ 15,957.45	\$ 1,914.89	\$ 17,872.34

Sitework

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
02-200 Site Preparation	1 ea	\$ 37,234.04	\$ 4,468.09	\$ 41,702.13
02-900 Landscaping	1 ea	\$ 2,659.57	\$ 319.15	\$ 2,978.72
02-500 Utility Services	1 ea	\$ 74,468.09	\$ 8,936.17	\$ 83,404.26
02-300 Earthwork	1 ea	\$ 37,234.04	\$ 4,468.09	\$ 41,702.13

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
02-740 Asphalt Pavement	1 ea	\$ 117,021.28	\$ 14,042.55	\$ 131,063.83
31 25 00 - Erosion and Sedimentation Controls	1 ea	\$ 58,510.64	\$ 7,021.28	\$ 65,531.91
03 30 00 - Cast-in-Place Concrete	1 sq ft	\$ 26,595.74	\$ 3,191.49	\$ 29,787.23

Concrete

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
03-210 Cast-In-Place Concrete	1 ea	\$ 47,872.34	\$ 5,744.68	\$ 53,617.02

Masonry

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
04-200 Masonry Units	1 ea	\$ 159,574.47	\$ 19,148.94	\$ 178,723.40

Metals

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
05-100 Structural Metals	1 ea	\$ 31,914.89	\$ 3,829.79	\$ 35,744.68
05-400 Cold-Formed Metal Framing	1 ea	\$ 26,595.74	\$ 3,191.49	\$ 29,787.23

Wood

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
06-100 Rough Carpentry	1 ea	\$ 21,276.60	\$ 2,553.19	\$ 23,829.79
06-400 Architectural Woodwork	1 ea	\$ 26,595.74	\$ 3,191.49	\$ 29,787.23

Thermal Protection

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
07-500 Membrane Roofing	1 ea	\$ 29,787.23	\$ 3,574.47	\$ 33,361.70
07-200 Thermal Protection - Insulation	1 ea	\$ 6,382.98	\$ 765.96	\$ 7,148.94

Doors and Windows

Part	Quantity	Material Cost	Labor Cost and/or Adjustments	Total Cost
08-300 Specialty Doors	1 ea	\$ 10,638.30	\$ 1,276.60	\$ 11,914.89
08-100 Doors	1 ea	\$ 10,638.30	\$ 1,276.60	\$ 11,914.89

Part	Quantity	Material Cost	Labor Cost and/or		Total Cost
			Adjustments		
08-400 Entrances and Storefronts	1 ea	\$ 5,319.15	\$ 638.30		\$ 5,957.45

Finishes

Part	Quantity	Material Cost	Labor Cost and/or		Total Cost
			Adjustments		
09-500 Ceilings	1 ea	\$ 5,319.15	\$ 638.30		\$ 5,957.45
09-900 Paints and Coatings	1 ea	\$ 8,510.64	\$ 1,021.28		\$ 9,531.91
09-600 Flooring	1 ea	\$ 74,468.09	\$ 8,936.17		\$ 83,404.26
09-250 Gypsum Wallboard	1 ea	\$ 42,553.19	\$ 5,106.38		\$ 47,659.57

Mechanical

Part	Quantity	Material Cost	Labor Cost and/or		Total Cost
			Adjustments		
15-400 Plumbing Fixtures and Equipment	1 ea	\$ 74,468.09	\$ 8,936.17		\$ 83,404.26
15-050 Basic Mechanical Materials and Methods	1 ea	\$ 95,744.68	\$ 11,489.36		\$ 107,234.04

Electrical

Part	Quantity	Material Cost	Labor Cost and/or		Total Cost
			Adjustments		
16-100 Electrical	1 ea	\$ 85,106.38	\$ 10,212.77		\$ 95,319.15

Notes

Summary

Price	
Labor and Adjustments	\$ 149,272.34
Materials	\$ 1,137,765.96
Subcontractor	\$ 106,170.21
Subtotal	\$ 1,393,208.51

Taxes	
Labor and Adjustments Tax	\$ 0.00
Materials Tax	\$ 0.00
Subcontractor Tax	\$ 0.00
Total Taxes	\$ 0.00

\$ 1,393,208.51

Accepted By

Date

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