



Mayor

M. Andy Moore

Mayor Pro-Tem

John A. Dunn

Council Members

Marlon Lee

Sloan Stevens

Travis Scott

David Barbour

Stephen Rabil

Roger A. Wood

Town Attorney

Robert Spence, Jr.

Town Manager

Michael L. Scott

Finance Director

Greg Siler

Town Clerk

Shannan Parrish

Town Council

Agenda

Packet

Meeting Date: Tuesday, November 14, 2023

Meeting Time: 7:00 p.m.

Meeting Place: Town Hall Council Chambers

350 East Market Street

Smithfield, NC 27577



**TOWN OF SMITHFIELD
TOWN COUNCIL AGENDA
REGULAR MEETING NOVEMBER 14, 2023
7:00 PM**

Call to Order

Invocation

Pledge of Allegiance

Approval of Agenda

Page

Presentations:

- 1. Acceptance of the 2023 NC One Water award for the Water Distribution System of the Year (small utility)**
(Public Utilities Director – Ted Credle) See attached information.....1

- 2. Acceptance of the 2023 NC One Water award for Wastewater Distribution System of the Year (small utility)**
(Public Utilities Director – Ted Credle) See attached information.....5

Public Hearings: None

Citizens Comments

Consent Agenda Items:

- 1. Approval of Minutes:**
 - a. October 3, 2023 – Regular Meeting**
(Town Clerk – Shannan Parrish) See attached information.....9

- 2. Special Event – JugsGiving:** The owners of the Little Brown Jug are requesting to hold a Thanksgiving Party on November 22, 2023 from 8:00 pm until 2:00 am at 101 West Market Street. The request includes the use of amplified sound from 8:00 pm until 11:00 pm. Staff is requesting this event be approved as an annual event.
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- 3. Consideration and request for to promote a Customer Service Representative to a Senior Customer Service Representative**
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12. Consideration and request for approval of a bid in the amount of \$20,500.00 to Wayne Roofing & Sheet Metal Company for an elastomeric roof coating & roof repairs to the American Legion Hut (Neuse Little Theater) (Parks and Recreation Director – Gary Johnson) <u>See</u> attached information.....	93
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15. Consideration and request for approval of a bid in the amount of \$28,634.28 to Performance Ford (State Contract) for the purchase of a 2023 Ford Maverick Crew Cab for the Police Department’s Public Safety Aid
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16. Consideration and request for approval to amend the Downtown Smithfield Development Corporation Bylaws
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17. Board Appointments

- a. Sonny Howard has submitted an application for consideration to be reappointed to the Recreation Advisory Commission for a second term
- b. Tyree Minor has submitted an application for consideration to be appointed to Recreation Advisory Commission for a first term
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18. New Hire Report
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Councilmember’s Comments

Town Manager’s Report

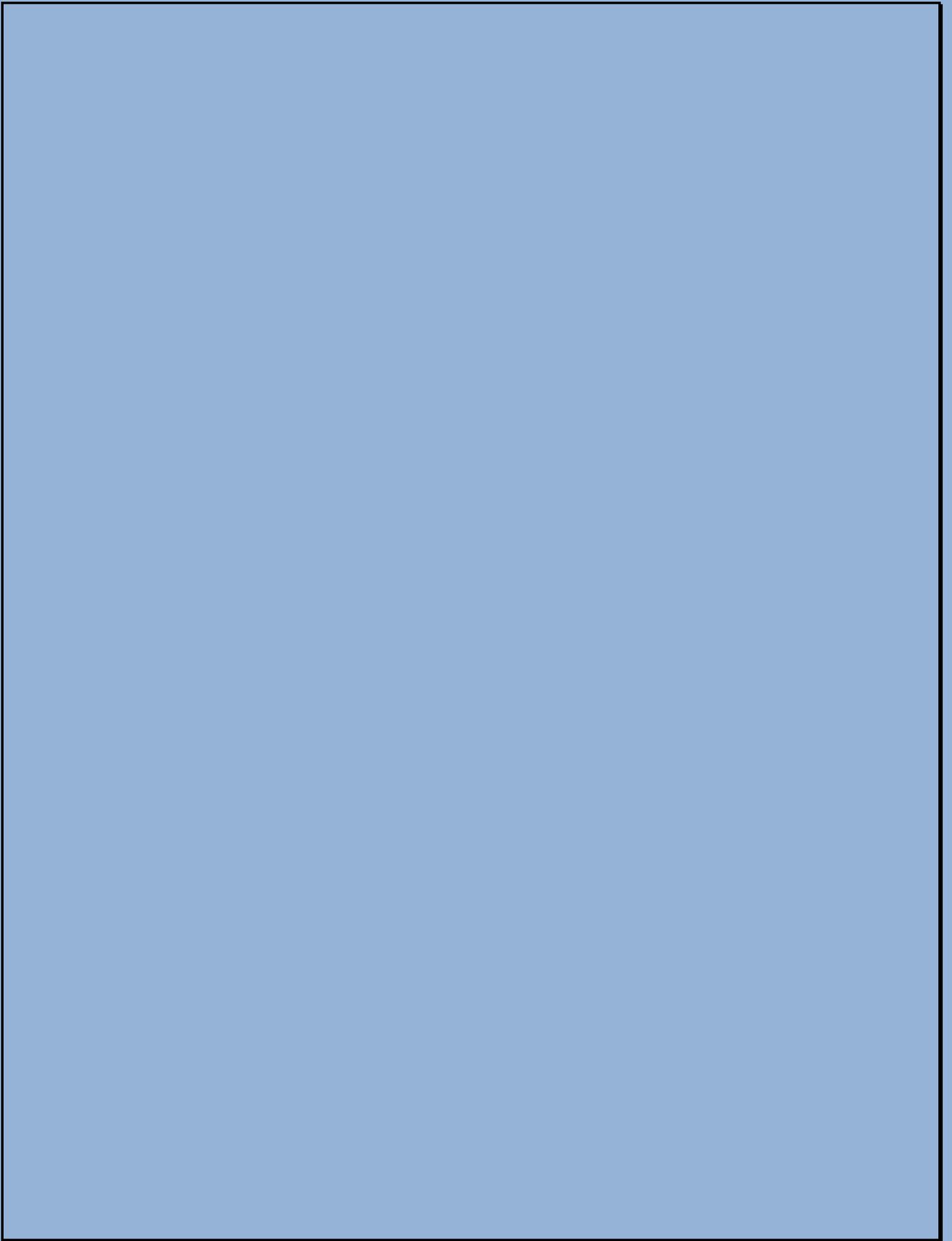
- Financial Report (See attached information).....293
- Department Reports (See attached information).....297
- Manager’s Report (Will be provided at the Meeting)

Closed Session: Pursuant to NCGS 143-318.11 (a) (3) – To consult with the Town Attorney

Reconvene In Open Session

Adjourn

Presentations





Request for Town Council Action

Presentation **Award
Presentation**
Date: 11/14/2023

Subject: NC AWWA-WEA Award Presentation

Department: Public Utilities

Presented by: Public Utilities Director – Ted Credle

Presentation: Presentation

Issue Statement

Acceptance of the 2023 North Carolina American Water Works Association & Water Environment Federation Award for Potable Water Distribution System of the year!

Financial Impact

None

Action Needed

Accept the Award as was given by the NC AWWA-WEA

Recommendation

Staff recommends acceptance of the award

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Letter of Notification



Staff Report

**Presentation: Award
Presentation**

The purpose of the NC AWWA-WEA North Carolina Water Distribution System of The Year Award is to identify and recognize the municipality that protects the public health through pro-active practices of management, operations and maintenance of their water distribution system beyond minimum standards.

To assist in these efforts the Water Distribution System committee shall annually recognize water distribution systems in North Carolina based on the size of their system. In 2023, only three systems in North Carolina were selected for this honor and for the sixth time in seven years, the Town of Smithfield has won their category!

Recipients of the award will have demonstrated that they perform quality water system maintenance procedures through the efficient use of labor, materials, equipment, and innovative methods to keep their distribution system in good working condition to minimize health hazards.

The award honors the system personnel that serve their community with a high level of professionalism and diligent work in the operation and maintenance of their water distribution system facilities. The recipient's staffs make the most of their available resources, no matter how great or small.

**

Dear Ted,

On behalf of NC One Water, I am delighted to inform you that Town of Smithfield has been selected as the 2023 recipient of both the Wastewater Distribution System of the Year (Small Utility) AND Water Distribution System of the Year (Small Utility Winner) Awards.

We will be celebrating all our state-level and national award winners at this year's Annual Conference. **The Awards Celebration will be held on Tuesday, October 31, from 6:30 – 9:00 p.m.** in Ballroom C at the Raleigh Convention Center. You and a guest are invited!

The event will begin with a social hour and cash bar, then dinner, and conclude with a meaningful opportunity to be recognized by your peers across the North Carolina water industry.

Please RSVP by Monday, October 13, to let us know if you plan to attend. Please follow this link to RSVP <https://nconewater.org/events/EventDetails.aspx?id=1759357&group=>.

We look forward to celebrating your accomplishments! Congratulations!



JENNIFER PICARELLA
Director of Engagement



Office 919-784-9030, ext. 806
jennifer.picarella@nconewater.org



Request for Town Council Action

Presentation: Award
Presentation
Date: 11/14/2023

Subject: NC AWWA-WEA Award Presentation

Department: Public Utilities

Presented by: Public Utilities Director – Ted Credle

Presentation: Presentation

Issue Statement

Acceptance of the 2023 North Carolina American Water Works Association & Water Environment Federation Award for Sanitary Sewer Collection System of the year!

Financial Impact

None

Action Needed

Accept the Award as was given by the NC AWWA-WEA

Recommendation

Staff recommends acceptance of the award

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Letter of Notification



Staff Report

**Presentation: Award
Presentation**

The purpose of the NC AWWA-WEA North Carolina Collection System of The Year Award is to identify and recognize the municipality that protects the public health and the natural beauty of the environment through pro-active practices of management, operations and maintenance beyond what is required of its NC DEQ collection system permit.

To assist in these efforts, the committee annually recognizes three wastewater collection systems in our state based on the size of their collection system (small, medium & large systems). For the sixth time in seven years, the Town of Smithfield won their size category!

Recipients of the award will have demonstrated that they perform quality collection system maintenance procedures through the efficient use of labor, materials, equipment, and innovative methods to keep their collection system in good working condition to minimize health hazards and property damage that occur due to sanitary sewer over flows during both wet weather and dry weather conditions.

The award honors the collection system personnel that serve their community with a high level of professionalism and diligent work in the operation and maintenance of their wastewater collection system facilities. The recipient's staff prove themselves to make the most of their available resources, no matter how great or small.

**

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On behalf of NC One Water, I am delighted to inform you that Town of Smithfield has been selected as the 2023 recipient of both the Wastewater Distribution System of the Year (Small Utility) AND Water Distribution System of the Year (Small Utility Winner) Awards.

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We look forward to celebrating your accomplishments! Congratulations!



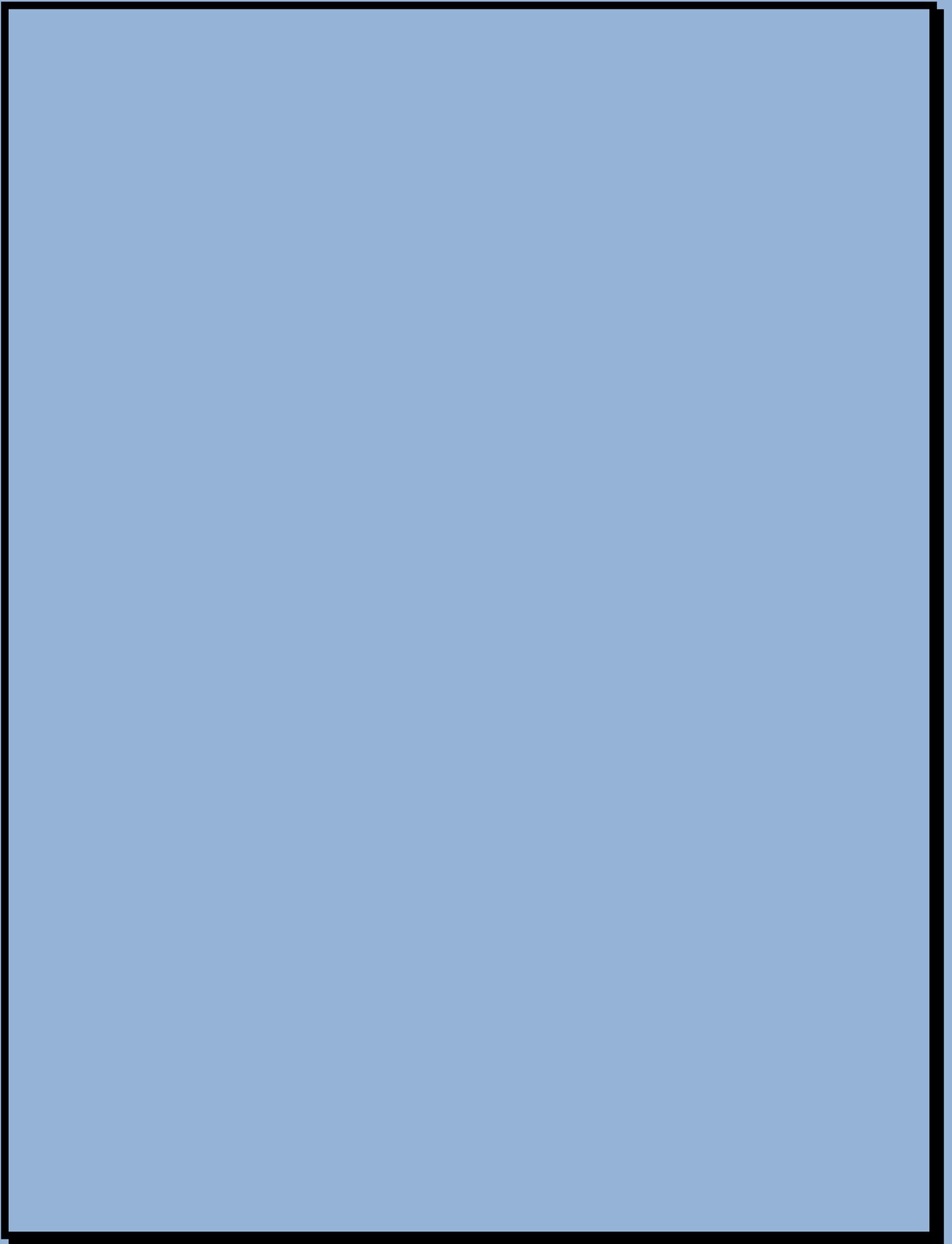
JENNIFER PICARELLA
Director of Engagement



Office 919-784-9030, ext. 806
jennifer.picarella@nconewater.org

Consent

Agenda Items



The Smithfield Town Council met in regular session on Tuesday, October 3, 2023 at 7:00 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

John A. Dunn, Mayor Pro-Tem
Marlon Lee, District 1
Sloan Stevens, District 2
Dr. David Barbour, District 4
Roger Wood, At-Large
Stephen Rabil, At-Large

Councilmen Absent

Travis Scott, District 3

Administrative Staff Present

Michael Scott, Town Manager
Ted Credle, Public Utilities Director
Lawrence Davis, Public Works Director
Pete Hedrick, Chief of Police
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources
Eric McDowell, IT Director
Shannan Parrish, Town Clerk
Greg Siler, Finance Director
Stephen Wensman, Planning Director

Also Present

Robert Spence, Jr., Town Attorney

Administrative Staff Absent

CALL TO ORDER

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

INVOCATION

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

APPROVAL OF AGENDA:

Councilman Wood made a motion, seconded by Councilman Stevens, to approve the agenda with the following amendments:

Add to the Consent Agenda:

12. Proclamation: Declaring November 1, 2023 as National Family Literacy Day in the Town of Smithfield

Add to the Business Items:

4. Discussion concerning the FY 2023-2024 Resurfacing Project.

Councilman Lee stated that at the last meeting, he requested to have a detailed update from Skip Green on the CDBG Housing Revitalization grant. He questioned why that item was not placed on the agenda.

Town Manager Michael Scott responded he apparently misunderstood the meeting between Councilman Lee and himself about this issue. It was his recollection that Councilman Lee did not need to discuss this at the Council meeting

Councilman Lee stated that was not the reason for the meeting with the Town Manager. He stated his reason for that meeting was to discuss a concern he had with a former employee

Councilman Wood, Councilman Stevens, Mayor Pro-Tem Dunn, Councilman Barbour, Councilman Rabil voted in favor of the motion. Councilman Lee voted against the motion. Motion passed 5 to 1.

PRESENTATIONS:

1. Administering the Oath of Office to New Fire Chief Jeremy Daughtry

Mayor Moore administered the oath of office to new Fire Chief Jeremy Daughtry and congratulated him on his promotion.

2. Proclamation – Recognizing October as Fire Prevention Month in the Town of Smithfield

Mayor Moore presented the following proclamation to Fire Chief Jeremy Daughtry.

**PROCLAMATION
Recognizing October
As Fire Prevention Month
In the Town of Smithfield**

WHEREAS, fire is a serious and constant threat to our community, causing significant loss of life, property, and natural resources; and

WHEREAS, the month of October is recognized as Fire Prevention Month, providing an opportunity to educate the public about fire safety and prevention; and

WHEREAS, the Smithfield Fire Department, in partnership with local organizations, is committed to promoting fire safety and reducing the risk of fires in our community; and

WHEREAS, the theme for Fire Prevention Month 2023 is "Prevent Cooking Fires: Watch What You Heat!"; and

WHEREAS, cooking fires are the leading cause of home fires and home fire injuries, with unattended cooking being the primary contributing factor; and

WHEREAS, the Smithfield Fire Department will be hosting various events and activities throughout the month to raise awareness about fire safety and prevention.

NOW, THEREFORE, I, M. Andy Moore, Mayor of Smithfield, NC, do hereby proclaim the month of October 2023 as Fire Prevention Month in Smithfield, NC. I urge all citizens to:

Practice fire safety by installing and maintaining smoke alarms, creating a home fire escape plan, and regularly practicing fire drills with their families;

Exercise caution while cooking by staying in the kitchen while cooking, using a timer to remind themselves of cooking times, and keeping flammable items away from the stove;

Participate in Fire Prevention Month activities organized by the Smithfield Fire Department, such as open houses, educational programs, and fire station tours, to learn more about fire safety and prevention.

By working together, we can make our community a safer place to live.

3. Proclamation – Recognizing October 1-7, 2023 as Public Power Week in the Town of Smithfield

Mayor Moore presented the following proclamation to Public Utilities Director Ted Credle.

**PROCLAMATION
Recognizing Public Power Week
October 1-7, 2023**

In the Town of Smithfield

WHEREAS, public power is a crucial component in cities and towns across North Carolina, contributing to the overall health of communities by providing reliable electricity, excellent local service, and prompt restoration; and

WHEREAS, North Carolina's more than 70 public power cities and towns are among more than 2,000 across the country; and

WHEREAS, many of North Carolina's public power cities and towns have been electric providers for more than 100 years, assisting their communities through boom times as well as pandemics and economic downturns; and

WHEREAS, public power meets the electric needs of 49 million Americans, who make up almost 15 percent of electricity consumers; and

WHEREAS, North Carolina's public power utilities are valuable community assets that contribute to the well-being of the community and provide economic development opportunities; and

WHEREAS, North Carolina's public power utilities are dependable institutions that provide excellent service and a commitment to community; and

WHEREAS, the Town of Smithfield recognizes Public Power Week and commends the public power cities and towns across our state for their outstanding contributions to our communities.

NOW, THEREFORE, I, *M. Andy Moore*, Mayor of the Town of Smithfield, along with the Town Council, do hereby proclaim October 1st through the 7th as

Public Power Week

in the Town of Smithfield and commends its observation to all citizens.

4. Discussion regarding the maintenance and possession of chickens within Town limits

Planning Director Stephen Wensman explained that at the request of Council he was asked to review neighboring communities' ordinances allowing citizens to keep chickens. Currently, the Town's ordinances prohibit the keeping of chickens in the Town limits. Mr. Wensman stated there were other community that allowed the keeping of chickens with similar standards.

Mayor Moore stated he would like to have input from citizens on this matter.

PUBLIC HEARINGS:

1. **Rezoning Request: Johnson's Tire & Auto (RZ-23-02)** - The applicant is requesting to rezone a .53-acre portion of a 1.53-acre tract of land from the R-20A Residential-Agriculture zoning district to the B-3 Highway Entrance Business zoning district. The property considered for rezoning is located on the south side of NC Highway 210, approximately 100 feet west of its intersection with Skyland Drive. The property is further identified as a portion of Johnston County Tax ID# 15076014.

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

Planning Director Stephen Wensman explained Johnson Tire was requesting a zoning map amendment to rezone 0.53-acres of their 1.53-acre property from R-20A (Residential-Agricultural) to B-3 (Highway Entranceway Business). Johnson Tire and Auto expanded onto the 0.53-acre parcel a few years ago to use the space for parking. The expansion and use of the land for parking was done prior to site plan approval. The applicant has since received site plan approval and has been in the process of meeting all the requirements: paving, landscaping, buying down Nitrogen and rezoning.

CONSISTENCY STATEMENT (Staff Opinion):

With approval of the rezoning, the Planning Board/Town Council is required to adopt a statement describing whether the action is consistent with adopted comprehensive plan and other applicable adopted plans and that the action is reasonable and in the public interest. Planning Staff considers the action to be consistent and reasonable:

- Consistency with the Comprehensive Growth Management Plan - *The Comprehensive Plan guides the specific property for commercial.*
- Consistency with the Unified Development Code – *The site has been developed in conformance with the UDO.*
- Compatibility with Surrounding Land Uses - *The property considered for rezoning will be compatible with the surrounding land uses.*

Recommendation:

Planning Staff recommend approval of the rezoning, RZ-23-02, with a statement declaring the request consistent with the Town of Smithfield Comprehensive Growth Management Plan, as amended by the rezoning, and other adopted plans, and that the amendment is reasonable and in the public interest.

Planning Director Stephen Wensman has incorporated his entire record and provided it to the Council in written form in the October 3, 2023 agenda packet.

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

Mayor Moore asked if this rezoning was an effort by the applicant to bring the use into compliance. Mr. Wensman responded in the affirmative.

Mayor Moore asked if there was anyone in attendance that wished to speak on the matter. There was no one in attendance that wished to speak on the matter.

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

Councilman Barbour made a motion, seconded by Councilman Wood, to approve zoning map amendment, RZ-23-02, finding it consistent with the Town of Smithfield Comprehensive Growth Management Plan as hereby amended, and other adopted plans, and that the amendment is reasonable and in the public interest. Unanimously approved.

- 2. UDO Text Amendment: Town of Smithfield (ZA-23-10)** - The applicant is proposing an amendment to the Unified Development Ordinance, Article 7, Section 7.44, Outdoor Vehicle Storage, Sales and Display to allow for automobile sales display areas to be identified with a perimeter area stripe in-leu of individual striped parking stalls.

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

Planning Director Stephen Wensman explained staff was requesting the Planning Board recommend approval of the following amendments to the Unified Development Ordinance, Article 7, Section 7.44 to allow alternative vehicle striping for car sales display.

Mr. Wensman explained the Town had been in litigation with Deacon Jones and Perfect Ride about parking lot striping requirements. To find a compromise solution that meets both the Town's needs and those of the litigants, the attached draft ordinance was created. The Town currently requires cars on car sales lots to be either within a striped parking stall or within a screened storage yard. One of the purposes of the regulation is to limit the number of cars on the lot to the number that fit within a striped parking lot or screened storage yard. Cars, therefore, cannot be within drive isles, or double parked, block fire and emergency access.

Regulation and control of cars has a positive impact on the aesthetics of the town's commercial corridors, ensures access for emergency services, and limits the overburdening of lots with an excessive number of vehicles. This ordinance will create a third option for automobile sales display and storage. The ordinance will achieve the following:

- The rectangular display areas will hold proportionally the same number of vehicles as if the parking lot were striped in a traditional manner.
- Vehicles within a display box will need to be parked uniformly within the box as if it were striped.
- The display boxes will afford the dealerships the ability to shift vehicles as needed within the box to perpendicular or angled parking to draw the attention of shoppers. It will allow the dealers to spread cars out or park them closer together but limit the number of vehicles within to the number that would fit if striped traditionally.
- The rectangular display areas will be accessed by a drive isle in a similar manner to traditional striping maintaining clear demarcation of drive isles for safety.
- The number of vehicles allowed within a box will be marked within the rectangle.
- The display areas will be demarcated by a 4" wide white painted line on all sides.
- Prohibits cars being displayed in parking lot driveway, drive isle or landscaped areas.

CONSISTENCY STATEMENT:

Staff finds the zoning text amendment as consistent with the Town of Smithfield Comprehensive Growth Management Plan and other adopted plans, and that the amendment is reasonable and in the public interest.

Recommendation:

Planning Staff recommended zoning text amendment, ZA-23-10, amending Article 7, Section 7.44, to allow alternative vehicle striping for car sales display, finding the amendment consistent with the Town of Smithfield Comprehensive Growth Management Plan and other adopted plans, and that the amendment is reasonable and in the public interest.

The Planning Board reviewed the draft ordinance and recommended that there be no striping requirement for auto sales lots.

Planning Director Stephen Wensman has incorporated his entire record and provided it to the Council in written form in the October 3, 2023 agenda packet.

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

Councilman Wood questioned if this would help control parked cars along the Brightleaf Blvd. corridor. Mr. Wensman responded that any new improvements to a car lot would require paved and striped parking. This ordinance amendment would allow another option for the stiped parking lot.

Councilman Barbour stated in section 7.44.3.3 stated: *the square footage of the rectangular display shall not exceed 40% of the square footage of the total outdoor parking area.* He questioned why 40% was chosen. Mr. Wensman responded that was negotiated by the Town Attorney with Deacon Jones and Perfect Ride.

Town Manager Michael Scott stated this issue was part of ongoing litigation among the Town, Deacon Jones and Perfect Ride. All parties agreed on the 40% and there was some urgency to have this amendment adopted by the Council so that Deacon Jones could obtain it certificate of occupancy for their building.

Mayor Moore questioned if striped parking could be eliminated for these businesses. Mr. Wensman cautioned the Council from eliminating striped parking because the Town already has a lot of issues with businesses not maintaining the 24' wide drive way.

Following discussion, it was the consensus of the Council to eliminate the following section:

7.44.3.3. The total square footage of rectangular display areas shall not exceed 40% of the square footage of the total outdoor parking area on the lot, or multiple lots if permitted as such for outdoor sales, display and storage with a valid zoning permit.

Mayor Moore stated there were 2 options: 1) allow striping as the current ordinance allows and 2) allow for

rectangular displays, but eliminate the 40% square footage requirement.

Mayor Moore asked if there was anyone in attendance that wished to speak on the matter.

Planning Board Chairman Mark Lane stated it was the intent of the Planning Board to not require parking lot striping for car displays as long as emergency vehicles have egress and ingress. Customer parking would still require striping.

Town of Smithfield Fire Marshall Blake Holloman explained there was language in the code that discusses public fire access. It was his opinion that the Town have a standard for car lots.

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

Councilman Barbour made a motion, seconded by Mayor Pro-Tem Dunn, to approve zoning text amendment, ZA-23-10, amending Article 7, Section 7.44, with the removal of section 7.44.3.3, to allow alternative vehicle striping for car sales display, finding the amendment consistent with the Town of Smithfield Comprehensive Growth Management Plan and other adopted plans, and that the amendment is reasonable and in the public interest.

Councilman Barbour, Mayor Pro-Tem Dunn, Councilman Lee, Councilman Stevens, Councilman Rabil voted in favor of the motion. Councilman Wood voted against the motion. Motion passed 5 to 1.

ORDINANCE # ZA-23-10
AN ORDINANCE TO AMEND THE TOWN OF SMITHFIELD
UNIFIED DEVELOPMENT ORDINANCE
ARTICLE 7, SECTION 7.44 TO ALLOW AN ALTERNATIVE VEHICLE STRIPING FOR
CAR SALES DISPLAY

WHEREAS, the Smithfield Town Council wishes to amend certain provisions in the Town of Smithfield Unified Development Ordinance by making changes to Unified Development Ordinance Article 7, Section 7.44 as it pertains to outdoor vehicle storage, sales and display.

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:

[Amend Article 7, Section 7.44, allowing alternative vehicle striping for car sales display within a rectangular display area.]

PART 1

Sec. 7.44. Outdoor Vehicle Storage, Sales and Display.

7.44.1. [Paved Surface/Storage

All vehicles for stored outside for display, or sale shall be on a paved surface of bituminous, concrete or other approved comparable surface and in a striped parking stall complying with Article 10, Part I, or stored within a paved storage yard screened from the public right-a-way by a durable opaque fence, opaque wall and/or a solid vegetative buffer with a minimum height of six (6) feet.

7.44.1. All such vehicles shall be on a paved surface of bituminous, concrete, or other approved comparable surface.

7.44.2. All such vehicles shall be within a striped parking stall complying with Article 10, Part I, within a rectangular display area in accordance with Section 7.44.3 or stored within a paved storage yard screened from the public right-of-way by a durable opaque fence, opaque wall and a solid vegetative buffer with a minimum height of six (6) feet. 7.44

7.44.3. Rectangular Vehicle Display Areas.

7.44.3.1. Rectangular vehicle display areas shall be outlined on all sides by standard solid 4" wide solid white striping paint in accordance with MUTCD standards.

7.44.3.2. The number of vehicles allowed within a display area shall be limited to the number of standard 9' x 18' parking spaces that can fit within it and that number shall be painted within each rectangle.

7.44.3.3. Vehicles within a display area shall be parked uniformly, either angled or perpendicular to the adjacent access aisle.

7.44.3.4. Each rectangular vehicle display area shall be accessed through a driveway isle extending through the parking lot.

7.44.4. No vehicle stored outside for display or sale shall be parked within a driveway, access aisle or landscaped area.

7.44.5. Vehicle display areas shall be located in an approved parking lot as an alternative to standard 9'x18' striping with aisles as required in Sections 10.2.4 and shall meet all other parking and landscaping requirements as applicable.

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.

- 3. UDO Text Amendment: Town of Smithfield (ZA-23-11)** - The applicant is proposing an amendment to the Unified Development Ordinance, Article 7, Section 7.30.1, Special Events that will remove the requirement for a temporary use permit for events held in town parks except when there is a planned street closure, or amplified sound after 9PM and 10 PM when associated with the Town Commons Amphitheater.

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

Planning Director Stephen Wensman explained the Parks and Planning Staff were requesting approval of the following amendments to the Unified Development Ordinance, Article 7, Section 7.30.1 to exempt special events in Town parks from temporary use permits except when there is a street closure or amplified sound after 9 PM (10 PM if associated with the Amphitheater).

Temporary use permits are currently required when special events:

- Have amplified sound.
- Have one hundred (100) people or more in attendance.
- Requires closure or blockage of town streets.
- Have food trucks on private property in accordance with Section 7.25.1
- have a likelihood of damage to public or private property, injury to persons, public disturbances or nuisances, unsafe impediments to pedestrian or vehicular travel, or other significant adverse effects upon the public health, safety, or welfare as determined by the Planning Director.

For special events in parks, the organizer already needs approval from the Parks Department to use the facilities and parks by nature are intended for gathering of people, loud noises. The draft ordinance would allow the Parks Department to approve all events within parks, exempting the requirement for

a temporary use permit unless the event were to require a street closure or amplified sound after 9 PM (10 PM for the Amphitheater).

CONSISTENCY STATEMENT (STAFF OPINION):

Staff finds the zoning text amendment as consistent with the Town of Smithfield Comprehensive Growth Management Plan and other adopted plans, and that the amendment is reasonable and in the public interest.

RECOMMENDATION:

Parks and Planning Staff and the Planning Board recommend the Town Council approve the zoning text amendment, ZA-23-11, 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 the Council in written form in the October 3, 2023 agenda packet.

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

Mayor Pro-Tem Dunn expressed concerns about allowing amplified sound passed 9 pm. Councilman Barbour stated the proposed ordinance did state that any amplified sound passed 9 pm would require permission from the Town Council.

Councilman Lee stated that during the summer months, the daytime is longer so more people tend to stay out a little later.

After some discussion, it was the consensus of the Council to eliminate Sundays from the prosed amended ordinance. All Sunday events would still require Council approval.

Mayor Moore asked if there was anyone in attendance that wished to speak on the matter. There was no one in attendance that wished to speak on the matter.

Councilman Barbour made a motion, seconded by Councilman Wood, to close the public hearing. Unanimously approved.

Councilman Barbour made a motion, seconded by Councilman Wood, to approve zoning text amendment, ZA-23-11, amending Article 7, Section 7.30.1 as it pertains to exempting special events in Town parks from temporary use permits except when there is a street closure or amplified sound Monday-Saturday after 9 PM (10 PM if associated with the Amphitheater) , finding the amendment consistent with the Town of Smithfield Comprehensive Growth Management Plan and other adopted plans, and that the amendment is reasonable and in the public interest. Unanimously approved.

ORDINANCE # ZA-23-11
AN ORDINANCE TO AMEND THE TOWN OF SMITHFIELD
UNIFIED DEVELOPMENT ORDINANCE
ARTICLE 7, SECTION 7.30.1 TO EXEMPT CERTAIN SPECIAL EVENTS IN PARKS FROM
TEMPORARY USE PERMITS.

WHEREAS, the Smithfield Town Council wishes to amend certain provisions in the Town of Smithfield Unified Development Ordinance by making changes to Unified Development Ordinance Article 7, Section 7.30.1 as it pertains to exempting special events in Town parks from temporary use permits except when there is a street closure or amplified sound Monday-Saturday after 9 PM (10 PM if associated with the Amphitheater).

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:

[Amend Article 7, Section 30.1, exempting special events in Town parks from temporary use permits except when there is a street closure or amplified sound Monday-Saturday after 9 PM (10 PM if associated with the Amphitheater)]

PART 1

7.30.1. [Special Events.]

Special events requiring temporary use permits approved by the Town Council. The Town Council shall consider the effects of the use on adjacent properties and shall set a specific time limit on such uses:

[7.30.1.1. Reserved.]

7.30.1.2. Events with amplified sound.

7.30.1.3. Events with one hundred (100) people or more in attendance.

7.30.1.4. Events that require closure or blockage of town streets.

7.30.1.5. Events with food trucks on private property in accordance with Section 7.25.1

7.30.1.6. Events that have a likelihood of damage to public or private property, injury to persons, public disturbances or nuisances, unsafe impediments to pedestrian or vehicular travel, or other significant adverse effects upon the public health, safety, or welfare as determined by the Planning Director.

7.30.1.7. Events that occur within Town Parks are exempt from temporary use permits except when there is a planned street closure, or amplified sound Monday-Saturday after 9PM (10 PM if associated with the Town amphitheater).

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.

CITIZEN'S COMMENTS:

- Emma Gemmell addressed the Council on a follow-up to the inquiry she made about the water plant expansion project at the last Council meeting.
- Alice Vick expressed concerns about the Police Department and some of its officers and an incident involving her.
- Denis Rangel of 313 South Fourth Street asked the Council if there were any updates on the storm drains adjacent to the property.
- Pam Lampe expressed concerns about the potential Downtown Social District. She stated the Council should development a task force to further investigate this matter.
- Ann Temple provided the Council with some history of Smithfield and Johnston County.
- Stuart Lee informed the Council that urban agriculture was rapidly increasing in Johnston County. He explained there were federal grant opportunities for urban agriculture projects.

CONSENT AGENDA:

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

1. The following minutes were approved:
 - August 29, 2023 – Special Session
 - August 29, 2023 – Closed Session
 - September 5, 2023 – Regular Meeting

- September 5, 2023 – Closed Session
 - September 13, 2023 – Special Session
 - September 13, 2023 – Closed Session
2. Special Event – End of Season Bash: Approval was granted to allow Bulldog Harley Davidson to hold an event at 1043 Outlet Center Drive on October 14, 2023 from 10:00 am until 4:00 pm. Amplified sound, food trucks and alcohol sales were also approved.
 3. Special Event – Day of Awesomeness: Approval was granted to allow the Innovation Academy to hold an event at Smith-Collins Park on October 20, 2023 from 8:00 am until 3:00 pm for its students. Amplified sound and a food truck was also approved.
 4. Special Event – Trunk or Treat: Approval was granted to allow First Baptist Church to hold an event in the 400 block of East Johnston Street on October 29, 2023 from 3:00 pm until 6:30 pm. The closure of the 400 block of East Johnston Street was also approved.
 5. Special Event – Holiday Kickoff Christmas Bazaar: Approval was granted to allow Terri Bilott of the Twisted Willow to hold an event in the 100 block of South Third Street on November 11, 2023 from 10:00 am until 4:00 pm. Amplified sound, food trucks and the closure of the 100 block of South Third Street were also approved.
 6. Various budget amendments were approved.

	<u>BEFORE</u>	<u>ADJ.</u>	<u>AFTER</u>
<u>GENERAL FUND</u>			
1. Expenditure			
10-10-4110-5300-3306 Non-Departmental - GF Salary Adjustments	\$ 50,000	\$ (17,129)	\$ 32,871
10-10-4110-5300-0770 Non-Departmental - Insurance & Bonds	<u>\$ 125,900</u>	<u>\$ 17,129</u>	<u>\$ 143,029</u>

To fund additional liability insurance cost with remaining and encumbered salary adjustment funds

GENERAL CAPITAL PROJECTS FUND

2. REVENUE			
46-40-3300-3307-0010 Grant - Stormwater ERU/Mapping	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Expenditure			
46-40-5900-5700-7401 Stormwater ERU Study	\$ -	\$ 54,907	\$ 54,907
46-40-5900-5700-7402 Stormwater Mapping Study	<u>-</u>	<u>445,093</u>	<u>445,093</u>
	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

To establish and fund Stormwater Grant for ERU and Mapping Study

7. Approval to bring forward encumbrances from FY 2022-2023 to FY 2023-2024 in the General, Water/Sewer, Electric and JB George Funds

**ENCUMBRANCES FROM 2022-2023 TO
2023-2024**

GENERAL FUND

		Amount Originally Requested	Amount Encumbered
10-10-4110-5300-3306	Non-Departmental - GF Salary Adjustment	\$ 50,000	\$ 50,000
10-61-4110-5300-5710	Non-Departmental - Economic Development	36,669	36,669
10-61-4110-5300-5712	Non-Departmental - S.H.A.R.P Reimbursements	11,000	11,000
10-61-4110-5300-5716	Non-Departmental - PEG Channel (TriCaster Video Equipment)	10,595	9,852
10-10-4200-5700-7400	Finance Department - Capital Outlay (Chairs/Collection Window)	1,200	1,200
10-10-4300-5300-0800	IT Department - Training & Education (Tech. Dir. at SOG)	3,750	3,750
10-10-4300-5700-7401	IT Department - Capital Outlay (Phone System)	46,701	46,701
10-10-4900-5300-4501	Planning - Service Contracts (Engineering Standards Manual)	35,800	9,915
10-10-4900-5300-4502	Planning - Condemnation	31,775	31,775
10-10-4900-5700-7400	Planning - Capital Outlay	31,665	31,665
10-20-5100-5700-7400	Police - Replace Wrecked Police Vehicle (2020 Dodge Durango)	32,199	32,199
10-30-5600-5300-7300	Streets -Sidewalk & Curb Repair (NCDOT Sidewalk Agreement)	133,000	133,000
10-30-5600-5700-7400	Streets -Capital Outlay (I95 Bridge Lighting)	95,000	95,000
10-30-5700-5700-7310	Powell Bill - Patch and Resurface	152,787	116,242
10-40-5800-5700-7400	Sanitation - Capital Outlay (Recycling Truck)	58,500	-
10-40-5900-5300-3310	Storm Water Drainage	55,000	55,000
10-60-6200-5700-4501	Recreation - Service Contracts (Amphitheater Mowing)	5,000	5,000
		<u>\$ 790,641</u>	<u>\$ 668,968</u>

WATER FUND

30-71-7220-5700-7400	Water Dist/Sewer - Capital Outlay (Phone System)	\$ 16,700	\$ 16,700
30-71-7220-5300-5710	Water Dist/Sewer Coll. - Economic Development	298,283	298,283
		<u>\$ 314,983</u>	<u>\$ 314,983</u>

Electric FUND

31-72-7230-5300-5710	Electric - Economic Development	\$ 153,283	\$ 153,283
31-72-7230-5700-7400	Electric - Capital Outlay (Phone System)	16,700	16,700
		<u>\$ 169,983</u>	<u>\$ 169,983</u>

J.B. GEORGE BEAUTIFICATION FUND

40-61-4100-5300-3400	J.B. George Projects	\$	228	\$	228
40-61-4100-5300-3410	J.P. George Projects		584		584
		<u>\$</u>	<u>812</u>	<u>\$</u>	<u>812</u>

Purchase Orders Encumbrances

G/L ACCOUNT	ACCOUNT DESCRIPTION	DEPARTMENT	VENDOR	PO#	AMOUNT ORIGINALLY REQUESTED	AMOUNT NEEDED
10-10-4100-5300-4501	Service Contracts	Gen Gov	Connection Public Sector	20231659	\$ 7,297.95	\$ 1,150.00
10-20-5300-5300-3100	Vehicle Supplies/Maint.	Fire Dept	Atlantic Coast	20231499	\$ 1,018.43	\$ 1,018.43
10-20-5300-5300-3300	Supplies/Operations	Fire Dept	Heat Transfer Solutions	20231587	\$ 1,526.85	\$ 1,526.85
10-20-5100-5300-1700	Equip. Maint. & Repair	Police Dept	Radiotronics Inc	20231613	\$ 2,998.00	\$ -
10-20-5100-5300-3600	Uniforms	Police Dept	American Uniform Sales Inc	20231712	\$ 675.00	\$ 675.00
10-20-5100-5300-3600	Uniforms	Police Dept	American Uniform Sales Inc	20231713	\$ 675.00	\$ 675.00
10-20-5100-5300-3600	Uniforms	Police Dept	American Uniform Sales Inc	20231715	\$ 675.00	\$ 675.00
10-20-5100-5300-4002	Drug Forfeiture	Police Dept	Ventosa Elite K9 Kennel Inc	20231761	\$ 6,500.00	\$ -
10-20-5100-5300-2900	Professional Fees/Dues	Police Dept	The MAPS Group	20231303	\$ 6,500.00	\$ 6,500.00
10-20-5100-5300-4501	Service Contracts	Police Dept	Connection Public Sector	20231659	\$ 7,297.95	\$ 1,150.00
10-60-5500-5300-3440	Appearance Commission	Gen Services	Barrs Recreation LLC	20231750	\$ 24,747.10	\$ 13,685.20
10-30-5700-5300-3310	Drainage	Powell Bill	Hanson Aggregates Inc	20228964-R1	\$ 1,087.74	\$ 1,087.74
10-30-5700-5300-3300	Supplies/Operations	Powell Bill	Core & Main LP	20228967-R1	\$ 2,900.00	\$ 2,900.00
10-40-5800-5300-3300	Supplies/Operations	Sanitation	Rehrig Pacific Company	20231675	\$ 16,700.00	\$ 10,700.00
10-60-6200-5300-1700	Equip. Maint. & Repair	Parks & Rec	Green Resource LLC	20231752	\$ 2,847.50	\$ 2,847.50
10-60-6200-5300-3300	Supplies/Operations	Parks & Rec	Beacon Athletics LLC	20231768	\$ 3,409.02	\$ 3,409.02
10-60-6200-5700-7400	Capital Outlay	Parks & Rec	Maurer Architecture	20231690	\$ 4,050.00	\$ 4,050.00
10-60-6200-5700-7400	Capital Outlay	Parks & Rec	McAdams	20231772	\$ 37,900.00	\$ 37,900.00
10-60-6220-5300-1700	Equip. Maint. & Repair	Aquatic	ProSource Fitness Equipment	20231753	\$ 549.96	\$ -
10-60-6220-5300-3300	Supplies/Operations	Aquatic	Ready Care Industries	20231557	\$ 720.85	\$ -

10-60-6240-5700-7400	Capital Outlay	Sarah Yard	Gardner Commerical Interiors Inc	20231771	\$ 7,475.85	\$ 7,475.85
					\$ 137,552.20	\$ 97,425.59
30-71-7200-5300-3303	IT Supplies (Water/Sewer)	Water Plant	Dell Marketing LP	20231734	\$ 2,676.24	\$ -
30-71-7200-5300-4501	Service Contracts	Water Plant	Mark Beauchamp/UFS	20231492	\$ 11,170.00	\$ 3,307.50
30-71-7220-5300-3300	Supplies/Operations	Water/Sewer	Core & Main LP	20231663	\$ 1,041.83	\$ -
					\$ 14,888.07	\$ 3,307.50
31-72-7230-5300-3300	Supplies/Operations	Electric	Wesco Receivable Corp	20231649	\$ 6,150.00	\$ 6,150.00
31-72-7230-5300-3300	Supplies/Operations	Electric	J Harlen Co	20231692	\$ 5,769.84	\$ -
31-72-7230-5300-3300	Supplies/Operations	Electric	Wesco Receivable Corp	20231746	\$ 3,795.18	\$ -
31-72-7230-5300-3300	Supplies/Operations	Electric	Border States Industries	20231531	\$ 2,610.00	\$ -
					\$ 18,325.02	\$ 6,150.00
Total					\$ 170,765.29	\$ 106,883.09

		<u>Before</u>	<u>Adjustment</u>	<u>After</u>
1. Revenue				
10-00-3900-3900-0000	Fund Balance Appropriation	\$380,265.00	\$766,393.00	\$1,146,658.00
Expenditure				
10-00-4100-5300-4501	General Government - Service Contracts	19,266.00	1,150.00	20,416.00
10-10-4110-5300-3306	Non-Departmental - GF Salary Adjustment (Property/Liability Insur.)	0.00	50,000.00	50,000.00
10-61-4110-5300-5710	Non-Departmental - Economic Development	25,000.00	36,669.00	61,669.00
10-61-4110-5300-5712	Non-Departmental - S.H.A.R.P. Reimb	10,100.00	11,000.00	21,100.00
10-61-4110-5300-5716	Non-Departmental - PEG (Tri-CasterVideo Equip)	25,000.00	9,852.00	34,852.00
10-10-4200-5700-7400	Finance Dept. - Capital Outlay (Collection Window Chairs)	0.00	1,200.00	1,200.00
10-10-4300-5300-0800	IT Dept. - Training and Education (Tech. Dir at SOG)	1,200.00	3,750.00	4,950.00
10-10-4300-5700-7400	IT Dept. - Capital Outlay (Phone System)	49,800.00	46,700.00	96,500.00
10-10-4900-5300-4501	Planning - S.C./Engineering Standards Manual	7,100.00	9,915.00	17,015.00
10-10-4900-5300-4502	Planning - Condemnation	0.00	31,775.00	31,775.00
10-10-4900-5700-7400	Planning - Capital Outlay	0.00	31,665.00	31,665.00
10-20-5100-5300-2900	Police - Professional Fees/Dues	18,570.00	6,500.00	25,070.00
10-20-5100-5300-3600	Police - Uniforms (Lawmens)	33,300.00	2,025.00	35,325.00
10-20-5100-5300-4501	Police - Service Contracts	58,370.00	1,150.00	59,520.00

10-20-5100-5700-7400	Police - Capital Outlay (Replace Wrecked 2020 Dodge Durango)	121,140.00	32,199.00	153,339.00
10-20-5300-5300-3100	Fire - Vehicle Maintenance (Atlantic Coast)	65,000.00	1,018.00	66,018.00
10-20-5300-5300-3300	Fire - Supplies/Operations (Heat Transfer Solutions)	65,000.00	1,527.00	66,527.00
10-60-5500-5300-3440	General Services - Appearance Commission (Barrs Recreation LLC)	15,000.00	13,685.00	28,685.00
10-30-5600-5300-7300	Streets - Sidewalk & Curb Repair (NCDOT Sidewalk Agreement)	25,000.00	133,000.00	158,000.00
10-30-5600-5700-7400	Streets - Capital Outlay (I95 Bridge Lighting)	0.00	95,000.00	95,000.00
10-30-5700-5300-3310	Powell Bill - Drainage (Hanson Aggregates Inc)	13,000.00	1,088.00	14,088.00
10-30-5700-5300-3300	Powell Bill - Supplies Operations (Core & Main LP))	15,000.00	2,900.00	17,900.00
10-30-5700-5700-7310	Powell Bill - Patch & Resurface	279,593.00	116,242.00	395,835.00
10-40-5800-5300-3300	Sanitation -Supplies/Operations	50,000.00	10,700.00	60,700.00
10-40-5900-5300-3310	Stormwater - Drainage	68,930.00	55,000.00	123,930.00
10-60-6200-5300-1700	Parks & Rec - Equip. Repair & Maint.	69,050.00	2,848.00	71,898.00
10-60-6200-5300-3300	Parks & Rec - Supplies/Operations	77,000.00	3,409.00	80,409.00
10-60-6200-5300-4501	Parks & Rec - Service Contracts (Amphitheater Mowing))	106,820.00	5,000.00	111,820.00
10-60-6200-5700-7400	Parks & Rec - Capital Outlay (McAdams/Maurer Architecture)	173,885.00	41,950.00	215,835.00
10-60-6240-5700-7400	SRAC - Generator Fuel/Maintenance (Powersecure Inc)	0.00	7,476.00	7,476.00
			<u>0.00</u>	<u>0.00</u>
		<u>\$1,392,124.00</u>	<u>\$766,393.00</u>	<u>\$2,158,517.00</u>

To bring forward encumbrances from the 2022-2023 General Fund Budget to FY23-24. P.O.s were brought forward through Rollover Process.

2. Revenue

30-71-3900-3900-0000	Fund Balance Appropriation	<u>\$0.00</u>	<u>\$318,291.00</u>	<u>\$318,291.00</u>
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Expenditures

30-71-7200-5300-4501	Water Plant - Service Contracts	Water Dist/Sewer Coll - Supplies/Operations	339,800.00	3,308.00	343,108.00
30-71-7220-5700-7400	Water Dist/Sewer - Capital Outlay (Phone System)		155,000.00	16,700.00	171,700.00
30-71-7220-5300-5710	Water Dist/Sewer Coll. - Economic Development		<u>0.00</u>	<u>298,283.00</u>	<u>298,283.00</u>
			<u>\$494,800.00</u>	<u>\$318,291.00</u>	<u>\$813,091.00</u>

To bring forward encumbrances from the 2022-2023 Water/Sewer Fund Budget to FY23-24. P.O.s were brought forward through Rollover Process.

3. Revenue

31-72-3900-3900-0000	Fund Balance Appropriation	<u>\$50,000.00</u>	<u>\$176,133.00</u>	<u>\$226,133.00</u>
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Expenditures

31-72-7230-5300-3300	Electric - Supplies/Operations	\$325,000.00	\$6,150.00	\$331,150.00
31-72-7230-5300-5710	Electric - Economic Development	0.00	153,283.00	153,283.00
31-72-7230-5700-7400	Electric - Capital Outlay (Phone System)	<u>0.00</u>	<u>16,700.00</u>	<u>16,700.00</u>
		<u>\$325,000.00</u>	<u>\$176,133.00</u>	<u>\$501,133.00</u>

To bring forward encumbrances from the 2022-2023 Electric Fund Budget to FY23-24. P.O.s were brought forward through Rollover Process.

4. Revenue

40-61-3900-3900-0000	Fund Balance Appropriation	<u>\$0.00</u>	<u>\$812.00</u>	<u>\$812.00</u>
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Expenditures

40-61-4100-5300-3400	J.B. George Projects	2,300.00	228.00	2,528.00
40-61-4100-5300-3410	J.P. George Projects	<u>500.00</u>	<u>584.00</u>	<u>1,084.00</u>
		<u>\$2,800.00</u>	<u>\$812.00</u>	<u>\$3,612.00</u>

To bring forward encumbrances from the 2022-2023 J.B. George Fund Budget to FY23-24

- 8. Approval to accept two North Carolina Land and Water Fund Grants
- 9. Bid was awarded to Dun-Right Services for manhole rehabilitation.
- 10. Resolution No. 739 (22-2023) was adopted appointing Dr. David Barbour to the Downtown Smithfield Development Corporation Board of Directors

TOWN OF SMITHFIELD
RESOLUTION NO. 739 (22-2023)
Supporting an Appointment to the Downtown Smithfield
Development Corporation's Board of Directors

WHEREAS, The Smithfield Town Council has received a request from the Downtown Smithfield Development Corporation's Board of Directors to appoint a member to its Board; and

WHEREAS, pursuant to Article VII of the Downtown Smithfield Development Corporation's By-Laws, the Town Council must approve any appointments/ reappointments to the Board of Directors by Resolution; and

WHEREAS, the Downtown Smithfield Development Corporation Board of Directors have recommended the new appointment of Dr. David Barbour; and

WHEREAS, the Town Council is asked to consider this appointment and make a determination.

NOW THEREFORE, BE IT RESOLVED, the Town Council does hereby approve the appointment of Dr. David Barbour to the Downtown Smithfield Development Corporation's Board of Directors.

11. New Hire Report

<u>Recently Hired</u>	<u>Department</u>	<u>Budget Line</u>	<u>Rate of Pay</u>
Deputy Police Chief	Police	10-20-5100-5100-0200	\$39.38/hr. (\$81,910.40/yr.)
Equipment Operator	PW – Streets	10-30-5600-5100-0200	\$17.46/hr. (\$36,316.80/yr.)
Police Officer II	Police	10-20-5100-5100-0200	\$23.36/hr. (\$52,232.96/yr.)
P/T SRAC Staff - General	P&R – Aquatics	10-60-6220-5100-0210	\$12.00/hr.
P/T SRAC Staff - General	P&R – Aquatics	10-60-6220-5100-0210	\$12.00/hr.
Utility Line Mechanic	PU – Water/Sewer	30-71-7220-5100-0200	\$17.37/hr. (\$36,129.60/yr.)

<u>Current Vacancies</u>	<u>Department</u>	<u>Budget Line</u>
Facility Maintenance Specialist	P&R – Recreation	10-60-6200-5100-0200
Police Officer	Police	10-20-5100-5100-0200
Sanitation Equipment Operator	PW – Sanitation	10-40-5800-5100-0200
Utility Line Mechanic	PU – Water/Sewer	30-71-7220-5100-0200

12. Proclamation: Recognizing November 1, 2023 as National Family Literacy Day in the Town of Smithfield

Proclamation
Recognizing November 1, 2023
As National Family Literacy Day in the
Town of Smithfield

WHEREAS, National Family Literacy Day, established by the 103rd Congress in 1994, and now marking its 29th anniversary on November 1, 2023, highlights the importance of reading and learning for the entire family and emphasizes the impact that parents have on their child's learning; and

WHEREAS, this day is celebrated across America each year, and focuses on special activities and events that showcase the importance of family literacy programs that empower families and build a nation of readers; and

WHEREAS, literacy programs across the United States will observe National Family Literacy Day by holding read-a-thons, book drives, workshops, and family activities at schools, libraries, and community centers to encourage literacy; and

WHEREAS, *as many as one in six adults struggle with reading and writing*, and by learning to read, individuals can gain self-respect and confidence and strive toward goals that otherwise would not be achievable; and

WHEREAS, the National Society of the Daughters of the American Revolution is a nonprofit, nonpolitical volunteer women's service organization dedicated to promoting patriotism, preserving American history, and securing America's future through better education for children and adults; and

WHEREAS, education being one of the cornerstones of the National Society of the Daughters of the American Revolution, is committed to increasing literacy by promoting and supporting literacy programs.

NOW, THEREFORE, I, M. Andy Moore, Mayor of the Town of Smithfield do hereby proclaim November 1, 2023 as

NATIONAL FAMILY LITERACY DAY

To underscore the importance of literacy, celebrate the joy of reading, encourage residents to promote literacy by reading together as a family, and to extend deep appreciation to our local librarians, educators, and literacy service providers for their tireless efforts to strengthen the literacy of our children and our community.

BUSINESS ITEMS:

1. Consideration and request for approval to award a bid to LJB, Inc. in the amount of \$171,380 for Phase 2 of the CSX/ I-95 construction project

Town Engineer Bill Dreitzler explained in June of 2022, the Council approved an engineering contract with LJB, inc. for the engineering and permitting phase of the proposed CSX Culvert replacement project located behind 1517 S Brightleaf Boulevard. The design scope of work included a Hydrologic and Hydraulic Analysis to assure the additional culverts (twin 48-inch) would not have an adverse impact on downstream properties. The analysis indicated a rise in flood levels in the area between the CSX railroad and I-95 with the installation of the additional culverts. The recommendation is a new parallel 72-inch pipe that will run under Wal-Pat Road, I-95 and Whitley Farms Road. After an assessment of the cost of the amended engineering scope and construction scope, additional State funding was requested.

The additional funding was currently in the State budget and therefore staff was presenting the LJB, inc. fee agreement to move forward with design and permitting of the 72-inch culvert. The Town received \$950,000 in grant funding through the North Carolina Department of Public Safety for the CSX Culvert Improvement Project. The appropriation included in the new budget includes an additional \$1.1M for this project for a total

project budget of \$2,050,000. The engineering design and hydraulic analysis for the CSX Culvert portion of the scope was approved as a lump sum fee in the amount of \$193,700. The lump sum fee for engineering and permitting of the I-95 72-inch culvert is \$171,380. Therefore, the total engineering and permitting cost is \$365,080 leaving \$1,684,920 for construction.

LJB, inc. was selected following the requirements of the mini-brooks act for the CSX Culvert engineering and permitting. Given the scope of services included a Hydrologic and Hydraulic Analysis to assure no adverse downstream impacts from the proposed project, the fee agreement for the I-95 culvert is considered a change in scope and was directly negotiated with LJB, inc. Based on staff review of the H&H Analysis, the proposed twin 48-inch culverts cannot be installed without creating an adverse impact on downstream properties without additional mitigation efforts. Staff concurs that the proposed parallel 72-inch culvert under I-95 will allow floodwaters to reach areas just upstream of the Neuse River and mitigate any potential downstream impacts to existing properties.

Councilman Barbour made a motion, seconded by Councilman Wood, to award a contract to LJB, Inc. in the amount of \$171,380 for the engineering and permitting of the I-95 72-inch culvert. Unanimously approved.

2. Consideration and request for approval to adopt Ordinance No. 519-2023 amending the Town of Smithfield's Code of Ordinances Part II- Chapter 11, Article II, Noise

Planning Director Stephen Wensman explained this was the same issue previously discussed during Public Hearing number 3. This Code of Ordinance amendment would coincide with the UDO amendment adopted earlier in the meeting.

Councilman Barbour made a motion, seconded by Councilman Wood, to adopt Ordinance No. 519-2023 amending the Town of Smithfield's Code of Ordinances Part II- Chapter 11, Article II, Noise. Unanimously approved.

Ordinance No. 519-2023

AN ORDINANCE TO AMEND THE TOWN OF SMITHFIELD CODE OF ORDINANCES PART II - CHAPTER 11, ARTICLE II, NOISE

WHEREAS, Part II, Chapter 11, Article II of the Town of Smithfield's Code of Ordinances outlines the regulations concerning noise within the Town; and

WHEREAS, the Planning Director Stephen Wensman, is requesting the Ordinance be amended as it pertains to allowing the Town Manager or his designee to permit amplified sound as an exception to prohibited noise when associated with musical programs, speeches or general entertainment in Town Parks or at the Town Commons Amphitheater.

NOW THEREFORE BE IT ORDAINED by the Town Council of the Town of Smithfield that Part II, Chapter 11, Article II - Noise:

PART I

[Revise Part II, Chapter 11, Section 11-32 (b) (4) to allow the Town Manager or his designee to permit amplified sound as an exception to prohibited noise when associated with musical programs, speeches or general entertainment in Town parks and at the Town Commons Amphitheater]

ARTICLE II. NOISE

Sec. 11-31. Definitions.

[For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:]

Emergency work means any work performed for the purposes of preventing or alleviating physical trauma or property damage threatened or caused by an existing or imminent peril.

Nighttime means between 11:00 p.m. and 8:00 a.m.

Outdoor amplified sound means any sound using amplifying equipment whose sound is outside or whose source is inside and the sound propagates to the outside through open doors or windows or other openings in the building.

Sound amplifying equipment means any device for the amplification of the human voice, music, or any other sound including juke boxes, stereos and radios.

(Ord. of 4-12-94(1))

Sec. 11-32. Noises prohibited; nuisances.

(a) General prohibitions. It shall be unlawful to create, cause, or allow the continuance of any unreasonably loud, disturbing, unusual, frightening or unnecessary noise, particularly during nighttime, which seriously interferes with neighboring residents' reasonable use of their properties. Such noise may include, but is not limited to, the following:

- (1) Yelling, shouting, whistling, or singing. Yelling, shouting, whistling, or singing on the public streets or private property at nighttime.
- (2) Noisy parties. Congregating because of, or participating in any part of, gathering of people, during nighttime.
- (3) Loading operations. Loading, unloading, opening or otherwise handling boxes, crates, containers, garbage cans, or other similar objects during nighttime.
- (4) Repair of motor vehicles. The repair, rebuilding, or testing of any motor vehicle during nighttime.
- (5) Radio, phonograph, television, or musical instrument. The playing of any radio, phonograph, musical instrument, television, or any such device, particularly during nighttime.

(b) Specific prohibitions. The following acts are prohibited and shall be considered nuisance acts:

- (1) Horns and signaling devices. The intentional sounding of any horn or signaling device of a motor vehicle on any street or public place continuously or intermittently, except as a danger or emergency warning.
- (2) Motor vehicles. Operating or permitting the operation of any motor vehicle or motorcycle not equipped with a muffler or other device in good working order so as to effectively prevent loud or explosive noises therefrom.
- (3) Exterior loud speakers. Operating or permitting the operation of any mechanical device or loudspeaker, without permit to do so, in a fixed or movable position exterior to any building, or any motor vehicle.
- (4) Amplified sound. The use or operation of any radio, loud speaker, or any other instrument, or sound amplifying devices within a building or on a motor vehicle in a manner that disrupts or interferes unnecessarily with an individual's enjoyment of their property. The town council, however, may permit musical programs, speeches, or general entertainment as exception to this provision for limited time periods, and The Town Manager or his designed may permit musical programs, speeches, or general entertainment as exception to this provision for limited time periods Monday-Saturday, no later than 9 PM when the events are within Town Parks or no later than 10 PM when associated with the Town Commons Amphitheater.
- (5) Power equipment. Operating or permitting the operation of any power saw, sander, drill, grinder, leaf blower, lawn mower, street sweeper or other garden equipment, or tools of a similar nature, outdoors, during nighttime.
- (6) Explosives. The use or firing of explosives, firearms, fireworks, or similar device which create impulsive sounds.
- (7) Security alarms. The sounding of a security alarm, for more than twenty (20) minutes after being notified by law enforcement personnel.

(Ord. of 4-12-94(1))

PART 2

That the Town of Smithfield's Code of Ordinances shall be page numbered and revision dated as necessary to accommodate these changes.

3. Consideration and request for approval to create a new position (Community Service Aid) in the Police Department

Chief of Police Pete Hedrick addressed the Council on a request to create a new position in the Police Department. Chief Hedrick explained the state recently authorized the use of civilian personnel to work motor vehicle accidents where there were no injuries. The Police Department averages approximately 70 motor vehicle accidents a month. Of those, only 16 accidents related in injuries. Authorizing the creation and hiring of a Community Service Aid would free police officers from working minor accidents.

Councilman Barbour questioned the type of certification or training needed for this position. Chief Hedrick responded the state would require a person to complete and pass a training course.

Mayor Moore questioned the impact on the budget this new position would create. Town Manager Michael Scott responded there would be no impact to this budget because of the number of vacant positions. Mayor Moore stated that if the Police Department was fully staffed, then this salary would impact the budget. Chief Hedrick responded in the affirmative.

Councilman Barbour made a motion, seconded by Councilman Wood, to approve the creation and hiring of a Community Safety Aid. Unanimously approved.

4. Discussion concerning the FY 2023-2024 Resurfacing Project

Town Manager Michael Scott stated this item was added to the agenda at the direction of the Council.

Public Works Director Lawrence Davis explained that in 2022, 14 streets were repaved. In 2023, there was not enough money in the Powell Bill Fund to complete the major resurfacing project on Outlet Center Drive. Currently estimates for the Outlet Center Drive Project were over \$700,000. Mr. Davis provided a listing of proposed streets to be resurfaced.

It was the consensus of the Council to focus on repaving residential streets as opposed to Outlet Center Drive. He suggested the Town contact its State Representatives to request funding for Outlet Center Drive.

Councilman Barbour stated that Outlet Center Drive was a major economic area of the Town and it was in desperate need of repair.

Mayor Pro-Tem Dunn questioned if the street resurfacing project could be completed quickly during the fall/winter months. The Town Manager responded that staff was uncertain because the project has to be bid out. If the Council does not hold a special meeting to discuss this issue, then the resurfacing contract would not be approved until November. He suggested that the Council authorize the Town Manager to accept the low responsible bidder so the project can begin immediately following bid acceptance.

Councilman Lee questioned how the residential streets in need of repair were chosen. Mr. Davis responded the streets were chosen based on the 2017 road condition study. After looking at current road conditions, Mr. Davis explained there were several streets that were in worse conditions so he substituted those streets for others on the list.

Councilman Stevens made a motion, seconded by Councilman Rabil, to allow the Town Manager to accept the low responsible bid for the resurfacing project based on the list of proposed residential streets provided to the Council as long as it is within budget. Councilman Stevens, Councilman Rabil, Mayor Pro-Tem Dunn, Councilman Barbour, Councilman Wood and Councilman Rabil voted in favor of the motion. Councilman Lee voted against the motion. Motion passed 5 to 1.

Councilmembers Comments:

- Councilman Lee informed the Council of an incident involving himself and a former employee that was trying to get rehired by the Town. He explained there was information shared with this former employee regarding why he would not be rehired. Councilman Lee informed the Council of the passing of Mr. Jackie Bryant. Mr. Bryant was an icon and a supporter of Parks and Recreation in the Town. He suggested renaming the Fun In the Park event to honor Mr. Bryant. Councilman Lee questioned when the concession stand sign at Smith-Collins Park was going to be replaced.
- Councilman Stevens expressed his appreciation to Representative Strickland and Senator Sawry who worked hard to secure \$6 million for the Town.
- Councilman Barbour reminded the Council on the Third Annual Drone Fly In event
- Councilman Wood reiterated the comments made by Councilman Lee concerning Jackie Bryant and would like for the Town to honor Mr. Bryant in some way.
- Mayor Pro-Tem Dunn reiterated the comments made by Councilman Stevens and expressed his appreciation to Representative Strickland and Senator Sawry.

- Mayor Moore echoed the comments made by Mayor Pro-Tem Dunn and Councilman Stevens and expressed his appreciation to Representative Strickland and Senator Sawry. He reminded the public of the many events taking place in Smithfield. Also, Trick or Treating would be on October 31st from 5 pm until 8 pm.

Town Manager’s Report:

Town Manager Michael Scott informed the Council that a member of the Council was needed for the Economic Development Committee. Mayor Pro-Tem Dunn volunteered to serve on the committee.

Adjourn

Councilman Barbour made a motion, seconded by Councilman Rabil, to adjourn the meeting. The meeting adjourned at approximately 10:05 pm.

M. Andy Moore, Mayor

ATTEST:

Shannan L. Parrish, Town Clerk



Request for Town Council Action

Consent
Agenda
Item:
Date: 11/14/2023

Application
for
Temporary
Use Permit

Subject: Little Brown Jug – Special Event
Department: Planning Department
Presented by: Planning Director – Stephen Wensman
Presentation: Consent Agenda Item

Issue Statement

Little Brown Jug is requesting to hold their annual Jugsgiving event on November 22, 2023.

Financial Impact

None

Action Needed Council approval of the Temporary Use Permit Application

Recommendation Staff recommends approval of the Temporary Use Permit Application and approve as an annual event.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Temporary Use Permit Application



Staff Report

**Consent
Agenda
Item:** **Application
for
Temporary
Use Permit**

Little Brown Jug would like to hold their annual Jugsgiving event. It will be located at 101 West Market Street on November 22, 2023 from 8:00 pm - 2:00 am. Amplified sound would be used between 8:00 pm -11:00 pm. The applicant will be responsible for providing a police presence. No street closures will be needed nor will any event trash cans. No town streets will be closed. Alcohol will be sold inside on the premises. Staff is requesting this event be approved as an annual event.



Temporary Use Permit Application

Completed applications must be submitted at least 4 weeks prior to the event by emailing Julie Edmonds at julie.edmonds@smithfield-nc.com or by dropping them off in the Town of Smithfield Planning Department. All applicants should read the following pages before completing all sections required. Incomplete applications may increase the permit processing time. All required information must be submitted along with this application in order for it to be processed. If a person other than the property owner signs this application, a notarized written authorization from the property owner must be attached.

TYPES OF TEMP USE OR EVENT

- Special Event
- Town recognized event _____
- Over 100 people in attendance
- Live Band or Amplified Sound _____
- Requires closure or blockage of Town Street
- Involves Food Trucks
- Requires Security (potential safety, security concerns)
- Involves structures larger than 200 square feet and canopies larger than 400 square feet
- Involves Town Park property
- Involves Fireworks (Contact Smithfield Fire Department 919-934-2468)

OTHER TEMP USES

- Modular Office Units
- Emergency, construction and repair residence
- Temporary storage facility (portable storage unit)
- Sale of agricultural products grown off-site
- Sale of Fireworks
- Other (please describe) _____

<u>Jugs giving.</u> Name of Event	<u>101 market st</u> Location of Event/Use (exact street address)
--------------------------------------	--

APPLICANT:

Name Andrew Wagner

Address 101 market st

Phone number 919-934-6368

Email address andywagner@embarq.net

Event date 11/22/23

Event start and end time 8-2

Event set up and clean up time _____

Sound Amplification Type Juke Box

Sound Amplification Start and End Times 11:00

PROPERTY OWNER:

Name _____

Address _____

Phone number Sam

Email address _____

Will alcohol be sold or served? Y or N
 (If yes, please supply an ABC Permit)

Will food or goods be sold? Y or N

Food Trucks (if applicable) 0 (Each Food Truck Requires Certificate of Inspections by Johnston County Environmental Health Department, Proof of Insurance, A Copy of the Vehicle or Trailer Registration and/or ABC Permit, if applicable and must be submitted with this application).

Security agency name & phone, if applicable: own
 (If using Smithfield Police, applicant must contact the PD to schedule security.)

Will any town property be used (i.e., streets, parks, greenways)? N/A

If any town streets require closure, please list all street names. N/A

Are event trash cans needed? Y or N How many? —

Please provide a detailed description of the proposed temporary use or special event:

 Thanksgiving party

Temporary Use Submittal Checklist:

- 1. Completed Temporary Use Permit application
- 2. Other documentations deemed necessary by the administrator
- 3. Application fee - \$100
- 4. Site plan, if required by the administrator

Method of Payment: Cash _____ Check# 4620 Credit Card _____ Amount \$ 100.00

Payment Received By: _____

Date: 11-7-23

CERTIFICATION OF APPLICANT AND/OR PROPERTY OWNER

I hereby certify that the information contained in this application is true to the best of my knowledge and I further certify that this event/use will be conducted per all applicable local laws. I certify that I have received the attached information concerning the regulations for temporary uses. If an event, I certify that I have notified all adjoining property owners of the planned event.

Andrew Wayne Andrew C Wayne Nov 7 23
Applicant's Name (Print) Signature Date

Town Planning Director Signature: [Signature] Date: 11/7/23

OWNERS AUTHORIZATION

I hereby give CONSENT to _____ (type, stamp or print clearly full name of agent) to act on my behalf, to submit or have submitted this application and all required material and documents, and to attend and represent me at all meetings and public hearings pertaining to the application(s) indicated above. Furthermore, I hereby give consent to the party designated above to agree to all terms and conditions which may arise as part of the approval of this application.

I hereby certify I have full knowledge the property I have an ownership interest in the subject of this application. I understand that any false, inaccurate or incomplete information provided by me or my agent will result in the denial, revocation or administrative withdrawal of this application, request, approval or permits. I acknowledge that additional information may be required to process this application. I further consent to the Town of Smithfield to publish, copy or reproduce any copyrighted document submitted as a part of this application for any third party. I further agree to all terms and conditions, which may be imposed as part of the approval of this application.

Property owners name (print) Andrew Wagner
Address 101 Market St Zip 27577
Phone number 919-934-0369 Email andy.wagner (@) Emberg mail.com
Signature: And C Wg Date: 11/7/23

OWNER'S CONSENT FORM

Name of Event: Jugsgiving Submittal Date: 11.7.23

OWNERS AUTHORIZATION

I hereby give CONSENT to _____ (type, stamp or print clearly full name of agent) to act on my behalf, to submit or have submitted this application and all required material and documents, and to attend and represent me at all meetings and public hearings pertaining to the application(s) indicated above. Furthermore, I hereby give consent to the party designated above to agree to all terms and conditions which may arise as part of the approval of this application.

I hereby certify I have full knowledge the property I have an ownership interest in the subject of this application. I understand that any false, inaccurate or incomplete information provided by me or my agent will result in the denial, revocation or administrative withdrawal of this application, request, approval or permits. I acknowledge that additional information may be required to process this application. I further consent to the Town of Smithfield to publish, copy or reproduce any copyrighted document submitted as a part of this application for any third party. I further agree to all terms and conditions, which may be imposed as part of the approval of this application.

Signature of Owner *Print Name* *Date*



Request for Town Council Action

Consent
Agenda
Item: Personnel
Promotion
Date: 11/14/2023

Subject: Personnel Promotion
Department: Finance / PU – Electric/Customer Service
Presented by: Finance Director – Greg Siler
Presentation: Consent Agenda Item

Issue Statement

This is a request to promote a Customer Service Representative (Public Utilities – Electric) to the position of Senior Customer Service Representative, advancing from pay grade 13 to pay grade 14. **Under the Town’s Employee Handbook, promotions to a higher pay grade will be accompanied by an increase to the next pay grade minimum, or to an increase of up to 10% at the Manager’s discretion.** Staff proposes an increase of the same.

Financial Impact

The proposed promotion will result in an increase of \$18.06/hr. to \$19.86/hr. for the advancing employee and financed from savings from Part-time hours. In this case, the required salary increase for the 2023/2024 Budget will be \$2,668.68

Action Needed

Approve the requested promotion.

Recommendation

Staff recommends the approval of the offer.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report



Staff Report

Consent
Agenda
Item: Personnel
Promotion

In keeping with stated Town goals of attracting and retaining highly qualified employees, the Finance Director is recommending an internal candidate for Senior Customer Service Representative. The candidate is well-qualified for this position and is a highly regarded member of Town staff. Council is asked to approve this promotion.



Request for Town Council Action

**Consent
Agenda
Item:** Personnel
Promotion
Date: 11/14/2023

Subject: Personnel Promotion
Department: Fire Department
Presented by: Fire Chief – Jeremy Daughtry
Presentation: Consent Agenda Item

Issue Statement

This is a request to promote a Fire Lieutenant to the position of Fire Captain. Under the Town’s Employee Handbook, promotions to a higher pay grade will be accompanied by an increase to the next pay grade minimum, or to an increase of up to 10% at the Manager’s discretion. Recommendation is to increase the salary by 10%.

Financial Impact

This salary increase will be covered by the Fire Departments current budget and will not require a budget amendment to the current salary line item. In this case, the required salary increase for the 2023/2024 Budget will be \$7,096.61
The proposed promotion will result in an increase of \$26.32/hr. to \$28.95/hr. based on an average of 84 hours bi-weekly.

This promotion would be effective 11/21/2023.

Action Needed

Approval of the requested promotion.

Recommendation

Upon consultation with HR, staff recommends approval of this promotion.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report



Staff Report

**Consent
Agenda
Item: Personnel
Promotion**

In keeping with stated Town goals of attracting and retaining highly qualified employees, the Town has completed an assessment of a prospective employee for the position of Fire Captain for the Fire Department. The Department has this vacancy in accordance with approved staffing levels in the current year's budget. The prospective Fire Captain is an in-house candidate. The candidate is well-qualified for this position and is a highly regarded member of Town staff. Council is asked to approve this promotion.



Request for Town Council Action

**Consent
Agenda
Item:** Personnel
Promotion
Date: 11/14/2023

Subject: Personnel Promotion
Department: Fire Department
Presented by: Fire Chief – Jeremy Daughtry
Presentation: Consent Agenda Item

Issue Statement

This is a request to promote a Fire Engineer to the position of Fire Lieutenant. Under the Town's Employee Handbook, promotions to a higher pay grade will be accompanied by an increase to the next pay grade minimum, or to an increase of up to 10% at the Manager's discretion. Recommendation is to increase the salary by 10%.

Financial Impact

This salary increase will be covered by the Fire Departments current budget and will not require a budget amendment to the current salary line item. In this case, the required salary increase for the 2023/2024 Budget will be \$6,206.16

The proposed promotion will result in an increase of \$22.99/hr. to \$25.29/hr. based on an average of 84 hours bi-weekly.

This promotion would be effective 11/21/2023.

Action Needed

Approval of the requested promotion.

Recommendation

Upon consultation with HR, staff recommends approval of this promotion.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report



Staff Report

**Consent
Agenda
Item: Personnel
Promotion**

In keeping with stated Town goals of attracting and retaining highly qualified employees, the Town has completed an assessment of a prospective employee for the position of Fire Lieutenant for the Fire Department. The Department has this vacancy in accordance with approved staffing levels in the current year's budget. The prospective Fire Lieutenant is an in-house candidate. The candidate is well-qualified for this position and is a highly regarded member of Town staff. Council is asked to approve this promotion.



Request for Town Council Action

**Consent
Agenda
Item:** Personnel
Promotion
Date: 11/14/2023

Subject: Personnel Promotion
Department: Fire Department
Presented by: Fire Chief – Jeremy Daughtry
Presentation: Consent Agenda Item

Issue Statement

This is a request to promote a Firefighter II to the position of Fire Engineer. Under the Town’s Employee Handbook, promotions to a higher pay grade will be accompanied by an increase to the next pay grade minimum, or to an increase of up to 10% at the Manager’s discretion. Recommendation is to increase the salary by 10%.

Financial Impact

This salary increase will be covered by the Fire Departments current budget and will not require a budget amendment to the current salary line item. In this case, the required salary increase for the 2023/2024 Budget will be \$5,477.61
The proposed promotion will result in an increase of \$20.25/hr. to \$22.28/hr. based on an average of 84 hours bi-weekly.

This promotion would be effective 11/21/2023.

Action Needed

Approval of the requested promotion.

Recommendation

Upon consultation with HR, staff recommends approval of this promotion.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report



Staff Report

**Consent
Agenda
Item:** **Personnel
Promotion**

In keeping with stated Town goals of attracting and retaining highly qualified employees, the Town has completed an assessment of a prospective employee for the position of Fire Engineer for the Fire Department. The Department has this vacancy in accordance with approved staffing levels in the current year's budget. The prospective Fire Engineer is an in-house candidate. The candidate is well-qualified for this position and is a highly regarded member of Town staff. Council is asked to approve this promotion.



Request for Town Council Action

Consent
Agenda
Item:
Date: Deed
Restriction
of Town
Property
11/14/2023

Subject: Deed Restriction of Town Properties
Department: Planning Department
Presented by: Planning Director – Stephen Wensman
Presentation: Consent Agenda Item

Issue Statement

To allow the Town Attorney to record deeds restricting development of Town lots associated with the Spring Branch Community Restoration Project Lots.

Financial Impact

None

Action Needed

To allow the Town Attorney to record a **DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR RESTORATION PURPOSES (“RESTORATION DECLARATION”)** restricting development of the Town lots associated with the Spring Branch Community Restoration Project, creating and preserving a restoration to a more natural filtration of the flow and granting conservation easements to protect the natural water filtration and nitrogen removal from Spring Branch as it flows from South Sixth Street to South Fifth Street through the block that fronts East Church Street on its south.

Recommendation

Staff recommends the Council approve the request to deed restrict the Town lots from future development.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Declaration of Covenants, Conditions, and Restrictions for Restoration Purposes (“Restoration Declaration”).



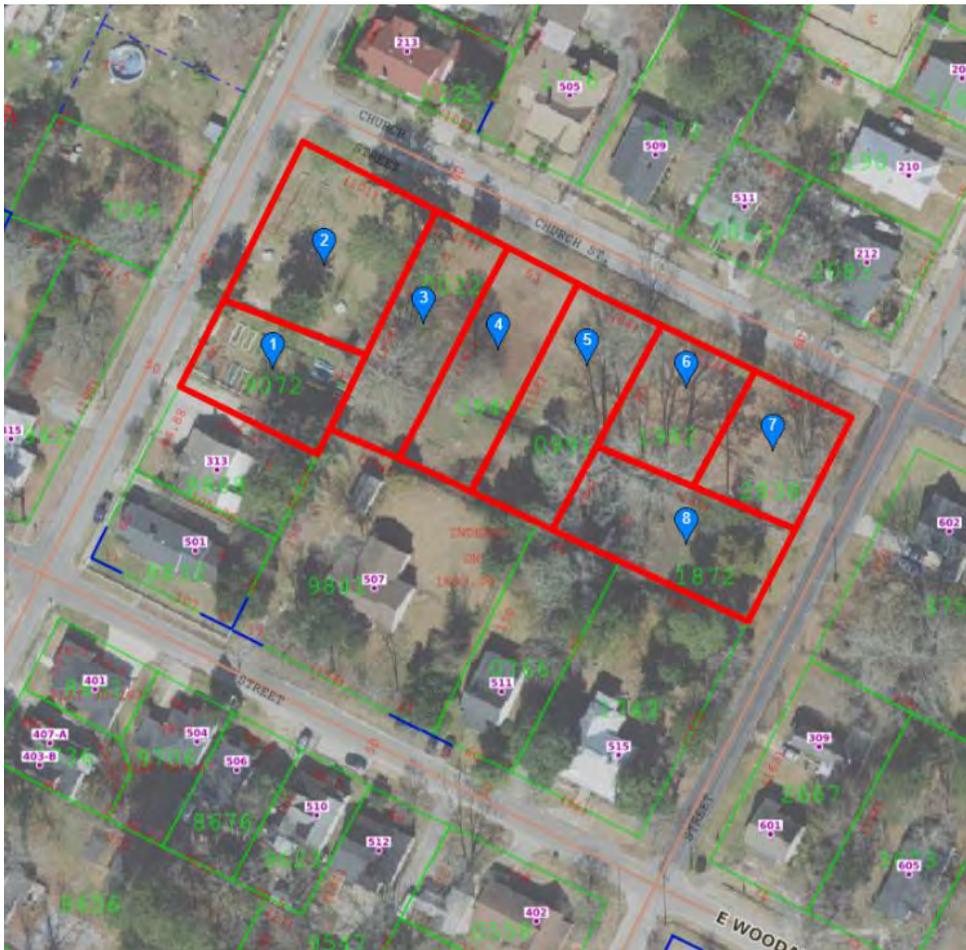
Staff Report

Consent Deed
Agenda Restriction
Item: of Town
Property

Overview:

The Town Council accepted grants from the NC Land and Water Fund (NCLWF) in October 2023 for the Spring Branch Restoration Project and Spring Branch Resiliency Project. A requirement of the NCLWF grants is that the subject properties be deed restricted from future development. Prior to executing the deed restrictions, Staff is requesting the Town Council's approval of the deed restrictions.

Properties to Be Deed Restricted:



- 169418-40-9072
- 169418-40-9044
- 169419-50-0022
- 169307-59-0944
- 169307-59-0991
- 169307-59-1962
- 169307-59-1872
- 169307-59-2838

The Deed Restrictions:

The restrictions will remove all development rights from the property except for future paved trails and bridges. There are limits on the cutting of vegetation within the riparian buffer zones. The community garden is memorialized in the document.

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR RESTORATION PURPOSES
("RESTORATION DECLARATION")**

Spring Branch

*311 S. Fifth Street; 307 S. Fifth Street; 506 E. Church Street; 508 E. Church Street; 510 E.
Church Street; 514 E. Church Street; 306 S. Sixth Street; and 516 E. Church Street all being
in Smithfield, NC 27577*

Prepared by: Robert A. Spence, Jr.

After Recording Return to: Robert A. Spence, Jr.

212 S. SECOND STREET

PO BOX 1335 SMITHFIELD, NC 27577

NORTH CAROLINA

CWMTF Project No.: 2022-444

JOHNSTON COUNTY

(1) PIN: 169418-40-9072 Tax ID: 15031018

Address: 311 S. Fifth St. Smithfield, NC 27577

Deed Book: 1872 Page 932

(2) PIN: 169418-40-9044 Tax ID: 15031019

Address: 307 S. Fifth St. Smithfield, NC 27577

Deed Book: 1864 Page 499

(3) PIN: 169419-50-0022 Tax ID: 15031020

Address: 506 E. Church St. Smithfield, NC 27577

Deed Book: 1865 Page 714

(4) PIN: 169307-59-0944 Tax ID: 15031021

Address: 508 E. Church St. Smithfield, NC 27577

Deed Book: 1861 Page 606

(5) PIN: 169307-59-0991 Tax ID: 15031022

Address: 510 E. Church St. Smithfield, NC 27577
Deed Book: 1884 Page 850
(6) PIN: 169307-59-1962 Tax ID: 15031027
Address: 514 E. Church St. Smithfield, NC 27577
Deed Book: 1884 Page 926
(7) PIN: 169307-59-1872 Tax ID: 15031026
Address: 306 S. Sixth St. Smithfield, NC 27577
Deed Book: 1868 Page 922
(8) PIN: 169307-59-2838 Tax ID: 150321028
Address: 516 E. Church St. Smithfield, NC 27577
Deed Book: 1868 Page 523

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR RESTORATION PURPOSES (“Restoration Declaration”) is made this [] day of September, 2023, by the Town of Smithfield, a municipal corporation of the state of North Carolina, 350 East Market Street, Smithfield, NC 27577 (the “Declarant”).

RECITALS AND CONSERVATION PURPOSES

A. The Declarant is a unit of local government and accepts responsibility for enforcing the terms of this Restoration Declaration and for upholding its conservation purposes forever.

B. The Declarant is the sole owner in fee simple of certain real property, located in Smithfield Township, Johnston County, North Carolina, and more particularly described by metes and bounds on the attached Exhibit B. (hereinafter the “Property”).

C. The State of North Carolina (“State”) enacted the Uniform North Carolina Conservation and Historic Preservation Agreements Act (the “Conservation Agreements Act”), Chapter 121, Article 4 of the North Carolina General Statutes (“NCGS”), which provides for enforceability of restrictions, easements, covenants, or conditions “appropriate for retaining in land or water areas predominantly in their natural, scenic, or open condition . . .”.

D. This Restoration Declaration is intended to be a “conservation agreement” and/or a “preservation agreement” as defined and contemplated in the Conservation Agreements Act.

E. The North Carolina Clean Water Management Trust Fund (the “Fund”), an independent agency of the State with its address at 1651 Mail Service Center, Raleigh, North Carolina 27699-1651, is authorized by NCGS Chapter 113A, Article 18, to provide funding for projects and to acquire land and interests in land for riparian buffers for the purposes of protecting surface waters and urban drinking water supplies.

F. The Declarant is a party to an agreement with the Fund through which it has received a grant from the Fund, identified as Grant Contract no. 2022-444 (the “Grant Contract”), entered into between the Declarant and the Fund effective May 12, 2023, for improving water quality by restoring Spring Branch Creek on or bordering the Property and restoring and/or protecting riparian buffers on the Property (the “Restoration Project”).

G. The Declarant and the Fund have determined that water quality will benefit by implementation of the Restoration Project and subsequent protection and maintenance of riparian resources and other natural values on the Property (the “Conservation Values”).

H. In order to protect and maintain the Conservation Values, the Declarant wishes to restrict and limit in perpetuity activities on and uses of the Property that could conflict with the Conservation Values, such restrictions and limitations apply the entirety of the eight contiguous lots referenced above by parcel number, address, source deed, and PIN.

NOW, THEREFORE, the Declarant hereby unconditionally and irrevocably declares that the Protection Area will be held and subject to the following restrictions, covenants and conditions as set out herein, to run with the subject real property and be binding on all parties that have or may have any right, title, or interest in said property.

ARTICLE I. DURATION OF RESTORATION DECLARATION

The covenants, conditions, and restrictions contained in this Restoration Declaration are permanent and perpetual, run with the land, and are to be binding on the Declarant and its successors and assigns as owner of the Property and on all those claiming by, through, or under each such owner, in perpetuity.

ARTICLE II. ACTIVITIES AND USES EXPRESSLY RESTRICTED OR PROHIBITED AND EXCEPTIONS THERETO

A. Prohibited Activities and Uses. The Protection Area will be maintained in a manner and will not be developed or used in any manner that would impair or interfere with the purposes of this Restoration Declaration. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited, except as expressly identified herein as exceptions:

(1) Industrial, Residential and Commercial Uses. Industrial, residential and commercial activities and the rights of passage for such purposes.

(2) Agricultural, Grazing and Horticultural Use. Agriculture, grazing, horticultural and animal husbandry operations.

(3) New Construction. Buildings, facilities, mobile homes, antennas, utility poles, towers, and other structures.

(4) Dumping or Storing. Dumping or storage of soil, trash, ashes, garbage, waste, abandoned vehicles, appliances or machinery, or other material.

(5) Mitigation. Neither the Protection Area nor any portion thereof may be used to satisfy compensatory mitigation requirements under 33 USC Section 1344 or NCGS §143-214.11 or any successor or replacement provision of the foregoing.

(6) Open Space Requirements. The Protection Area may not be used to satisfy open space requirements of any cluster or other development scheme.

(7) Development Rights. All development rights are extinguished from the Protection Area and may not be transferred to any other lands pursuant to a transfer of development rights scheme or cluster development arrangement or otherwise.

B. Activities and Uses Restricted in the Easement Area. Without limiting the generality of the foregoing, the following activities and uses are expressly restricted, except as expressly identified herein as exceptions:

(1) Cutting of Vegetation. Cutting of Vegetation. A riparian buffer zone shall be established using “do not mow” signs placed with metal stakes at regular intervals. Within this riparian buffer zone, except as related to removal of non-native plants, diseased or damaged trees, and vegetation that obstructs, destabilizes or renders unsafe the riparian buffer zone to persons or natural habitat or as necessitated by the activities described in Article III, above, all cutting, removal, mowing, harming, or destruction of any trees and vegetation in the riparian buffer zone are prohibited. In addition, the Town may allow local citizens to plant, grow and harvest a community garden in the Protection Area. The Planting and care of such gardens in the Protection Area is not hereby prohibited.

(2) Stream Crossings and Roads. New stream crossings for livestock and access to adjacent property are prohibited, with the understanding that any crossing may not impede flow of water or aquatic life. Permitted roads, trails, or paths may be maintained with pavement, loose gravel or permanent vegetation to stabilize or cover the surfaces. The Town will construct walking and cycling paths and bridges in the Protection Area; such uses are not prohibited.

(3) Signs. Signs are prohibited, except interpretive signs describing activities and the purpose and function of the Protection Area, signs identifying the owner of the Property, signs giving directions, and signs prescribing rules and regulations for the use of the Protection Area.

(4) Grading, Mineral Use, Excavation, Dredging. Grading, filling, excavation, dredging, mining, drilling, and removal of topsoil, sand, gravel, rock, peat, minerals, and other materials are prohibited, except as necessitated by activities described in Article III.

(5) Water Quality and Drainage Patterns. Except as necessitated by activities described in Article III, diking, draining, dredging, channeling, filling, leveling, pumping, impounding or diverting, causing, allowing or permitting the diversion of surface or underground water; altering or tampering with water control structures or devices; disruption or alteration of the restored, enhanced, or created drainage patterns; and removal of wetlands, polluting or discharging into waters, springs, seeps, or wetlands, or use of pesticide or biocides are prohibited.

(6) Subdivision and Conveyance. The Protection Area may not be subdivided, partitioned nor conveyed, except in its current configuration as an entity or block of property.

ARTICLE III. ACTIVITIES AND USES EXPRESSLY ALLOWED

Any activity on or use of the Protection Area not consistent with the purposes of this Restoration Declaration or that could interfere with maintenance of the Protection Area in its natural or restored condition is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly allowed on the Protection Area:

A. Passive Recreational Uses. The Declarant may engage in undeveloped recreational uses, including hiking, bird watching, hunting and fishing, and access to the Protection Area for the purposes thereof. Motorized vehicles may be used on trails, paths, and roads existing on the date hereof and only for managing, maintaining, and stewarding the Protection Area. The uses in Article III B1 and Article III B2 are specially allowed.

B. Educational Uses. The Declarant may engage in and permit others to engage in educational uses on the Protection Area consistent with this Restoration Declaration and the right of access to the Protection Area for such purposes, including organized educational activities such as site visits and observations. Educational uses of the Protection Area may not alter vegetation, hydrology, or topography.

C. Restoration. The Declarant and its representatives may engage in the Restoration Project. All activity associated with the Restoration Project will be conducted according to the requirements hereof and those incorporated herein from the Grant Contract and pursuant to all applicable laws, rules, regulations, and permits.

ARTICLE IV. RIGHT OF ENFORCEMENT IN STATE

In the event that the Declarant fails to comply with the terms of this Restoration Declaration, pursuant to the terms of the Grant Contract between the Declarant and the State acting by and through the Fund, the State has the independent right to enforce the terms of this Restoration Declaration through any and all authorities available under State law. Any forbearance by the State to exercise this right of enforcement may not be deemed or construed to be a waiver by the State of such right in general or with respect to a specific violation of any of the terms of this Restoration Declaration. The State and its agents and employees have such right of entry and access to the Protection Area as may be necessary to carry out the rights of enforcement set forth herein.

ARTICLE V. DECLARANT'S WARRANTY OF TITLE

The Declarant covenants, represents, and warrants that (i) the Declarant is the sole owner and is seized of the Protection Area in fee simple and has good right to grant and convey the aforesaid Restoration Declaration; (ii) there is legal access to the Property and the Protection Area; (iii) the Protection Area is free and clear of any and all encumbrances, except those exceptions of record, none of which would nullify, impair or limit in any way the terms or effect of this Restoration Declaration; and (iv) the Declarant will defend its title against the claims of all persons whomsoever.

ARTICLE VI. MISCELLANEOUS

A. Stewardship of the Protection Area. Pursuant to the terms of the Grant Contract, the Declarant hereby covenants and agrees that it will monitor and observe the Protection Area in perpetuity to assure compliance with the purposes and provisions of this Restoration Declaration and the provisions of the Grant Contract.

B. Subsequent Transfer of Fee. The Declarant may not convey the Property or any interest therein and may not incur, assume, or suffer to exist any lien upon or with respect to the Property without disclosing to the prospective buyer the Restoration Declaration, the obligations of an owner of the Property, and limitations on use of the Property hereunder. The Declarant further agrees to make any subsequent lease, deed, or other legal instrument by which any interest in the Property is conveyed subject to the Restoration Declaration herein created.

C. Transfer of the Restoration Declaration. The Declarant has the right to transfer this Restoration Declaration to a “qualified conservation organization” under Section 170(h) of the Code, only if the agency or organization expressly agrees to assume the responsibility imposed on the Grantee by this declaration and if said transfer is approved by the State acting by and through the Fund or its successor agency.

D. Amendments. The Declarant or its successors in interest in the Protection Area is free to amend this Restoration Declaration to meet changing conditions, provided that no amendment will be allowed that is inconsistent with the purposes of this Restoration Declaration or affects the perpetual duration of this Restoration Declaration. Such amendment(s) require the written consent of both the Declarant and the Fund and will be effective upon recording in the public records of Johnston County, North Carolina. The Declarant acknowledges that it has no right to agree to any activity that would result in the termination of this Restoration Declaration.

E. Interpretation. This Restoration Declaration will be construed and interpreted under the laws of the State, and any ambiguities herein will be resolved to give maximum effect to the purposes of this Restoration Declaration as stated herein. Further, this Restoration Declaration will be construed to promote the purposes of the Conservation Agreements Act, which authorizes the creation of conservation agreements for purposes including those set forth herein, such conservation purposes as are defined in Section 170(h) (4) (A) of the Code and set forth in NCGS Chapter 113A, Article 18. If any provision of this Restoration Declaration is found to be invalid, the remainder of the provisions of this Restoration Declaration, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, will not be affected thereby.

F. Pre-Audit Certification. This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act to assure compliance with NCGS 159-28.

Greg Siler, Town Budget Officer

IN WITNESS WHEREOF, Declarant, by authority duly given, has hereunto caused these presents to be executed by its respective officers and its seal affixed, to be effective the day and year first above written.

DECLARANT:
Town of Smithfield, a N. C. Local Government Unit

By: _____ (SEAL)
Michael L. Scott, Town Manager

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Michael L. Scott, Town Manager of the Town of Smithfield, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this the ____ day of October, 2023

My Commission expires: _____ Notary Public

APPROVED AS TO FORM:

ROBERT A. SPENCE, JR. ATTORNEY

**ACCEPTED AS TO FORM:
NORTH CAROLINA CLEAN WATER MANAGEMENT TRUST FUND**

BY: _____
RESTORATION/STORMWATER PROJECT MANAGER

EXHIBIT A

LEGAL SURVEY OF THE PROPERTY

The Property subject to the easement are the entire 8 adjacent lots described in Exhibit B so the easement area covers the entire Property.

EXHIBIT B

LEGAL DESCRIPTION OF THE PROTECTION AREA

BEGINNING at a stake at the intersection of the southern line of East Church Street with the western line of South Sixth Street; thence along the western right of way line of South Sixth Street, South 31 degrees 10 minutes 00 seconds West 82 feet to a stake at the corner of the property at 306 South Sixth Street (as recorded in Book 1868 Page 523), then continuing from that stake South 30 degrees 10 minutes 00 seconds West 68.00 feet to an existing iron pipe; then parallel to East Church North 58 degrees 35 minutes 00 seconds West 142.73 feet to the south west corner of 306 South Sixth Street as recorded in Book 1868 Page 850; then continuing parallel with Church Street North 51 degrees 30 minutes 20 seconds West 61.25 feet to the south west corner of 510 East Church Street as recorded in Book 1884 Page 926; then continuing parallel with East Church North 51 degrees 42 minutes 13 seconds West 53 feet to the south west corner of 508 East Church Street as recorded in Book 1861 Page 606; then continuing parallel with Church Street North 51 degrees 42 minutes 13 seconds West 55.15 feet to the southwest corner of 506 East Church Street as recorded in Book 1865 Page 714; then South 34 degrees 02 minutes 15 seconds West 26.64 feet to the southeast corner of 311 South Fifth Street as recorded in Book 1872 Page 932; then with the southern line of said lot and parallel with Church Street North 58 degrees 50 minutes 00 seconds West 103.8 feet to the eastern line of South Fifth Street; then along said right of way North 31 degrees 10 minutes 0 seconds East 66 feet to the north west corner of 311 South Fifth Street identified as Lot 6 in the subdivision of Nellie W. Brenizer property in the Town of Smithfield, on the East side of Fifth Street, according to plat survey made by E.P. Lore, Civil Engineer, March 1945, which said plat is duly recorded in Plat Book 4 Page, 168; then North 30 degrees 30 minutes 00 seconds East 120 feet to the corner of Fifth Street and Church Street being the north west corner of 307 South Fifth Street as recorded in Book 1864 Page 499; then the remaining calls follow the southern right-of-way of East Church Street: South 59 degrees 30 minutes 00 seconds East 94 feet to the north east corner of 307 South

Fifth Street; then South 55 degrees 05 minutes 35 seconds East 55 feet to the north east corner of 506 East Church Street as recorded in Book 1865 Page 714; then South 55 degrees 15 minutes 00 seconds East 53 feet to the north east corner of 508 East Church Street as recorded in Book 1861 Page 606; then South 54 degrees 00 minutes 00 seconds East 60 feet to the north east corner of 510 East Church Street as recorded in Book 1884 Page 850; then South 58 degrees 55 minutes 47 seconds East 71.45 to the north east corner of 514 East Church Street as recorded in Book 1884 Page 926; then South 58 degrees 50 minutes 00 seconds East 70 feet to the north east corner of 516 East Church Street as recorded in Book 1868 Page 523 and being the point of BEGINNING

This description contains all the land deeded to the Town of Smithfield in Deed Book 1872 Page 932, Deed Book 1864 Page 499, Deed Book 1865 Page 714, Deed Book 1861 Page 606, Deed Book 1884 Page 850, Deed Book 1884 Page 926, Deed book 1868 Page 922 and Deed Book 1868 Page 523. It runs around the edge of these lots combined with a boundary of the right of way of East Church Street on the north, South 6th on the West, the southernmost line of said lots on the south and south Fifth Street on the West.



Request for Town Council Action

Consent
Agenda
Item: Approve
Agreement
Date: 11/14/2023

Subject: Approve Amendment 10 of the FRPPA
Department: Public Utilities
Presented by: Public Utilities Director – Ted Credle
Presentation: Consent Agenda Item

Issue Statement

The North Carolina Eastern Municipal Power Agency (NCEMPA) and Duke Energy Progress (DEP) have come to a settlement, initiated and mandated by the District of Columbia Circuit Court of Appeals. The issue revolved around the use of municipal batteries and how they could be used for load management purposes. This settlement settles the issue and NCEMPA is asking each constituent member to accept the amendment.

Financial Impact

There is no immediate impact, financially, by accepting this amendment. Parts of this agreement limit the Town as to how much battery power we may use for the purpose of load management; but there is no fee, or assessment, associated with this amendment.

Action Needed

Approve the proposed amendment and execute the original documents, per the direction of the Law Offices of Poyner Spruill.

Recommendation

Staff recommends the approval of the amendment, per the direction of Poyner Spruill.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Letter from Poyner & Spruill
3. Town Attorney's Letter
4. Ordinance No. 520-2023
5. Amended Agreement – Separate Attachment



Staff Report

Consent
Agenda Item: Approve
Agreement

In 2018, DEP opened discussions concerning the restriction of using batteries by municipalities for the purposes of Load Management. Since this was an issue that was not covered under the Full requirements Purchase Power Agreement (FRPPA), a difference of opinions was created over the use, purpose, and amount of municipal batteries that could be used by NCEMPA, or any of the constituent members. This led to a 5-year legal battle, which was settled by court mandate earlier, this year.

NCEMPA and DEP entered into and executed the Tenth Amended and Restated Full **Requirements Power Purchase Agreement (the "Amended and Restated FRPPA") on June 27, 2023**. Included in the Amended and Restated FRPPA are changes to many of the defined terms used therein, defined terms that are also used in the Full Requirements Power Sales Agreement entered into between Power Agency and your municipality as of April 24, 2015. Accordingly, and to maintain consistency, the Board of Directors of Power Agency, on September 22, 2023, determined that it is in the best interests of the Power Agency and its members to enter into the Amended and Restated Full Requirements Power Sales Agreement (**"Amended and Restated FRPSA") to give effect to the many changed definitions in the Amended and Restated FRPPA, and the Board of Directors recommended that the Amended and Restated FRPSA be approved by Power Agency's members. To effectuate this transaction, Power Agency needs the unanimous consent of its Members to approve and execute the Amended and Restated FRPSA.**

Staff is asking the Council to approve the amended agreement and execute the documentation, per the direction of the Law Offices of Poyner Spruill.

**

September 28, 2023

Sydney P. Davis
Associate
D: 252.972.7113
F: 919.783.1075
SDavis@poynerspruill.com

VIA FEDEX and ELECTRONIC MAIL

Ms. Shannan Parrish
Clerk for Town of Smithfield
350 East Market Street
Smithfield, NC 27577
shannan.parrish@smithfield-nc.com

RE: Town of Smithfield

Dear Ms. Parrish:

In connection with the Town of Smithfield (the "Municipality"), and the proposed Tenth Amended and Restated Full Requirements Power Purchase Agreement, between North Carolina Eastern Municipal Power Agency ("Power Agency") and Duke Energy Progress, LLC (including successors and permitted assigns), dated as of June 27, 2023, (the "FRPPA"), and at the direction of Power Agency's Board of Directors, there are enclosed the following:

1. Three (3) execution copies of the Amended and Restated Full Requirements Power Sales Agreement (the "Amended and Restated FRPSA");
2. One additional, unsigned copy of the above Amended and Restated FRPSA for your use;
3. A copy of the FRPPA;
4. A copy of Resolution BDR-10-23, adopted by Power Agency's Board of Directors on September 22, 2023, among other things, ratifying the approval, execution and delivery of the FRPPA by the Chief Executive Officer in the name and on behalf of Power Agency and approving and authorizing the execution and delivery of the Amended and Restated FRPSA and recommending that it be approved and executed by the Municipality;
5. Ordinance to be adopted by the Municipality;
6. A Clerk's Certificate to be completed and executed by the Municipality's Clerk;
7. Attorney's Opinion to be completed and executed by the Municipality's Attorney;
8. Cover Letter returning Power Agency's executed documents and the executed Clerk's Certificate; and

9. Return Federal Express label for use by the Clerk in returning the Clerk's Certificate and the other documents described below.

For convenience, the Amended and Restated FRPSA is referred to herein as the "Member Contract" and the documents listed in Items No. 3-7 are referred to herein as the "FRPPA Documents".

INSTRUCTIONS

In connection with the FRPPA, the Member Contract and the FRPPA Documents, we hereby request that you:

1. Coordinate with your Attorney regarding the adoption of the Ordinance and the presentation of the Member Contract and FRPPA Documents to the Municipality in the fashion described in the Clerk's Certificate.
2. Ensure the Member Contract and FRPPA Documents are filed with the minutes of the meeting at which the Ordinance was adopted, as outlined in the Clerk's Certificate. Please bear in mind that, in connection with the adoption of the Ordinance, N.C.G.S. §160A-75 requires the affirmative vote of two-thirds of all members of the Municipality's governing body for adoption on the date the Ordinance is introduced. The Clerk's Certificate (Item No. 6 above) has been drafted assuming the adoption of the Ordinance at one, regular meeting of the governing body of the Municipality. If more than one meeting is needed, or a special meeting is called, for the adoption of the Ordinance, please contact the undersigned and we will revise the Clerk's Certificate.
3. Complete the Clerk's Certificate and attach the Ordinance, the minutes of the meeting at which the Ordinance was adopted and all other documents required therein to be attached to the Certificate and return it to the undersigned with the enclosed cover letter (Item No. 8 above), together with the documents referred to in the following Item No. 4, utilizing the enclosed return Federal Express label (Item No. 9 above).
4. Return to the undersigned two (2) fully executed copies of the Amended and Restated FRPSA, retaining the remaining executed copy for the Municipality.

Please note that at least two (2) signatures and an impression of the Municipality's Seal are required to fully execute the foregoing Amended and Restated FRPSA. If the Charter of the Municipality requires an additional endorsement by the Municipality's Attorney, please ensure the endorsements included therein by the undersigned are appropriate.

5. Ensure your Attorney places the Attorney's Opinion (Item No. 7 above) on his or her letterhead and forwards it to the undersigned, or alternatively, provides a copy of the Attorney's Opinion (on his or her letterhead) to the Clerk for inclusion in the return package utilizing the enclosed return Federal Express label (Item No. 9 above).

CLERK'S CERTIFICATE

The Clerk's Certificate is a critical document. Note that we have attached to the Clerk's Certificate what we believe is the Charter of the Municipality, including any charter amendments since the date of the last Clerk's Certificate executed by the Municipality in 2015. Please review the Clerk's Certificate with your Attorney to ensure that the references are complete and accurate and, if necessary, add such additional information and documents as are necessary to make the certification set forth in Section 11 of the Clerk's Certificate (Item No. 6 above) complete and accurate. We also ask that you send us an advance copy of any rules, laws or ordinances that you intend to attach to the Clerk's Certificate; doing so will afford us the opportunity to review that information in advance of receiving the Clerk's Certificate and help us ensure that this process is completed as efficiently as possible. Please contact the undersigned as soon as practicable if there are any laws or ordinances relating to the Charter that are pending before or have been passed by the North Carolina Legislature in 2023.

Additionally, if the Charter of the Municipality contains a specific notice requirement with respect to the adoption of the Ordinance, we have attempted to reference such requirement in the Clerk's Certificate. Please review the Clerk's Certificate carefully to determine whether or not such is the case for the Municipality. If so, please take such actions as are necessary to publish and/or post the appropriate notice(s) and provide the undersigned with copies of the notice(s) and newspaper affidavits of publication. A draft newspaper affidavit is enclosed in your materials should this notice requirement apply to your Municipality.

RETURN OF EXECUTED DOCUMENTS

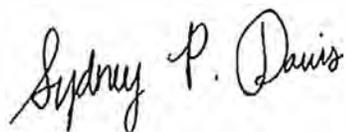
We respectfully request that you return the below documents to the undersigned as soon as practicable after the Ordinance is adopted via electronic mail (sdavis@poynerspruill.com) *and* FedEx, using the return prepaid Federal Express label enclosed in the mail out package:

1. Clerk's Return Letter
2. Two (2) executed copies of the Amended and Restated FRPSA bearing the seal of the Municipality
3. Clerk's Certificate
4. Ordinance
5. Minutes of the meeting at which the Ordinance was adopted
6. Charter Amendments, if any
7. Attorney's Opinion

Prompt receipt of the above documents will help us stay on schedule and deal with any issues that may arise prior to Closing as expeditiously as possible.

Your assistance in this matter, as outlined above, is truly appreciated. Please do not hesitate to call me (252.972.7113) or my colleague, Mike Colo (252.972.7105), if you have questions. We look forward to working with you to the end that the transactions proposed by Power Agency can be completed successfully and thank you in advance for your assistance in connection therewith.

Yours very truly,

A handwritten signature in black ink that reads "Sydney P. Davis". The signature is written in a cursive style with a large, looped "S" at the beginning.

Sydney P. Davis
Associate

cc: Michael Scott, Town Manager (via email w/o enclosures)
Robert Spence, Jr., Town Attorney (via email w/o enclosures)
Kathy Moyer (via email w/o enclosures)
Jay Morrison (via email w/o enclosures)

Enclosures

[Municipal Attorney's Letterhead]

North Carolina Eastern Municipal Power Agency
1427 Meadow Wood Blvd.
Raleigh, NC 27604

Greetings:

In connection with the Amended and Restated Full Requirements Power Sales Agreement, by and between the **Town of Smithfield** (the "Municipality") and North Carolina Eastern Municipal Power Agency ("Power Agency"), dated as of September 22, 2023, (the "Member Agreement"), I have examined (i) the Constitution and laws of the State of North Carolina and the Charter of the Municipality, (ii) the Member Agreement, (iii) an Ordinance entitled "**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF SMITHFIELD, NORTH CAROLINA, DETERMINING THAT IT IS IN THE BEST INTERESTS OF THE TOWN OF SMITHFIELD TO APPROVE AND AUTHORIZE THE EXECUTION AND DELIVERY OF THE AMENDED AND RESTATED FULL REQUIREMENTS POWER SALES AGREEMENT BETWEEN THE TOWN OF SMITHFIELD AND NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY**" (the "Ordinance"), approving the terms and provisions of the Member Agreement and authorizing the execution and delivery thereof, and the proceedings of **TOWN COUNCIL OF THE TOWN OF SMITHFIELD** had and taken upon such adoption, (iv) such contracts, instruments and documents to which the Municipality is a party and which might affect the validity or the operation of the Member Agreement, and (v) such other instruments and documentation as I have deemed necessary in order to render the opinions set forth herein.

It is my opinion that:

- (a) The Municipality is a municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State of North Carolina;
- (b) The Municipality has power and is authorized to enter into, execute and deliver the Member Agreement and carry out and perform the obligations of the Municipality thereunder;
- (c) The Ordinance has been duly adopted by the governing body of the Municipality, has not been amended, rescinded or repealed and is in full force and effect. The meeting at which the Ordinance was adopted was duly called, duly held, and all applicable laws respecting notice of such meeting were complied with fully;
- (d) The Member Agreement has been duly authorized, executed and delivered by the Municipality and constitutes a valid and binding agreement of the Municipality, enforceable in accordance with its terms;

(e) The authorization, execution and delivery by the Municipality of the Member Agreement and compliance with all terms and provisions thereof to be carried out and performed by the Municipality thereunder do not conflict with and are not in violation of any law of the State of North Carolina, including any of the provisions, terms and conditions of any ordinance, resolution, rule, by-law or motion of the Municipality;

(f) The authorization, execution and delivery by the Municipality of the Member Agreement and compliance with all terms and provisions thereof to be carried out and performed by the Municipality thereunder will not be a breach of, or constitute a default under, the terms and conditions of any indenture, loan agreement, mortgage, resolution, ordinance, contract, or other instrument, agreement or document to which the Municipality is a party or may be bound; and

(g) To my knowledge, information and belief there are no burdensome restrictions or conditions of any unusual character in any indenture, loan agreement, mortgage, resolution, ordinance or contract or other instrument, agreement or document to which the Municipality is a party or may be bound which impairs its ability to discharge its obligations under and carry out the terms of the Member Agreement.

In addition, to my knowledge, information and belief, there is not litigation pending or threatened against the Municipality which, if decided unfavorably to the interests of the Municipality, would materially adversely affect the validity of the Member Agreement or the financial affairs or the Municipality's electric system.

The opinion expressed in paragraph (d) above is subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other laws heretofore or hereafter affecting creditors' rights and is subject to the principles of equity relating to or affecting the enforcement of obligations, whether such enforceability is considered in equity or at law.

Very truly yours,

Robert Spence, Jr., Town Attorney

Ordinance No. 520-2023

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF SMITHFIELD, NORTH CAROLINA, DETERMINING THAT IT IS IN THE BEST INTERESTS OF THE TOWN OF SMITHFIELD TO APPROVE AND AUTHORIZE THE EXECUTION AND DELIVERY OF THE AMENDED AND RESTATED FULL REQUIREMENTS POWER SALES AGREEMENT BETWEEN THE TOWN OF SMITHFIELD AND NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY

WHEREAS, the Town of Smithfield (the “Municipality”) and North Carolina Eastern Municipal Power Agency (“Power Agency”) entered into a Full Requirements Power Sales Agreement (the “FRPSA”), dated as of the twenty-fourth day of September, 2015, pursuant to which Power Agency sells and each Member purchases its Full Requirements Bulk Power Supply requirements (as that term is defined in the FRPSA); and

WHEREAS, the Board of Directors of Power Agency, by motion properly made and approved at its meeting on May 25, 2023, approved and authorized the execution and delivery of Tenth Amended and Restated Full Requirements Power Purchase Agreement (the “FRPPA”) between the Power Agency and Duke Energy Progress, LLC (including successors and permitted assigns, “DEP”), pursuant to which Power Agency has agreed to purchase from DEP and DEP has agreed to sell to Power Agency Power Agency’s full requirements capacity and energy to serve the load of the electric power customers of Power Agency’s members, the electric needs of which the members have undertaken the obligation to meet, and contingent upon a recommendation by the Rate Committee and approval by the Board of Commissioners of Power Agency; and

WHEREAS, by motions properly made and approved at meetings on June 7, 2023 and June 8, 2023, the Rate Committee and the Board of Commissioners, respectively, recommended that staff execute and approve the FRPPA in the name and on behalf of the Power Agency; and

WHEREAS, on September 22, 2023, the Board of Directors of Power Agency adopted Resolution BRR-10-23, which, among other things, (i) ratified the approval and execution of the FRPPA by the Chief Executive Officer in the name and on behalf of Power Agency and (ii) authorized Power Agency to execute and deliver to each Member an Amended and Restated Full Requirements Power Sales Agreement (the “Amended and Restated FRPSA”) to give effect to the transactions contemplated by the FRPPA; and

WHEREAS, Power Agency has caused to be furnished to the Municipality each of the following: (i) the FRPPA, (ii) Resolution BDR-10-23, and (iii) an executed Amended and Restated FRPSA, dated as of September 22, 2023; and

WHEREAS, the Town Council of the Municipality (the “Governing Body”) has taken into consideration the benefits which might be achieved by approving, executing and delivering the Amended and Restated FRPSA.

NOW, THEREFORE, BE IT ORDAINED, by the Town Council of the Town of Smithfield:

1. After due consideration to the contents of each of the preambles set forth above and to each of the documents referred to in such preambles, the Governing Body hereby finds and determines that it is in the best interests of the Municipality to enter into the Amended and Restated FRPSA.

2. The Governing Body hereby authorizes and directs that the Amended and Restated FRPSA be executed for and on behalf of the Municipality by the Mayor and Clerk, sealed with the seal of the Municipality and delivered to the Power Agency in the form and substance of the Amended and Restated FRPSA presented at this meeting.

3. The Governing Body hereby directs the Clerk to furnish or cause to be furnished to Power Agency a certified copy of this ordinance together with the executed Amended and Restated FRPSA.

4. The Governing Body hereby directs the Clerk to file with the minutes of this meeting (i) the FRPPA, (ii) Resolution BDR-10-23, and (iii) the proposed Amended and Restated FRPSA as presented and available at this meeting.

5. This Ordinance shall become effective upon its adoption.

ADOPTED this _____ day of _____, 2023.

Mayor

ATTEST:

Clerk

(SEAL)



Request for Town Council Action

Consent
Agenda
Item: Surplus
Property
Date: 11/14/2023

Subject: Surplus Property
Department: Various
Presented by: Various Department Heads
Presentation: Consent Agenda Item

Issue Statement

Various Town Department are requesting to have vehicles and equipment declared as surplus property. The vehicles and equipment can be auctioned on Govdeals.com, thus **removing them from the Town's inventory.**

Financial Impact

Unknown. Sales of all items will increase revenues.

Action Needed

Approval of Resolution No. 738 (21-2023) declaring items listed as surplus property and authorizing the sale of said property at public auction.

Recommendation

Staff recommends the items listed on the resolution be declared surplus property and allow them to be auctioned on GovDeals.com

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Resolution No. 738 (21-2023)



Staff Report

Consent
Agenda
Item

Surplus
Property

Staff is requesting the following items be declared surplus property thus allowing them to be sold at the online Public Auction site, GovDeals.com.

Dept.	Vin/Ser.#	Description
Public Works		Miller Tilt Top Trailer
Public Works	Engine Serial: 5030TF270B	2002 American Road Machinery Green Leaf Box
Public Works		7x 20 Trailer with walls
Public Works	802701510	Bobcat Skid steer Grader Blade
Public Works		Utility Pole Trailer
Public Works		7x 20 Trailer without sides
Public Works		7x20 Trailer with 2' sides
Public Works	STT61A-27KA / A6200689	Scag Turf Tiger
Public Works	LS-20/ A90127	Turfco Seed Spreader
Public Works	1FDWF36593EB91245	2003 Ford- F350
Public Works		Asplundh Eager Beaver 290 Wood Chipper
Public Works	7610	New Holland Brush Cutter
Public Works	2FZHATDC77AX27076	2007 Sterling L75000 Trash Truck
Public Works		14' x 6 1/2 ' car/equipment trailer
Public Works	3Z495	1978 80 Gallon 2 Stage 3 Phase Compressor
Public Works	07656	1994 Gas Powered Wood Chipper
Parks & Recreation	T0401CG733931	John Deere 410 C Turbo Backhoe
Police	2G1WS553681267253	2007 Chevrolet Impala

TOWN OF SMITHFIELD RESOLUTION NO. 738 (21-2023)
 AUTHORIZING THE SALE OF CERTAIN
 PERSONAL PROPERTY AT PUBLIC AUCTION

WHEREAS, the Town Council of the Town of Smithfield desires to dispose of certain surplus property of the Town in accordance with NC GS 160A-270; and

WHEREAS, the Town Council of the Town of Smithfield desires to utilize the auction services of a public electronic auction service.

NOW, THEREFORE, BE IT RESOLVED by the Town Council that:

1. The following described property is hereby declared to be surplus to the needs of the Town:

Dept.	Vin/Ser.#	Description
Public Works		Miller Tilt Top Trailer
Public Works	Engine Serial: 5030TF270B	2002 American Road Machinery Green Leaf Box
Public Works		7x 20 Trailer with walls
Public Works	802701510	Bobcat Skid steer Grader Blade
Public Works		Utility Pole Trailer
Public Works		7x 20 Trailer without sides
Public Works		7x20 Trailer with 2' sides
Public Works	STT61A-27KA / A6200689	Scag Turf Tiger
Public Works	LS-20/ A90127	Turfco Seed Spreader
Public Works	1FDWF36593EB91245	2003 Ford- F350
Public Works		Asplundh Eager Beaver 290 Wood Chipper
Public Works	7610	New Holland Brush Cutter
Public Works	2FZHATDC77AX27076	2007 Sterling L75000 Trash Truck
Public Works		14' x 6 1/2 ' car/equipment trailer
Public Works	3Z495	1978 80 Gallon 2 Stage 3 Phase Compressor
Public Works	07656	1994 Gas Powered Wood Chipper
Parks & Recreation	T0401CG733931	John Deere 410 C Turbo Backhoe
Police	2G1WS553681267253	2007 Chevrolet Impala

2. The Town Manager or his designee is authorized to receive, on behalf of the Town Council, bids via public electronic auction for the purchase of the described property.
3. The public electronic auction will be held beginning no earlier than November 24, 2023
4. The Town Council further authorizes the disposal of Town surplus property by use of a public electronic auction system provided by GovDeals Inc. The property for sale can be viewed at www.govdeals.com. Citizens wanting to bid on property may do so at www.govdeals.com. The terms of the sale shall be: All items are sold as is, where is, with no express or implied warranties; All items will be sold for cash or certified check only; Payment must be received for all items sold before they may be removed from the premises; All items sold must be paid for and removed from the site of the sale within 5 business days of the sale, or they will be subject to resale.
5. The Town Clerk shall cause a notice of the public auction for surplus property to be noticed by electronic means in accordance with G.S. 160A-270(c), available on the Town of Smithfield website www.smithfield-nc.com
6. The highest bid, if it complies with the terms of the sale, may be accepted by the Finance Director or his designee and the sale consummated.

Adopted this the 14th day of November, 2023

M. Andy Moore, Mayor

ATTEST:

Shannan L. Parrish, Town Clerk



Request for Town Council Action

Consent Agenda Item: Date: Contract for Services 11/14/2023

Subject: Contract with SAM for Stormwater Infrastructure Mapping
Department: Planning Department
Presented by: Planning Director – Stephen Wensman
Presentation: Consent Agenda Item

Issue Statement

To accept a contract with the consultant, Surveying and Mapping, LLC (SAM) to map **the town’s stormwater infrastructure.**

Financial Impact

There will be no financial impact to the Town. The Town received a Stormwater Utility Planning Grant from the NC Department of Environmental Quality in the amount of \$500,00 for both the Stormwater Utility Impervious Study (Contract amount \$54,906.50 with KCI) and Stormwater Infrastructure Mapping (Contract amount \$241,378).

KCI Contact	\$54,906.50
SAM Contract	\$241,378.00 (assuming 2,500 structures)
Total	\$296,284.5

Action Needed

To accept the contract with SAM for stormwater infrastructure mapping

Recommendation

Staff recommends the Council approve the contract with SAM for stormwater infrastructure mapping.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. GIS Services Agreement between the Town and SAM
3. Attachment A: Stormwater Infrastructure Mapping Proposal



Staff Report

Consent Contract
Agenda for
Item: Services

Overview:

In 2022, the Town made application to the NCDEQ for a Stormwater Infrastructure Investment (LASII) grant to conduct a study of impervious surfaces in the Town for the preparation of a stormwater utility and to map existing stormwater infrastructure, a state **requirement of the Town's stormwater management program.**

In April of 2023, the Town received notice that our application projects were eligible for funding. On August 30, 2023, the Town received approval of its applications. The Town Council accepted the grant funding by Resolution on October 3, 2023.

The Town prepared RFOs for both the Impervious Study and the Stormwater Infrastructure Mapping and had selected KCI to conduct the impervious study for the amount of \$54,906.50. The Town has selected Surveying and Mapping, LLC (SAM) to do the stormwater infrastructure mapping.

The Infrastructure Mapping Project – The State of NC requires the Town to manage stormwater within its jurisdiction. The Town has been conducting stormwater management under the National Pollutant Discharge Elimination System (NPDES) Phase II requirements since 2001. Beginning in 2019, the NC Environmental Management Commission (EMC) began updating the rules and requirements. In 2022, the Town was required to update its program which included the adoption of a new stormwater management ordinance (adopted by the Council on March 7, 2023). Part of permit obligations to the State include inspecting and managing storm drainage system infrastructure. The Town is required to map 15% per year until the mapping is completed. The SAM Contract for Services proposes mapping 2,500 structures for \$241,378. **Staff will work with SAM to map as much of the Town's stormwater infrastructure as possible with a not to exceed budget of \$445,093.50, all of which will be paid for by grant funds.**

SAM Contract for Services

The contract for services consists of both the [GIS Services Agreement](#) and [Attachment A, the Proposal](#). The fee for services is in the proposal and consists of the following tasks and assumes 2,500 mapped structures:

- Task 1: Existing Condition Analysis \$14,270.00
- Task 2: Drainage Basin Mapping \$7,050.00
- Task 4: Field GIS Mapping \$210,808.00 – (assuming 2,500 structures)
- Task 5: Condition Assessment Report \$9,250.00

Total \$241,378 (assuming 2,500 structures).

The contract is a 2-year contract.



STORMWATER SYSTEM MAPPING AGREEMENT BETWEEN THE TOWN OF SMITHFIELD NORTH CAROLINA AND SURVEYING AND MAPPING, LLC

THIS AGREEMENT ("Agreement"), is entered into between the Town of Smithfield, a municipal corporation organized and existing under the laws of North Carolina, with a business address of 350 East Market Street, Smithfield, North Carolina, 27577, hereinafter referred to as "TOWN", and Surveying And Mapping, LLC, a Texas Limited Liability Company authorized to do business in the State of North Carolina, with a business address of 4801 Southwest Parkway, Building Two, Suite 100, Austin, TX 78735, hereinafter referred to as the "SAM". In consideration of the mutual benefits, terms, and conditions hereinafter specified the Parties agree as set forth below.

1. **PROJECT DESIGNATION.** SAM is retained by the TOWN to provide labor, parts, and materials related to mapping of the stormwater system within the municipal boundary of the TOWN for inclusion in a Geographic Information System (GIS).

2. **SCOPE OF SERVICES.** SAM agrees to perform the services required for the mapping of the stormwater system as requested by the TOWN for the fees as outlined in Proposal for Stormwater System Mapping attached hereto as Exhibit "A" and by this reference made a part hereof.

3. **TIME FOR PERFORMANCE.** Work under this Agreement shall commence upon the giving of written notice by the TOWN to SAM to proceed. SAM shall perform all services and provide all work product required pursuant to this Agreement.

4. **TERM.** The initial Agreement period shall be for an initial term of two (2) years, commencing on November _____, 2023 and shall remain in effect through November _____, 2025. The TOWN reserves the right to renew the agreement for three (3) one-year renewals subject to SAM acceptance, satisfactory performance as determined by the TOWN, and determination by the TOWN that renewal will be in the best interest of the TOWN.

5. **PAYMENT.** The SAM shall be paid by the TOWN for completed work and for services rendered in accordance with the Schedule of Prices to this Agreement as follows:

- A. Payment for the work provided by SAM shall be made promptly on all invoices submitted to the TOWN properly, provided that the total amount of payment to SAM shall not exceed the total contract price without express written modification of the Agreement signed by the TOWN Manager or designee.
- B. SAM may submit invoices to the TOWN once per month during the progress of the work for payment. The TOWN will pay any submitted invoice with 30 days of submittal. Invoices will be submitted to the TOWN via email to address or addresses indicated by the TOWN.
- C. The TOWN is responsible to notify SAM within 20 days of receipt of an invoice of any concerns, issues or discrepancies via email to the SAM designated Project Manager and/or Project Administrator.
- D. TOWN's obligation to pay is solely that of the TOWN, and the acts or omissions of any third party shall not affect that obligation. All sums due and not received within the 30-day timeframe that have

not identifies to the SAM as having a concern, issue or discrepancy shall be construed as past due. To cover the costs of collection, all past-due amounts will incur a late charge of one and one-half percent (1 ½ %) per month until paid. The TOWN shall pay all attorney's fees or court costs incurred by SAM in collecting any past-due amounts. In the event that TOWN fails to pay SAM within thirty (30) days after invoices are rendered, then TOWN agrees that SAM shall have the right to stop or suspend work and consider the non-payment as grounds for a total breach of this Agreement.

- E. Payment as provided in this section by the TOWN shall be full compensation for work performed, services rendered, and for all materials, supplies, equipment, and incidentals necessary to complete the work.

6. OWNERSHIP AND USE OF DOCUMENTS. All documents, drawings, specifications, data, and other materials produced by SAM in connection with the services rendered under this agreement shall be the property of the TOWN whether the project for which they are made is executed or not. SAM shall be permitted to retain copies, including data, reproducible copies, of drawings and specifications for information, reference and use in connection with SAM's endeavors.

7. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

8. INDEMNIFICATION. The TOWN shall, to the fullest extent permitted by law, indemnify and hold harmless SAM, its officers, directors, members, managers, employees, agents, insurers and subconsultants (collectively "SAM Parties") from and against all damages, liabilities, penalties, fees, claims, suits and costs, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance by any of the SAM Parties of the services under this Agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of SAM.

9. LIMITATION OF LIABILITY. In recognition of the relative risks, rewards and benefits of the project to both the TOWN and SAM, the risks have been allocated such that the TOWN agrees that, to the fullest extent permitted by law, total liability to the TOWN for any and all injuries, claims, suits, costs, liabilities, fees, losses, expenses, penalties, fines, damages or claim expenses arising out of this Agreement from any cause or causes shall not exceed the total fee paid by the TOWN to SAM, excluding any sales tax, for the services rendered. Such causes include, but are not limited to, SAM's negligence, errors, omissions, strict liability, breach of contract or breach of warranty. Except for the indemnification provisions provided herein, neither party shall be liable to the other for consequential, incidental, indirect, punitive, or special damages (including loss of profits, data, business or goodwill), regardless of the legal theory advanced or of any notice given as to the likelihood of such damages.

10. INSURANCE

- A. During the performance of the services under this Agreement, SAM shall maintain the following insurance policies, and provide originals or certified copies of all policies to TOWN's Director of Human Resources and Risk Management. All policies shall be written by an insurance company authorized to do business in North Carolina. SAM shall be required to obtain all applicable insurance coverage, as indicated below, prior to commencing any service pursuant to this Agreement:

- i. **Worker's Compensation Insurance:** The SAM shall procure and maintain for the life of this Agreement, Worker's Compensation Insurance covering all employees with limits meeting all applicable state and federal laws. This coverage shall include Employer's Liability with limits meeting all applicable state and federal laws. This coverage must extend to any subcontractor that does not have their own Worker's Compensation and Employer's Liability Insurance. The policy must contain a waiver of subrogation in favor of the Town of Smithfield, executed by the insurance company.
- ii. **Comprehensive General Liability:** SAM shall procure and maintain for the life of this Agreement, Comprehensive General Liability Insurance. This coverage shall be on an "Occurrence" basis. Coverage shall include Premises and Operations; Independent

consultants, Products-Completed Operations and Contractual Liability with specific reference to Article 8, "Indemnification" of this Agreement. This policy shall provide coverage for death, personal injury, or property damage that could arise directly or indirectly from the performance of this Agreement. SAM shall maintain a minimum coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate for personal injury/ and \$1,000,000 per occurrence and \$2,000,000 aggregate for property damage. The general liability insurance shall include the TOWN as an additional insured and shall include a provision prohibiting cancellation of the policy upon thirty (30) days prior written notice to the TOWN.

- iii. **Business Automobile Liability:** SAM shall procure and maintain, for the life of this Agreement, Business Automobile Liability Insurance. SAM shall maintain a minimum amount of \$1,000,000 combined single limit for bodily injury and property damage liability to protect SAM from claims for damage for bodily and personal injury, including death, as well as from claims for property damage, which may arise from the ownership, use of maintenance of owned and non-owned automobile, included rented automobiles, whether such operations be by SAM or by anyone directly or indirectly employed by the SAM.
 - iv. **Professional Liability (Errors and Omissions) Insurance:** SAM shall procure and maintain for the life of this Agreement in the minimum amount of \$1,000,000 per occurrence.
 - v. **Umbrella/Excess Liability Insurance:** in the amount of \$1,000,000.00 as determined appropriate by the TOWN depending on the type of job and exposures contemplated. Coverage must be follow form of the General Liability, Auto Liability and Employer's Liability. This coverage shall be maintained for a period of no less than the later of three (3) years after the delivery of goods/services or final payment pursuant to the Agreement.
- B. SAM shall provide the TOWN with all Certificates of Insurance required under this section prior to beginning performance under this Agreement. Failure to maintain the required insurance will be considered a default of the Agreement.
 - C. The TOWN shall be named as an additional insured. The coverage shall contain no limitations on the scope of protection afforded the TOWN, its officers, officials, employees or volunteers. A current valid insurance policy meeting the requirements herein identified shall be maintained during the duration of this Agreement and shall be endorsed to state that coverage shall not be suspended, voided or cancelled by either party, reduced in coverage in limits except after thirty (30) days prior written notice by either certified mail, return receipt requested, has been given to the TOWN.
 - D. The TOWN reserves the right to reasonably require any additional insurance coverage or increased limits as determined necessary by the Director of Human Resources and Risk Management. The TOWN reserves the right to review, modify, reject, or accept any required policies of insurance, including limits, coverage, or endorsements throughout the term of the Agreement.

11. **INDEPENDENT CONTRACTOR.** SAM and the TOWN agree that SAM is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither SAM nor any employee of SAM shall be entitled to any benefits accorded TOWN employees by virtue of the services provided under this Agreement. The TOWN shall not be responsible for withholding or otherwise deducting federal income tax or Social Security or for contributing to the state industrial insurance program, otherwise assuming the duties of an employer with respect to SAM, or any employee of SAM.

12. **TERMINATION.** This Agreement may be terminated by either party upon ten (10) days' written notice, by mutual consent or in the event of persistent failures of performance of material terms and conditions of this Agreement by the other party through no fault of the terminating party. SAM shall then be paid for the

services completed up to the time of the termination date based upon percent complete of each task listed in the Proposal for Stormwater System Mapping attached hereto as Exhibit "A".

13. **DISPUTES.** Any disputes that arise between the parties with respect to the performance of this Agreement, which cannot be resolved through negotiations, shall be submitted to a court of competent jurisdiction in Johnston County, North Carolina. This Agreement shall be construed under North Carolina Law.

14. **NOTICES.**

Notices to the TOWN shall be sent to the following address:

Michael Scott, Town Manager
Town of Smithfield
P.O. Box 761
Smithfield, NC 27577

Notices to SAM shall be sent to the following address:

Surveying And Mapping, LLC
Attn: Patrick A. Smith, Principal/Executive VP
4801 Southwest Parkway
Building Two, Suite 100
Austin, TX 78735
Phone: (512) 447-0575
Fax: (512) 326-3029
Email: PSmith@sam.biz

With copy to:

Cookie F. Munson
General Counsel
cmunson@sam.biz

15. **INTEGRATED AGREEMENT.** This agreement, together with attachments or addenda, represents the entire and integrated agreement between the TOWN and SAM and supersedes all prior negotiations, representations, or agreements written or oral. This agreement may be amended only by written instrument signed by both TOWN and SAM.

16. **E-VERIFY.** SAM certifies that it is aware of and complies with the requirements of E-VERIFY. E-VERIFY means an Internet-based system operated by the United States Department of Homeland Security that allows participating employers to electronically verify the employment eligibility of newly hired employees.

17. **SEVERABILITY.** If any one or more of the terms, provisions, covenants, or restrictions of this agreement shall be determined by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated. If, moreover, any one or more of the provisions contained in this Contract shall for any reason be determined by a Court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with the then applicable law.

18. **AUTHORITY.** Any corporate party or business entities and its designated partners, venturers, or officers have full and complete authority to sell, assign and convey the contracts and assume the obligations referred to herein; said corporations or entities are in good standing under North Carolina law.

IN WITNESS OF THE FOREGOING, the Parties have set their hands and seals the day and year written below.

DATED this ____ day of _____, 2023.

Town of Smithfield (TOWN)

Surveying And Mapping, LLC (SAM)

Signature

Signature

Printed Name

Patrick A. Smith, RPLS

Printed Name

Title

Principal/ Executive VP

Title

EXHIBIT "A"
Proposal for Stormwater System Mapping



Proposal Contact: Tripp Corbin | 470-998-8944 | tcorbin@sam.biz

Surveying And Mapping, LLC

PROPOSAL FOR:

Stormwater System Mapping

SUBMITTED TO:

The Town of Smithfield, NC

October 2, 2023

SUBMITTED BY:
Surveying And Mapping, LLC
9800 Southern Pine Blvd.
Suite I
Charlotte, NC 28273
980-296-6100 | gis@sam.biz



October 2, 2023

Proposal for Stormwater System Mapping

Stephen Wensman
Planning Director
350 East Market St.
Smithfield, NC 27577

Dear Stephen,

Surveying And Mapping, LLC (SAM) respectfully submits our proposal to the Town of Smithfield for Stormwater System Mapping. SAM has assembled an experienced and highly qualified team. SAM'S GIS leadership have proven GIS development and data collection processes tailored to municipal stormwater management programs. We pride ourselves on not only GIS and land surveying expertise, but a deep utility management understanding.

SAM's GIS team has collected, developed and provided analysis for hundreds of stormwater systems. We specialize in developing accurate data, workflows and standards for local government and utility clients. We have decades of experience in system design and implementation, which focuses on supporting client engineering projects. SAM's team has vast experience working for municipalities to support stormwater management plans. We take pride in our ability to scale deliverables and solutions for every client. Our unique combination of RTK Survey-grade GPS field services, infrastructure understanding, program design and unrivaled support are why **more than 70% of our annual GIS and utility mapping revenue comes from repeat or referral clients.**

The following characteristics make SAM's team uniquely capable of overseeing this project in Smithfield:

- SAM has provided **GPS mapping and GIS services to over 800 cities and utilities** across the country. Our dedicated field staff has GPS located and mapped millions of utility assets and integrated countless data seamlessly into GIS programs tailored to municipalities.
- As a **Silver Esri Business Partner**, SAM staff are experienced in GIS data development and support for Esri product lines.
- SAM has localized North Carolina experience, with **three (3) offices in North Carolina (Charlotte, Raleigh and Lumberton)**. Our area staff have specialization in GIS services, infrastructure analysis, engineering, environmental impact studies, assessments and land surveying.

I will serve as SAM's contact person for any questions Smithfield may have during this proposal process. My full contact information is as follows:

Tripp Corbin, Business Dev. Manager	Cell: (470) 998-8944
9800 Southern Pine Blvd., Suite 1	Fax: (512) 326-3029
Charlotte, NC 28273	Email: tcorbin@sam.biz

Thank you for taking the time to review our submission and consider SAM's team for this opportunity. We appreciate your consideration of our response and are hopeful for an opportunity to meet and discuss the project further.

Respectfully Submitted,

Tripp Corbin, Business Development Manager

Project Understanding

The Town of Smithfield (Town) is experiencing tremendous growth, making it difficult to meet its NPDES permitting obligations as well as support the growing needs of its citizens. The Town recognizes the value that GIS provides to manage assets, improve compliance, and improve daily operations in regard to stormwater systems. GIS can allow for capital improvement planning, inspection tracking, maintenance reporting and tracking and system status reporting.

As a result, the Town is seeking an experienced and qualified firm to assist in mapping and assessing the Town's stormwater infrastructure so that they can create a GIS system capable of allowing it to plan future maintenance activities, capital improvements, and management plans as required by the NC Department of Environmental Quality.

The Town has some existing GIS data that needs to be assessed and analyzed along with staff knowledge. SAM understands that the combination of this data, along with information gathered through field mapping will be used to provide Town with a final report and GIS solution.

With staff available in two of our three North Carolina offices, Charlotte and Raleigh, SAM's response time to mobilization will be adequate for Smithfield's project goals. SAM is committed to providing Smithfield with staffing continuity and each of our key personnel were selectively assigned based on the full expectation that they will serve in their roles for the duration of the contract. Because of our experience and acumen, our team is able to anticipate project needs and work with seamlessly with Smithfield across the entire project lifecycle to accomplish all requirements and goals set by the Town. All work would be a combined efforts of SAM's Charlotte, Raleigh and Maryville, MO offices.

Task 1: Existing Condition Analysis

Existing stormwater GIS data that exists is Johnston County's GIS system along with old blueprints owned by the Town will be evaluated by SAM staff experienced in stormwater mapping. SAM will work with the Town to obtain a copy of this information from the County if necessary. Using data reviewer and topology rules, this information will be analyzed for attribute and metadata completeness, flow, connectivity, and spatial accuracy.

In addition to analyzing existing data, staff knowledge of the current system will be leveraged to assist with project decision-making. It is understood that the Town has known locations that experience flooding or poor drainage. These areas, along with other problematic items, will be identified during a meeting with Town staff and prioritized for review and mapping. Having a full understanding of the existing conditions of the system will be instrumental in determining the future steps of this project.



Task 2: Drainage Basin Mapping

A necessary step with properly mapping stormwater systems is designating drainage basins. SAM will use available elevation data and other resources necessary to prepare a drainage basin system map that encompasses Town's corporate limits. These basins will be used for field mapping and reporting organization throughout the project along with providing the Town with a tool to assist with future planning and development.

Task 3: GIS Mapping System Evaluation

SAM understands that this task is no longer necessary.

Task 4: Field GIS Mapping

Project Kick-off

SAM will provide an on-site kick-off meeting and geodatabase design workshop with the Town of Smithfield to start the project. The kick-off meeting is essential to developing open communication with the client and will help establish the guidelines and procedures of SAM for coordinating the project.

The following important topics will be discussed and determined at the kick-off meeting:



COLLECT EXISTING DATA

SAM will acquire copies of existing and available mapping records, such as relevant GIS data, AutoCAD drawings, hard-copy utility maps, as-built information and historical utility drawings for use as reference during the project. All hard-copy maps will be scanned and returned to the town in a timely manner.

SAFETY AND PROCEDURES

SAM will review safety and field procedures during the kick-off meeting to ensure the safety of field staff, town staff and the citizens of Smithfield throughout the data collection phase of the project. SAM follows a strict safety and procedures manual and requires all SAM employees to attend internal quarterly safety meetings to review procedures and concerns.



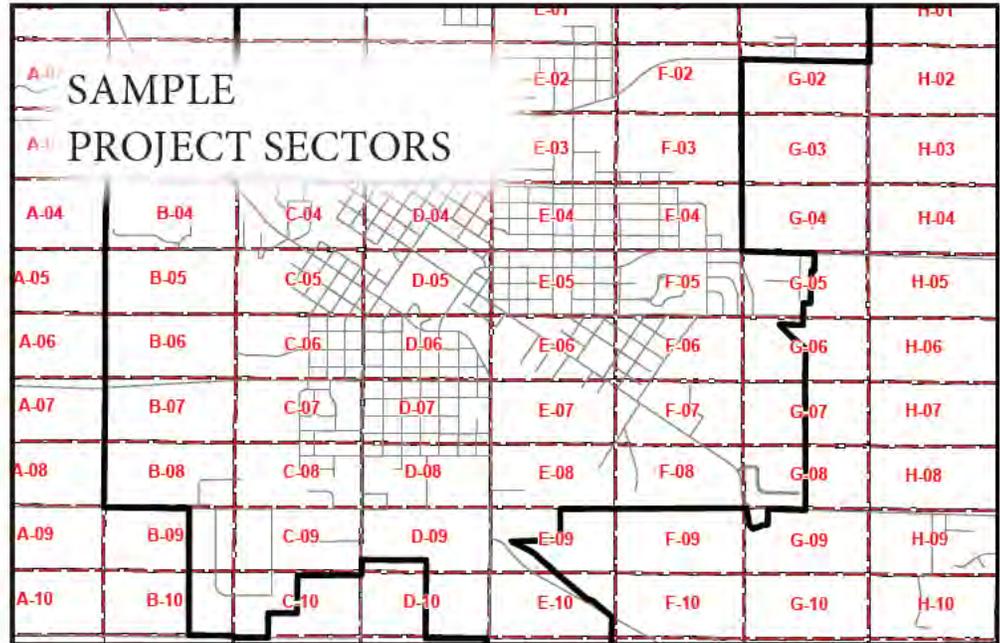
At all times, field staff will be wearing the required Class II traffic safety vests and all field vehicles will be clearly marked with company information and have the required safety lights for operation while in public right-of-way. GPS field personnel have acquired OSHA training and certification for "Traffic Control for Field Engineering & Surveyors" and "Confined Spaces". Proper traffic control signage will be utilized when necessary while operating in public right-of-way. If required, due to traffic concerns, SAM will operate during non-peak hours to obtain field locates and inspections. If SAM staff has concerns about their safety, the appropriate town staff or local law enforcement will be contacted.

PROJECT TIMELINE AND MILESTONES

SAM will review and discuss the anticipated project timeline and milestones with the Town of Smithfield during the kick-off meeting. Any level of responsibility required of the town (i.e. providing existing data, pre-locating utilities, etc.) will be discussed and taken into consideration when finalizing the overall project timeline. Internal and external cost controls, along with any modifications to the proposed project schedule at the request of the town will be discussed during the kick-off meeting.

WORK SECTOR DEFINITION

SAM will work with town staff to define a grid and identify work sectors for the entire project area. The creation of these work sectors serves two very distinct and important roles during the project. First, the project sectors will be utilized by SAM field staff as a quality control measure. Field staff will work within each sector and complete all locates and inspections required prior to moving on to the next sector. This allows for an efficient method of data collection and translates into cost savings and overall project quality.



Another benefit of working within project sectors is to provide town staff with an effective method to track progress and know exactly what part of the town SAM field staff is working in. The work sectors also facilitate preplanning during morning meetings for traffic control, town staff assistance and project reports to Smithfield.

PUBLIC NOTIFICATION

SAM will work with town staff to ensure proper citizen notification. It has been our experience on similar projects that informing citizens about the field work will help to alleviate any concerns local residents may have. Notifications at City Hall, utility billing offices and the local newspaper or public access channel (if available) is highly recommended. SAM field staff will carry an informational letter on letterhead from the Town of Smithfield describing the project and the proper contact information in the event there are concerns from the public. It is also recommended that local law enforcement be notified about the project and that SAM field staff will be working in the area.

GEODATABASE DESIGN WORKSHOP

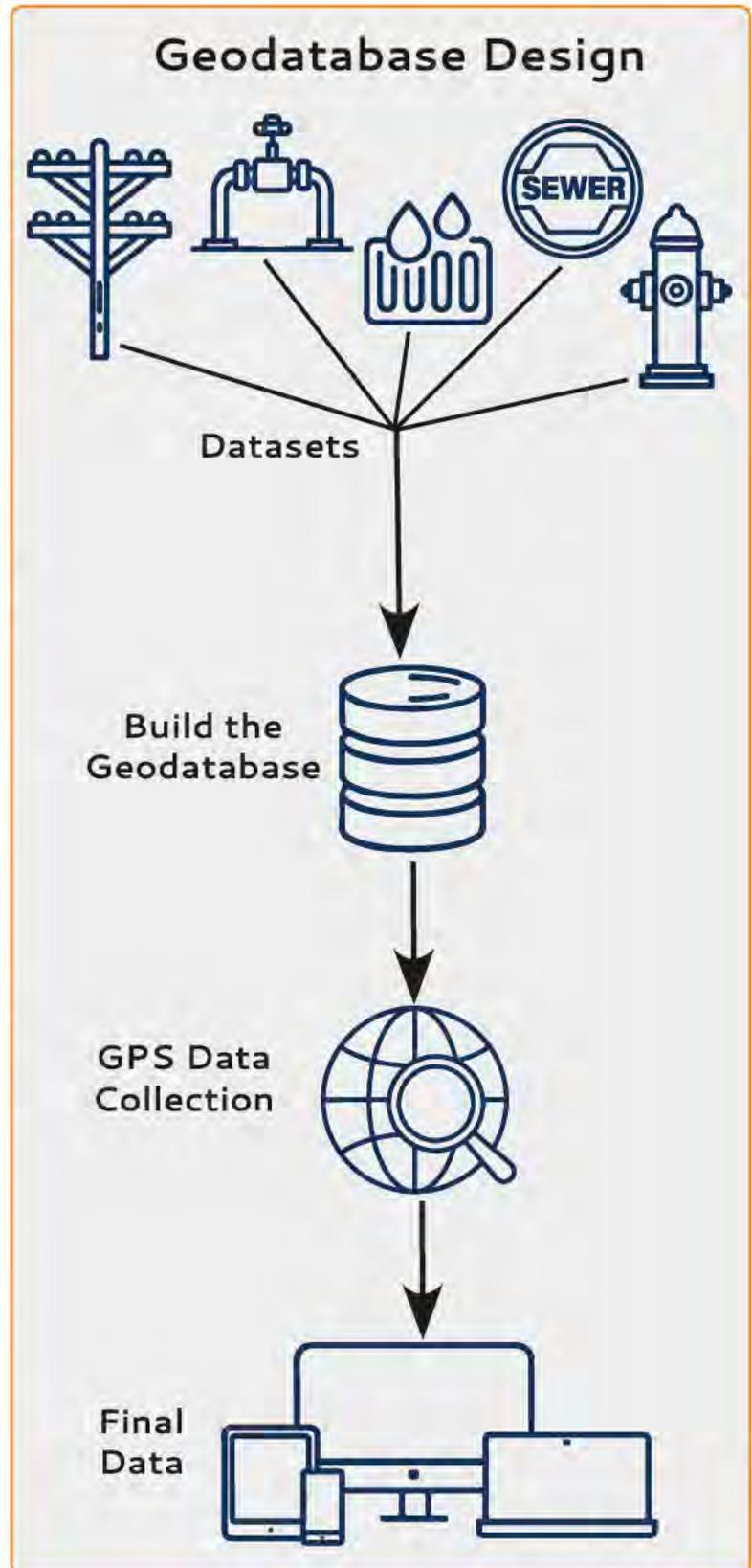
The most critical aspect of developing a functional GIS program is the development of the geodatabase. A geodatabase is a logical single-file format for organizing spatial data and corresponding datasets.

When creating the overall design of the geodatabase for Smithfield, SAM will take into consideration the best model and structure to meet the needs of the town. The geodatabase will also be based on previous models from SAM, the published Esri utility model and future GIS needs, as identified by Smithfield. Developing an accurate and functional geodatabase will enable users to:

- Store all GIS-related data in a centralized location
- Apply rules and relationships to the data
- Create a consistent and accurate spatial database
- Define relationship classes
- Define topological enforcement rules
- Ensure multi-user access and editing capabilities

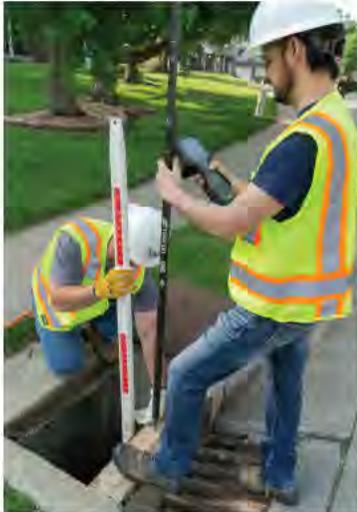
Custom domains (pre-defined menus) will be built for each layer during the geodatabase design. These domains will be added to the custom field inspection application from SAM to ensure that field staff will collect clean and consistent data throughout the utility project. These domains will also be utilized by town staff for future management of the geodatabase to help simplify the editing and data management processes.

The upfront design process by SAM enables field personnel to collect data in a rule-based environment. This minimizes field coding errors by predefining attribute tables used in the field and maintains consistency in the data collection process.



GPS Data Collection

SAM routinely utilizes Real-Time Kinematic (RTK) survey-grade and mapping-grade GPS technologies to locate utility infrastructure. RTK survey-grade technology is utilized for locating utility assets associated with sanitary sewer, stormwater, gas and water features, resulting in centimeter-level accuracy (+/- 2 centimeters) and accurate elevations for sanitary sewer and stormwater. Mapping-grade GPS equipment is utilized for locating electric and fiber utility infrastructure and provides decimeter-level accuracy (+/- 4 inches).



For this project, SAM will utilize RTK survey-grade GPS methods to locate the town's stormwater utility network contained in the defined project limits. GPS surveys will be referenced to the North Carolina State Plane Coordinate System to allow for direct insertion into the GIS program developed for Smithfield. Horizontal (x,y) coordinates will be obtained in the field for all utility features. Vertical (z) elevations will be obtained for stormwater utility features. Captured features through GPS surveys will include all features designated by Smithfield during the planning phase of the project.

After thorough investigation by SAM field staff, a report containing all utility features to be located that were not found, or determined to be inaccessible, will be submitted to the Town of Smithfield. SAM will work with town staff to locate utility features during the clean-up phase of the project. This will allow SAM to collect features in a quicker and more efficient manner, translating into cost savings for Smithfield and minimizing the impact on town staff.

DATA CONSISTENCY

SAM will employ our customized data collection field application that has been successfully used on other similar projects. All field data will be predefined for field staff to ensure accurate and consistent attribute collection. Field staff will run the custom application on the GPS controller unit to allow for quick and easy identification and navigation of the utility features.

DATA SECURITY & BACK UP

SAM will download and process the GPS field data for insertion into the project geodatabase. All data will be downloaded, transferred and backed up nightly via the internet to the SAM GIS office in Maryville, MO.

Every safeguard has been implemented to ensure that hardware or software failure does not interfere or risk our accurate data collection efforts in the field.



GPS REDUNDANCY CHECK

SAM will GPS locate five (5) percent of the features previously shot during the project. This process is part of the SAM standard field protocol and will be employed during the Smithfield project. SAM will compile and process the results against the original dataset and verify the required accuracy tolerance is being met.

Stormwater Network GPS Data Collection

Horizontal (x,y) coordinates and vertical (z) elevations will be obtained in the field for the stormwater facilities. Aboveground utility features will be collected at +/- 2 centimeter horizontal and vertical accuracies.

STORMWATER STRUCTURES TO BE LOCATED:

- Manholes
- Junction Boxes
- Inlets
- Outfalls

Inlets that are inaccessible by GPS due to tree cover or satellite visibility will be noted and shot utilizing traditional survey methods. All data will be coded in reference to method of collection.

STORMWATER FIELD ATTRIBUTE COLLECTION

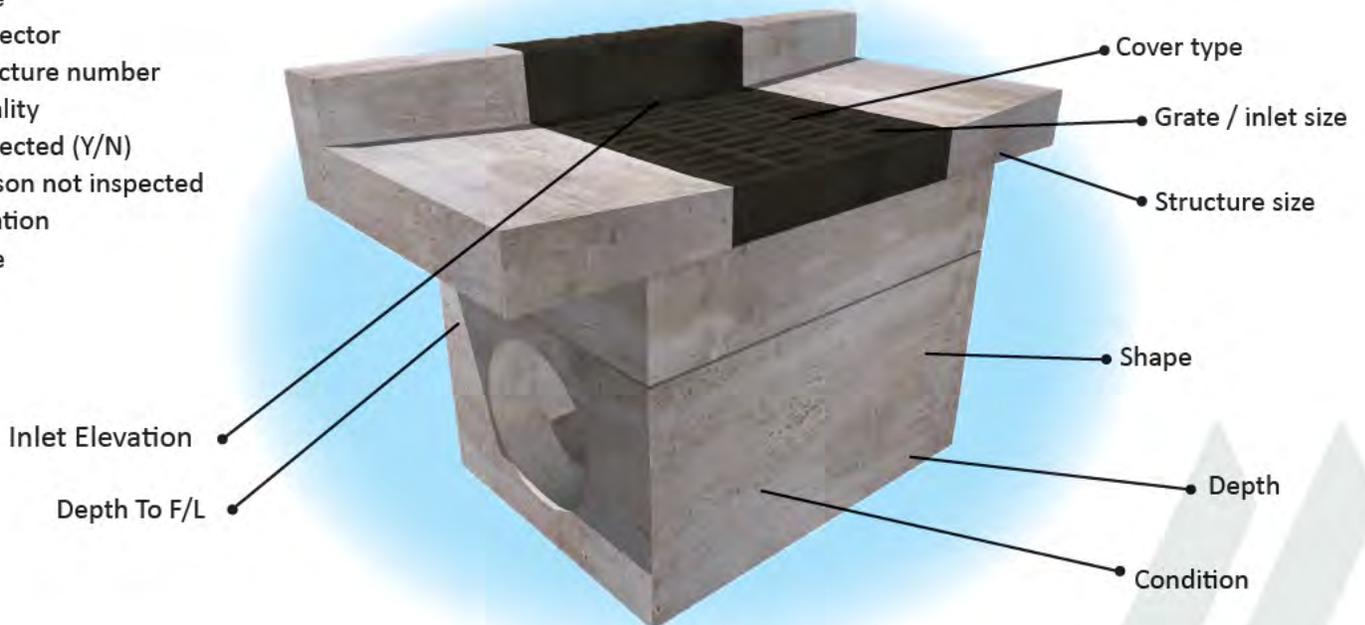
SAM will collect the stormwater attribute data during this phase of the project. Any stormwater structures that require further assistance in opening or gathering attribute data will be noted and SAM will work with town staff to gain access to the identified stormwater structures.

The stormwater features to be collected will be defined in preliminary meetings with the town. Stormwater features will be opened, inspected and attribute data will be collected. Attribute features to be collected will correlate with the required attribute fields to allow for seamless integration with the Esri ArcGIS software.



STORMWATER ATTRIBUTES TO BE COLLECTED INCLUDE:

- Date
- Inspector
- Structure number
- Locality
- Inspected (Y/N)
- Reason not inspected
- Location
- Type



GIS Development

An essential step in the process of implementing a utility GIS program is integrating field data into a GIS mapping program and properly drawing the utility system to show network connectivity and a high-level overview of the town's infrastructure. SAM specializes in this "field to finish" approach for utility network development.

BASE MAP AND THIRD-PARTY DATA LAYERS

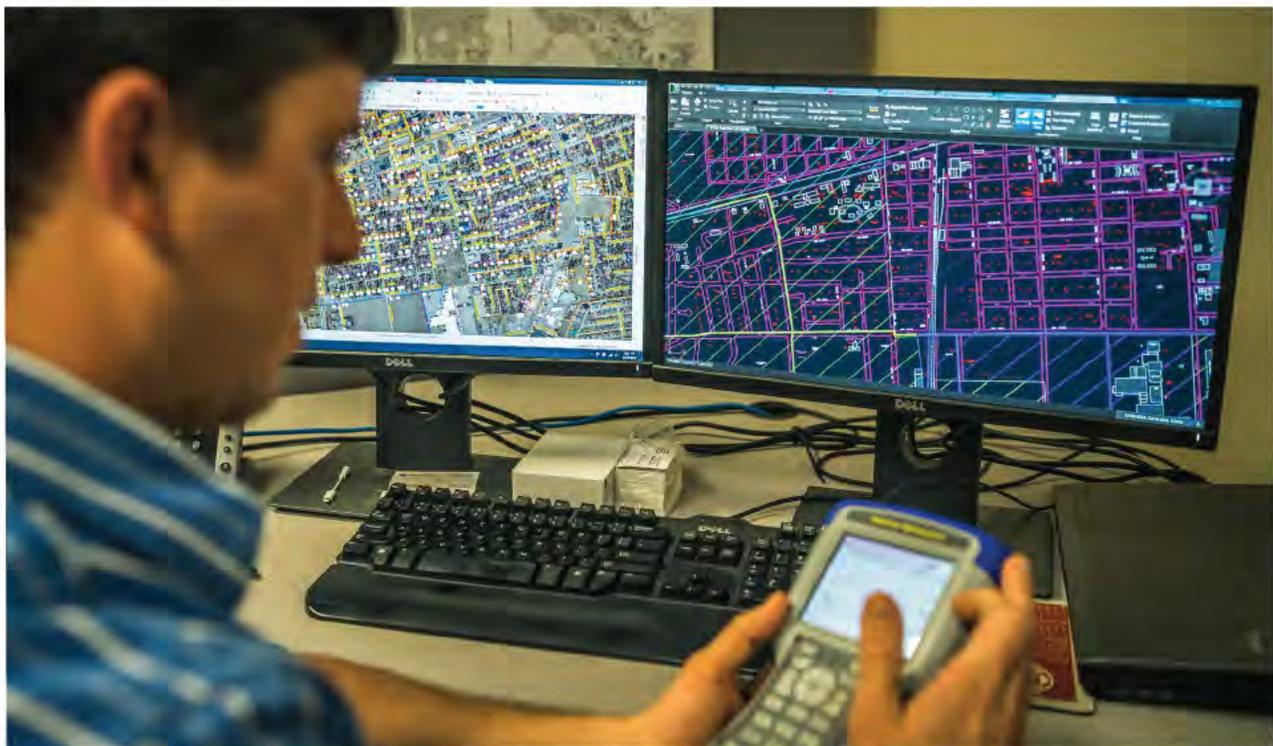
SAM will integrate the most current and available digital aerial photography of the project area, provided by the Town of Smithfield, into the GIS program. The raster datasets created will be viewed as a continuous, seamless image across the entire project area and adjusted for color and contrast to meet the specifications of the town.

SAM will incorporate all available cadastral map data layers from Johnston County, North Carolina into the GIS program upon request. The Town of Smithfield is responsible for any cost associated with acquiring the GIS data from Johnston County. Incorporating these data layers will establish a base map for the town's GIS program.

MAP AND DATA DEVELOPMENT

Stormwater line segments will be created utilizing custom, in-house editing tools developed by the SAM development team. These tools will incorporate inspection data collected by field staff and will auto-generate stormwater line segments illustrating flow direction, slope and exact length measurements. Quality assurance warnings have been built into these tools to verify positive slopes and to check for inconsistencies with pipe material and diameter.

The completion of all data collected and mapped by SAM personnel will not be final until approved by the Town of Smithfield. The QA/QC process listed in the Statement of Qualifications will provide appropriate communication and collaboration between the town and SAM to achieve accurate finalized data that the town can rely on.





Task 5: Condition Assessment Report

Information accumulated and developed throughout the project will be used to perform a final assessment of Smithfield’s stormwater system. SAM will consider the required criteria set forth by Smithfield in the RFQ in addition to any other defects and data points accumulated to provide a representation of the current conditions that exist. Once the assessment has been completed, grades will be assigned to each sub-basin, and a final ranking will be determined prior to delivery. The results and basin rankings will allow the Town to prioritize future maintenance plans.

Project Timeline Outline

Months	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Task 1: Existing Condition Analysis	█																			
Task 2: Drainage Basin Mapping					█															
Task 4: Field GIS Mapping								█												
Task 5: Condition Assessment Report																				█

The chart above outlines SAM’s anticipated timeline for the Smithfield project (approximately 20 months from notice to proceed). Weeks 7 and 19 are left open in the timeline to allow SAM and the City of Smithfield preparation and conclusion of field efforts. Without knowing exact quantities and conditions, this is just an outlined estimate. If awarded, SAM will work with Smithfield leadership to develop a detailed timeline during the project kickoff meeting. Because of our experience working with projects of this nature, including several across North Carolina, SAM is confident in our ability to accomplish this project before the December 31, 2026 goal Smithfield has set. As for check-ins, SAM holds regularly scheduled meetings with the client throughout the lifecycle of every project. SAM believes that regular communication is a key factor for a successful project. By implementing clear channels of communication and well defined roles and responsibilities, SAM’s hands-on project management approach ensures the delivery of high-quality services to our clients.

Deliverables & Fee Schedule

Deliverables

After the staff at the Town of Smithfield has reviewed and approved all GPS located and attributed data, SAM will present a full set of deliverables to the town. All collected and mapped stormwater data will be uploaded into the town's geodatabase and also integrated into the town's GIS online viewer. The following deliverables will be provided:

- Esri ArcGIS Geodatabase containing datasets for stormwater utility features.
- Esri map documents (.mxd)
 - 11x17 truck book map documents
 - 36x36 100-scale map documents
- Two (2) sets of bound 11x17 truck books
- One (1) full system wall map

Fee Schedule

Task 1: Existing Condition Analysis	\$14,270.00
Task 2: Drainage Basin Mapping	\$7,050.00
Task 4: Field GIS Mapping	\$210,808.00 – assuming 2,500 structures
Task 5: Condition Assessment Report	\$9,250.00

**Fees are based on the number of estimated utility features as provided to SAM by the Town of Smithfield.*



Request for Town Council Action

Consent
Agenda
Item: Paving
Contract
Date: 11/14/2023

Subject: Paving Contract
Department: Public Works; Street Department
Presented by: Town Manager – Michael Scott
Presentation: Consent Agenda Item

Issue Statement

During the October 3rd Council Meeting the Council discussed a business item seeking a decision to re-pave several streets in Town. The Council agreed to have the Manager solicit bids for a repaving project, approve the low bidder and move forward with the contract as quickly as possible, weather permitting. Garris Grading was the low bidder at \$413,942. The Manager approved a contract totaling \$279,593 to remain with the current approved budget for this project. An additional \$134,349 must be approved to complete the project.

Financial Impact

The total price of the re-paving contract is \$413,942. \$134,349 is yet to be approved of this amount.

Action Needed

Approve the request for using an additional \$134,349 from Powell Bill Funds.

Recommendation

Approve the request for using an additional \$134,349 from Powell Bill Funds to complete this project.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report



Staff Report

Consent
Agenda
Item: Paving
Contract

During the October 3rd Council Meeting, the Council approved the Manager to solicit bids for the fall repaving project, repaving city streets. The Manager was approved to solicit bids, approve the lowest, responsible bidder and move forward with the contract, staying within the Powell Bill budget for the current fiscal year.

The lowest responsible bidder was Garris Grading and Paving, with a bid of \$413,942. This amount was \$134,349 over the current FY 2024 budget. However, the Town has Powell Bill funds in reserve to cover the shortfall. The Powell Bill reserve is about \$320,000, prior to this expenditure.

The Manager has already signed and approved the contract for \$279,593 which will pave all the approved streets, with the exception of Sussex and Towbridge Streets. This approval will complete the projects to include these two streets, as well, at a total cost of \$413,942. Powell Bill funds will be used for the entire project.



Request for Town Council Action

Consent Log Cabin
Agenda Roof
Item: Repairs
Date: 11/14/2023

Subject: Log Cabin (American Legion Hut) Roof Repairs
Department: Parks and Recreation
Presented by: Parks and Recreation Director – Gary Johnson
Presentation: Consent Agenda Item

Issue Statement

The Parks and Recreation Department is requesting authorization to enter into agreement with Wayne Roofing and Sheet Metal Co, Inc. for an elastomeric roof coating for the roof on the Log Cabin (American Legion Hut).

Financial Impact

Approved Budgeted Amount for FY 2023-2024: \$ 75,000 (for two projects)
Amount of Purchase/Bid/Contract: \$ 20,500.00

Action Needed

Authorize the Parks and Recreation Department to enter into agreement with Wayne Roofing and Sheet Metal Co, Inc in the amount of \$ 20,500.00 for an elastomeric roof coating and repairs to the roof of the Log Cabin (American Legion Hut).

Recommendation

Authorize the Parks and Recreation Department to enter into agreement with Wayne Roofing and Sheet Metal Co, Inc in the amount of \$ 20,500.00 for an elastomeric roof coating and repairs to the roof of the Log Cabin (American Legion Hut).

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Request for Proposals
3. Wayne Roof and Sheet Metal Co. Inc. Proposal
4. **Finish' Touch Roofing Proposal**
5. Marck Gregory Roofing Co. Proposal
6. Ready Roofing Co. Proposal
7. Triumph Roofing Inc. Proposal
8. Summit BSR Proposal
9. C.J. Deans Roofing Proposal



STAFF REPORT

Consent	Log Cabin
Agenda	Roof Repairs
Item:	
Date:	11/14/2023

In the FY 23-24 Budget, the Parks and Recreation Department was allocated \$ 75,000.00 for repair to the Log Cabin (American Legion Hut) Roof and Rear Porch. These funds were to be used for both projects.

An RFP (Request for Proposal) was prepared and advertised for an elastomeric roof coating for the existing roof. This coating carries a minimum 10 year warranty. Seven proposals were received for the following amounts:

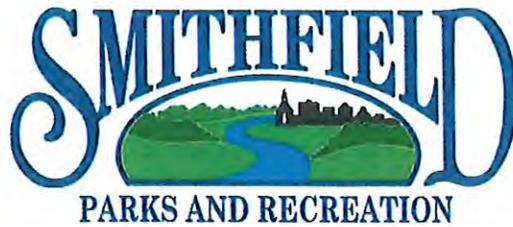
Wayne Roof and Sheet Metal Co. Inc.	\$ 20,500.00
Finishin' Touch Roofing	\$ 27,200.00
Marck Gregory Roofing Co.	\$ 34,600.00
Ready Roofing	\$ 35,866.75
Triumph Roofing, Inc.	\$ 40,000.00
Summit BSR	\$ 47,200.00
C.J. Deans Roofing	\$ 47,856.58

Proposals were discussed with the Town Engineer and references were called and it was agreed upon that Wayne Roof and Sheet Metal, Co. was the lowest responsible proposal and met the requirement for the project.

The Parks and Recreation Department is requesting authorization to enter into agreement with Wayne Roofing and Sheet Metal Co, Inc. for an elastomeric roof coating for the roof on the Log Cabin (American Legion Hut) in the amount of \$ 20,500.00

The second project (porch repairs) is proposed to cost \$ 36,429.06 with the total cost of both projects to cost \$ 56,929.06.

**



Request for Proposal

American Legion Hut
Elastomeric Roof Coating

Town of Smithfield
Parks and Recreation Department

Issued: October 2, 2023

Submission Deadline: 3:00 pm, Monday, October 23, 2023

Contact Information:

Gary Johnson
600 M. Durwood Stephenson Pkwy
Smithfield, NC 27577
(919) 934-2148
gary.johnson@smithfield-nc.com

Project Location

Smithfield American Legion Hut
100 S. Front Street
Smithfield, NC 27577

Introduction:

The Town of Smithfield Parks and Recreation Department is seeking proposals from qualified contractor / vendors for the installation of a premium acrylic system roof coating on our historic American Legion Hut located at 100 S. Front Street, Smithfield, NC 27577. The purpose of this RFP is to provide contractors / vendors with the necessary information to submit a proposal for the project.

Scope of Work:

- Inspection of the roof for any existing damage
- Clean and prepare the existing roof surface for coating
- Repair any damage to substrate, roof surface, etc.
- Apply a premium acrylic system roof coating to the entire roof surface to include base coat, fabric and topcoat
- Ensure that the coating is applied evenly and without defects
- Provide a warranty for the coating

Proposal Requirements:

- Detailed description of the proposed materials / products and application procedures.
- Timeline (length of time for construction) for completion of the project
- Itemized cost for the completion of the project, including all materials and labor
- Qualifications and experience of the firm and its personnel
- References from previous clients
- Proof of insurance coverage for the duration of the project will be required from the awarded contractor.

Submission of Proposals:

Proposals must be submitted in person or mail to:

Gary Johnson

600 M. Durwood Stephenson Pkwy

PO Box 2344

Smithfield, NC 27577

Or electronically to:

gary.johnson@smithfield-nc.com

Deadline to submit proposals is Monday, October 23, 2023 at 3:00 pm

The Town of Smithfield reserves the right to reject any or all proposals and to waive any irregularities or informalities in the proposals received.

Contact Information:

For questions or additional information, please contact Gary Johnson, Director of Parks and Recreation at (919) 934-2148 or gary.johnson@smithfield-nc.com .



WAYNE ROOFING & SHEET METAL CO., INC

P.O. BOX 941~ 710 N James St ~ GOLDSBORO N.C. 27533

PHONE (919)-734-5475 ~ FAX (919)-734-4467

Since 1947

Licenses # 20665

10/23/2023

To: **Smithfield Parks and Rec**
600 M Durwood Stephenson Pkwy
Smithfield NC 27577

Ref: Roofing work to be completed at 100 S Front St Smithfield NC 27577

Dear Sirs

We will furnish all labor, materials, insurance, and equipment necessary to do the following work on the above project

1. Inspect roof for any damage and repairs as needed
 2. Clean and Prep roof
 3. Apply Lucas 100TC coating system (base, fabric and top coats)
 4. 10 year Material Warranty
- \$ 20,500.00

ANY NECESSARY WOOD WORK, DECK, AC, OR PLUMBING WORK WILL BE DONE AT EXTRA COST ON A TIME AND MATERIAL BASIS

WAYNE ROOFING &
SHEET METAL CO., INC.

BY _____
Hunter Steed



PROPOSAL

AMERICAN LEGION HUT
ELASTOMERIC ROOF COATING

Prepared For:

Gary Johnson

Deadline:

October 23, 2023

**Town of Smithfield
Parks and Recreation
Department**

600 M. Durwood Stephenson Pkwy
Smithfield, NC 27577



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DESCRIPTION OF WORK

DETAILED DESCRIPTION OF THE PROPOSED MATERIALS / PRODUCTS AND APPLICATION PROCEDURES.

We are proud to install Topps commercial roofing maintenance, restoration and repair products for all flat and metal commercial and residential buildings.

- The roof surface will be prepped and power washed with multi-use cleaner to remove any debris.
- Application of rust arrestor will ensure proper cleaning and prevention of rust to the original metal panels.
- Seam rivet guard installed along all panel seams and exposed fasteners.
- Polyprene will be applied to all vents and penetrations to ensure a watertight seal.
- Topps seal base coat will be applied over the entire surface of the roof followed by Topps seal Excel.

This application process is warranted for 10 years and requires a cleaning and application of Topps seal excel after 10 years to extend the waterproofing and warranty for an additional 10 years. By following Topps installation and maintenance guidelines, an application of Topps seal excel once every 10 years will ensure the roof for the life of the structure.

TIMELINE

TIMELINE (LENGTH OF TIME FOR CONSTRUCTION) FOR COMPLETION OF THE PROJECT.

Seven (7) days from start to finish, weather pending.



ITEMIZED COST

ITEMIZED COST FOR THE COMPLETION OF THE PROJECT, INCLUDING ALL MATERIALS AND LABOR.

LABOR			\$8,200.00
MATERIAL	QUANTITY	COST PER ITEM	TOTAL
Multi-use cleaner	2	\$50.00	\$100.00
Rust arrestor	2	\$225.00	\$450.00
Polyprene	2	\$325.00	\$650.00
Seam rivet guard	8	\$600.00	\$4,800.00
Topps base coat	16	\$387.50	\$6,200.00
Topps seal excel	16	\$425.00	\$6,800.00

TOTAL COST OF MATERIAL AND LABOR \$27,200.00*

*This amount is estimated and the total will update per building needs. The price listed here is fixed for 60 (sixty) days from the date of the proposal. If a contract is not signed in the next 60 days, price will be subject to change.



QUALIFICATIONS AND EXPERIENCE

QUALIFICATIONS AND EXPERIENCE OF THE FIRM AND ITS PERSONNEL.

ABOUT FTR

Finishin' Touch Roofing (FTR) is a family owned business operating out of Clayton, NC since 2015. The workmanship provided by FTR is superior due to the use of high-quality materials. In addition to our residential and commercial construction experience, we also specialize in storm damage restoration! We have excellent relationships with most major insurance companies, and our team is well-versed in helping homeowners navigate the process of filing insurance claims. FTR serves customers throughout central and eastern North Carolina. FTR operates under the core values of integrity, quality and honesty and is committed to pouring back into our local communities.



MICHAEL NARRON | FOUNDER & OWNER

Michael Narron began his career in commercial construction many years before launching FTR. He learned through the years that customers greatly appreciate superior workmanship done by people that demonstrate integrity in all areas of their life. He established FTR built upon his years of experience, and based on the values of integrity, quality, and honesty. As a Christian, his goal is to serve his customers well, take great care of the team, and bring glory to God in everything that he does.



MATT PAQUET | PRESIDENT

Matt Paquet has been in the roofing industry since 2013 and is experienced with guiding customers through the insurance claim process. He has worked with FTR since 2016. He immediately recognized and embraced the small-town, community driven values held by FTR and was committed to growing with this company. Starting as a Sales Manager, he eventually went on to become Vice-President and now President of the company. He is responsible for coordinating contractors, scheduling, managing job sites, and trouble-shooting any site issues.





QUALIFICATIONS AND EXPERIENCE CONTINUED

PAST PROJECTS COMPLETED BY FTR.

FIRST BAPTIST OF SMITHFIELD 202 S 4th Street Smithfield, NC 27577

This project involved tear-off of the existing shingled roof and replacement of all damaged-rotten decking. Installed new flashing and vent covers, installed ice and water shield where applicable, installed synthetic underlayment to decking and installed all new 50 year architectural shingles.

UNIVERSAL CHEVROLET 114 N. Main St. Wendell, NC 27591

This project involved tear-off of existing EPDM roof material over the wash house, decking and flashing repair to necessary areas and installation of new EPDM roof material. Work also included the re-seal and repair to existing rolled roofing over the parts department. Additional work involved installation of new shingled roof over the break room which included damaged decking replacement and installation of new flashing to ensure a watertight seal.



REFERENCES

FIRST BAPTIST OF SMITHFIELD

202 S 4th Street Smithfield, NC 27577
Deacon, Matt Gardner
919.669.4824

HAMILTON PROPERTIES

2607 Medical Office Pl Goldsboro, NC 27534
Owner, James Hamilton
919.906.1290

WESTERN PRONG BAPTIST CHURCH

167 Peacock Road Whiteville, NC 28472
Pastor, Ronnie Wilson
910.770.1773

WAYNE PREGNANCY CARE CTR

3501 E Ash Street Goldsboro, NC 27534
Director, Beverly Weeks
919.583.9330

UNIVERSAL CHEVROLET

114 N. Main St. Wendell, NC 27591
Dealer Principal, Vince White
919.524.5984

MEREDITH SQUARE APARTMENTS

601 Main Street Lillington, NC 27546
Owner, Lucia Turlington
919.697.6905

EVERETTE CHAPEL FWBC

307 Everette Avenue Clayton, NC 27520
Pastor, Stanley Kirby
919.220.3124

LICENSE

GENERAL CONTRACTOR

License # 81691

**THANK YOU, AND WE LOOK FORWARD
TO WORKING WITH YOU.**



1399 Old Barbour Rd
Benson, NC 27504
(919) 894-1089

October 23, 2023

Proposal Submitted To:
Town Of Smithfield
Parks and Rec.

Work To Be Performed At:
A merican Legion Hut
Smithfield, NC

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

Option 1

Clean and pressure wash the roof. Install a full fabric system with base coat and Acrylic top coat. Clean up and haul away debris. Provide 10 year warranty. Provide references upon request.

Labor and Materials.....\$ 49,850.00

Option 2

Clean and pressure wash the roof. Apply primer on any rusted areas. Apply Liquiflash to the standing seams, penetrations , chimney flashing, walls etc. Apply Mulehide coating at the rate of 2.5 gallons per square. Clean up and haul away debris. Provide a twenty year warranty.

L abor and Materials.....\$ 34,600.00

Option 3

Remove the metal roofing down to the deck. Replace and water damaged or rotted wood (at extra charge). Install synthetic Udl underlayment on the main roof and high temp ice and water shield on the porches. Install a one inch twenty six gauge advantage -loc standing seam metal roof. Clean up and haul away debris. Provide 40 year substrate warranty, 35 year paint warranty and 5 year labor warranty.

L abor and Materials.....\$ 84,700.00

Respectfully submitted by,
Mark Gregory
Mark Gregory Roofing Company, Inc.

Note- This Proposal may be with drawn by us if not accepted within 30 days.

Payment Terms: Due upon completion of job unless otherwise noted.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. We provide Workmen's Compensation and General Liability Insurance.

Acceptance of Proposal

The above prices, payment terms and specifications are satisfactory and hereby accepted. You are authorized to do the work as specified.

Date _____

Signature _____

The Neuse Little Theater

104 S. Front St.
Smithfield NC



Fiberseal Roof System



ReadyRoofing
company

228 Airport Industrial Dr., Clayton, NC 27520

1-855-ROOFER-0

www.readyroofing.com

108

Our Value Proposition

Ready Roofing brings over 40+ years of construction experience to every project. We believe that honesty and expert craftsmanship are core hallmarks of a quality service provider. Our team would appreciate the opportunity to serve you.

Ready Roofing Advantages

As a premier professional roofing company in North Carolina, we adhere to the very highest standards to meet and surpass customers' roofing expectations. We offer:

- Industry experience & reputation
- Quality-minded crew members
- Timely project completion & quality workmanship
- Premium-grade products
- Professional roofing specialists

About the People of Ready Roofing

The Owners and installers of Ready Roofing are fully certified applicators of various commercial roofing products and have been providing customers with first-class construction services for more than 40 years. Our highly trained team members have completed a variety of construction and roofing projects for many noteworthy clients, ranging from small, local businesses to multimillion-dollar companies. Today, Ready Roofing has become an industry leading team of commercial roofing professionals.

What to Expect on Your Project

From the initial bid to the finished product, Ready Roofing is committed to offering you the very best commercial roofing service. As a full-scale commercial roofing company, we will be able to address any issues or concern that may come up while installing the chosen roofing system.



1685 Old U.S. Hwy 70 W, Clayton, NC 27520

1-855-ROOFER-0

www.readyroofing.com

Prepare Roof for the System

Thoroughly clean roof from edge to edge with Rust Off as part of pressure washing process.

Carefully look for loose sealant and remove around seams, transitions, vents, curbs, and protrusions.

This process is part of what we do to prepare the substrate for the coating system.



Apply Rust-Inhibiting Primer

Rinseable Primer

Designed to remove grease, dirt and debris. This ensures proper adhesion of the FAR System™. Simply apply, then rinse with a power washer.

Once the roof is properly cleaned and dry, we apply Rinseable Primer on entire surface.

The primer helps inhibit rust while also enabling better adhesion.

The primer is a crucial part of the overall waterproofing process.



Apply Base Coat

FiberSeal Base

Sprayable, fiber-reinforced Polyurethane-Acrylic product. It seals seams and bridges gaps, creating a fully reinforced leak-proof base application.



Note: This page is simply for illustration. Please refer to page 3 for your project's specifications.

Address the Screws

Our team will also use Kwik Kaulk over every exposed fastener head on the roof we find.

The reason for this process is to better seal the screw heads while also preventing the screws from backing out and causing issues in the future.

Collectively, all these screws represent thousands of weak points that should receive proper care.

Apply ProCoat Base

ProCoat Base

A fast curing Polyurethane-Acrylic base application that creates a durable, seamless, watertight membrane, extending the life of the existing roof substrate.

Apply ProCoat Finish

ProCoat Finish

A fast curing Polyurethane-Acrylic product, that creates a durable, seamless, watertight membrane, extending the life of the existing roof substrate.

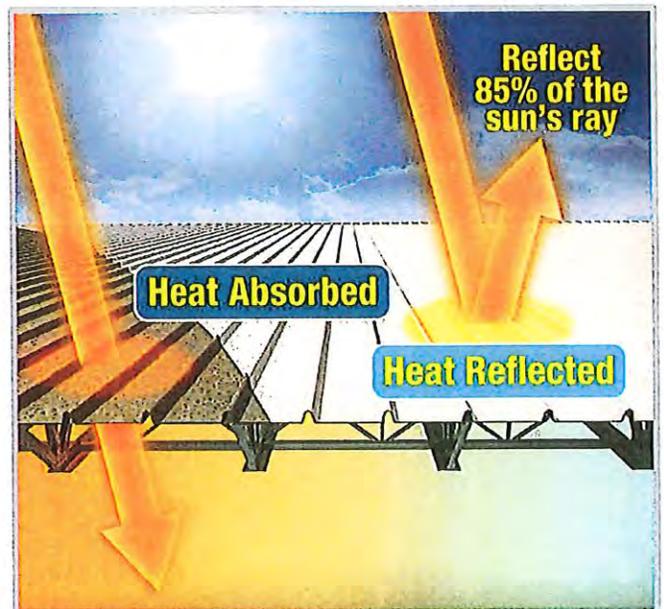
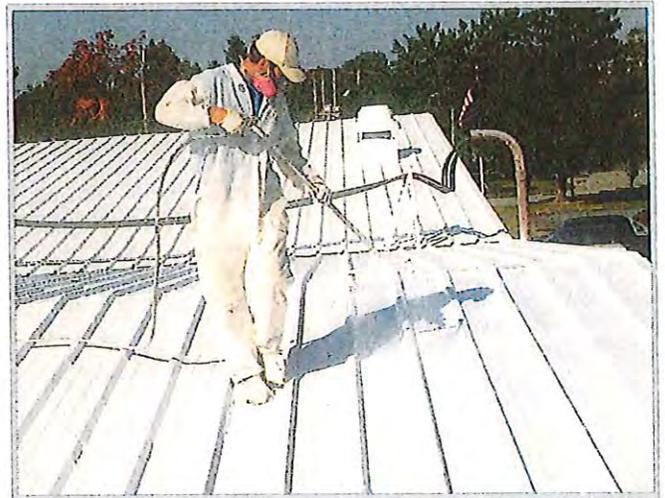
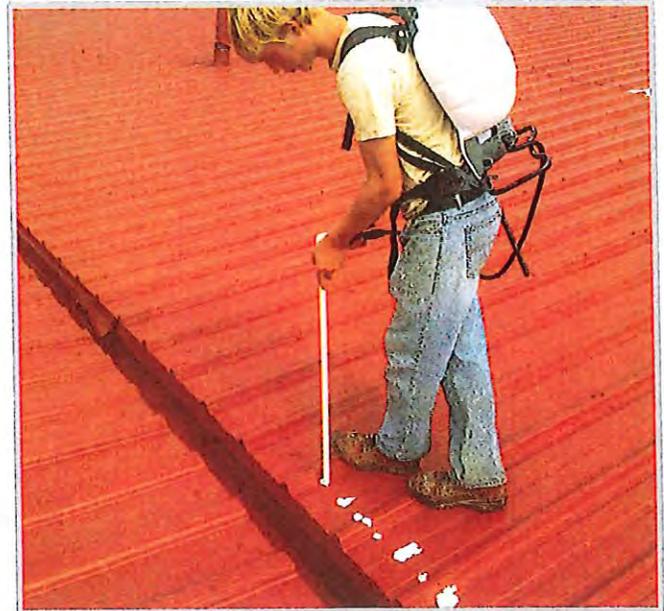
Features and Benefits

Energy Star certification with ability to reflect up to 85% of the sun's rays to dramatically lower cooling expenses as well as wear and tear on A/C units.

No tear-off or disposal, dramatically lowering cost of addressing the roof vs. requirements of full replacement.

White roofs minimize roof movement
Due to lower roof surface temps
Up to 70 degrees less than before

This roof will be completely seamless
Eliminating all potential weak points
Common in metal roof systems



Note: This page is simply for illustration. Please refer to page 3 for your project's specifications.

Recommended Maintenance Program

Billed and performed annually in the spring

\$350.00/year

Yearly Service Plan:

- Annual inspection of entire roof*
- Remove obstructions of roof drainage system*
- Limited roof cleaning*
- Removal of debris*
- Minor covered maintenance*

Service plans can:

- Lower building insurance premiums*
- Significantly increase the lifespan of your roof*
- Lower or stop emergency costs due to roof problems*

Status of Existing Roof and Scope of Work

Existing standing seam metal panel roof is approx 6929 sq. ft..

- Excessive rust
- Previous roof coating is chipped and almost non-existent
- Roof has leaked in the past

Total Cost

The total cost for Roof Restoration: With 10 year service warranty

\$35,866.75

Scope of Work and Overview of Our Restoration Process

- Apply rust removing chemical treatment to ensure oxidation is stopped and will not compromise the adhesion of coating fluids applied.
- Thoroughly rinse all rust remover from the roof.
- Apply primer coat on entire surface to inhibit future oxidization
- Encase all exposed fasteners heads in caulk formulated precisely to adhere to smooth metal surfaces
- Apply final coating of Modified Acrylic solution in a single continuous membrane at 2 gallons per 100 square feet
- Duration of work is 1 ½ to 2 weeks

Summary of Full Company Warranty (Labor & Materials)

In addition to any separate warranty that may be included by the roofing materials manufacturer used on your job, the Service Provider will warranty the work against roof leaks caused by defective workmanship.

If a defect covered by this limited warranty occurs and it results in a roof leak, the Service Provider will repair the roof leak at no charge to the Client. To obtain service under this limited warranty, Client must give written notice to the Service Provider identifying the original work performed, the date of job completion and the nature of the problem. Such written notice shall be given to the Service Provider using the address below.

This limited warranty covers roof leaks caused by defective workmanship and does not include roof leaks caused by: (1) Obstruction or impairment of proper drainage of the roof by debris buildup, ice & snow buildup, structural "low spots", etc., that results in leaks caused by standing water or "ponding";

(2) Excessive walking on the roof and/or walking on the roof by persons who do so improperly; (3) Improper flashing or sealing of any roof penetrations made after the work done by Service Provider has been completed (such as heating & air conditioning systems and ducts installed after Service Provider's work has been completed); (4) Any physical damage of whatever nature to the roofing material; (5) Work done on the roof by persons other than Service Provider.

This limited warranty gives you specific legal rights and you may also have other rights which vary from state to state.

To receive a copy of the full 2-page limited warranty, please request at any time using the contact information below.



1685 Old U.S. Hwy 70 W, Clayton, NC 27520

1-855-ROOFER-0

www.readyroofing.com

Acceptance of Proposal

The prices, specifications, payment schedule, and conditions are satisfactory and are hereby accepted. You are authorized to complete the work as specified. Furthermore, we agree to supply water and power.

Any alteration or deviation from agreed upon specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above this Proposal. All agreements are contingent upon strikes, accidents or delays beyond Service Provider's control. Client to carry fire, tornado and other necessary insurance.

Optional Extended Warranty and Service Plan

Please check a box:

- I understand the full warranty & service plan and want to add the extended option
- I understand the full warranty & service plan and do not want to add the extended option

Acceptance by Client:

Sign: _____ Print: _____

Title: _____ Date: _____

Subject to final acceptance by Ready Roofing, LLC (Service Provider):

Sign: _____ Print: _____

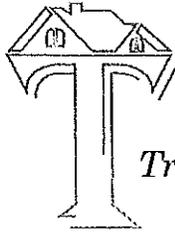
Title: _____ Date: _____



228 Airport Industrial Dr., Clayton, NC 27520

1-855-ROOFER-0

www.readyroofing.com



Triumph Roofing Inc
46 Elm St Unit 3
Baldwinville, MA 01436
TriumphRoofingInc@Yahoo.com
(978)652-0448

Date: 10/23/2023

RE: Smithfield Parks and Recreation American Legion Hut

To: Gary Johnson

- Prep site for construction
- Inspection of the roof for any existing damage
- Clean and prepare the existing roof surface for coating
- Repair any damage to substrate, roof surface, etc.
- Apply a premium acrylic system roof coating to the entire roof surface to include base coat, fabric and topcoat
- Ensure that the coating is applied evenly and without defects
- Provide a warranty for the coating

Mobilization: \$5,000.00

Project Management: \$5,000.00

Material: \$15,000.00

Labor: \$10,000.00

Unforeseen Conditions: \$5,000.00

Total: \$40,000.00

Forty thousand dollars

1 week completion time

Triumph Roofing Inc can mobilize within 30 days of Contract issuance

Triumph Roofing Inc is a certified installer of Uniflex Elastomeric Roof Coating.

Triumph Roofing Inc has been an established Corporation since 2016.

CAROLINA OFFICE:
122 Woodlawn
P.O. Box 984
Mt. Holly, NC 28120
PHONE 704-827-7677
FAX 704-827-7676



MAIN OFFICE:
2130 Industrial Boulevard
P.O. Box 3292
Bristol, Tennessee 37625
PHONE 423-764-4511
FAX 423-764-3335

SINGLE PLY ROOFING SYSTEMS

October 23, 2023

Mr. Gary Johnson
Director of Parks and Recreation
600 M. Durwood Stephenson Parkway
Smithfield, NC 27577

Subject: American Legion Hut Elastomeric Roof Coating

Dear Mr. Johnson:

This quote is provided for the subject coating project. Our quote is \$47,200. Our scope of work is as follows:

- 1) Pressure wash entire roof surface
- 2) Seal exposed fasteners, horizontal seams, roof penetrations with flashing grade silicone
- 3) Apply 2 gallons per square (100 SF) of green tinted Everest silicone finish coat
- 4) 10 year Everest material warranty
- 5) 10 year contractor labor warranty

Deteriorated wood fascia replacement will be performed at a unit cost of \$20.00/LF for 1" x 6" board if the wood replacement can be achieved from the roof. If a lift is required please add \$3,500 for the cost of a man lift. We have not included the cost for a building permit as coating is typically considered maintenance and does not require a building permit. Watertightness of the coating applies only to coating of the roof panels and does not include leaks created by other conditions of the structure. The color is to be selected by the owner.

Please contact us with any questions concerning this quote.

Very truly yours,

A handwritten signature in blue ink that reads "J. Neil Hutchins". The signature is stylized and cursive.

J. Neil Hutchins
Vice-President



CJ Deans / James Patterson
 381-109 Cleveland Crossing Drive
 Garner, NC 27592
 Phone: (919) 422-1305

American Legion Hut - Acrylic roofing estimate

10/23/2023

Town Of Smithfield Parks & Recreation
Smithfield American Legion Hut
 100 South Front Street
 Smithfield, NC 27577
 (919) 934-2148

Roofing Section

Use ERSystems metal restoration coating technology to address deficiencies and bring your roof to as good as or better than new condition.

1. Prepare the roof. Prep and clean the roof, removing dirt and debris. Ensure that roof is properly prepared – tightening and replacing fasteners, and ensuring that seams are stitched tight. Seams with gaps larger than ¼” need to be caulked with Permathane® SM7120 PU then stitch screwed.
2. Prime all rust with our rust inhibiting primer -- Acrylic Metal Rust Primer or Polyurethane Metal Rust Primer -- to halt the rust and to prevent more rust from forming.
3. Seal. H.E.R. Polyurethane Sealant is applied to the seams, fasteners and penetrations and then smoothed with a brush. H.E.R. will provide 60mils of polyurethane protection. since it's a fabric-less product, it avoids trapping water which can be a point of failure on other restoration systems.
4. Preserve. As the final layer of protection, apply 2 coats of highly reflective Acrylic 1000 Plus/Acrylic SW. It provides a weather resistant, seamless sacrificial barrier that will significantly reduce the harmful effects and damage caused by UV rays.

Materials \$15,952.19 Labor \$15,952.19 Profit \$15,952.20

RELATED PRODUCTS

- H.E.R.
- Acrylic 1000 PLUS
- Acrylic SW
- Polyurethane 300 Aromatic Base Coat
- Acrylic Metal Rust Primer
- Polyurethane Metal Rust Primer

- Crews will maintain safety requirement at all times during the construction process

TOTAL \$47,856.58

 Company Authorized Signature

 Date

 Customer Signature

 Date



Request for Town Council Action

Consent Log Cabin
Agenda Porch
Item: Repairs
Date: 11/14/2023

Subject: Log Cabin (American Legion Hut) Roof Repairs
Department: Parks and Recreation
Presented by: Parks and Recreation Director – Gary Johnson
Presentation: Consent Agenda Item

Issue Statement

The Parks and Recreation Department is requesting authorization to enter into agreement with Blueprint Construction for structural repairs to the Log Cabin (American Legion Hut) rear porch.

Financial Impact

Approved Budgeted Amount for FY 2023-2024: \$ 75,000 (for two projects)
Amount of Purchase/Bid/Contract: \$ 36,429.06

Action Needed

Authorize the Parks and Recreation Department to enter into agreement with Blueprint Construction in the amount of \$ 36,429.06 for structural repairs to the Log Cabin (American Legion Hut) rear porch.

Recommendation

Authorize the Parks and Recreation Department to enter into agreement with Blueprint Construction in the amount of \$ 36,429.06 for structural repairs to the Log Cabin (American Legion Hut) rear porch.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Request for Proposals
3. Blueprint Construction Proposal
4. Stewart Group Enterprises, LLC Proposal



STAFF REPORT

Consent Log Cabin
Agenda Porch
Item: Repairs
Date: 11/14/2023

In the FY 23-24 Budget, the Parks and Recreation Department was allocated \$ 75,000.00 for repair to the Log Cabin (American Legion Hut) Roof and Rear Porch. These funds were to be used for both projects.

An RFP (Request for Proposal) was prepared and advertised for structural repairs to the rear porch of the Log Cabin (American Legion Hut) per the structural engineered drawings provided from the American Legion Hut Renovation Study. Only two proposals were received and a second RFQ was advertised. Again, after the second advertisement, only two proposals were submitted. They were as follows:

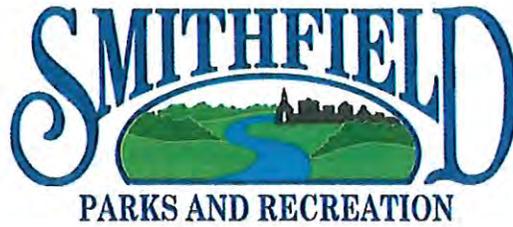
Blueprint Construction	\$ 36,429.06
Stewart Group Enterprises, LLC	\$ 38,577.00

Proposals were discussed with the Town Engineer and it was agreed upon that Blueprint Construction was the lowest responsible proposal and met the requirement for the project.

The Parks and Recreation Department is requesting authorization to enter into agreement with Blueprint Construction for structural repairs to the Log Cabin (American Legion Hut) rear porch in the amount of \$ 36,429.06.

The second project (roof coating) is proposed to cost \$ 20,500.00 with the total cost of both projects to cost \$ 56,929.06.

**



Second Request for Proposal

American Legion Hut Deck and Porch Repairs
Town of Smithfield
Parks and Recreation Department

Issued: October 27, 2023

Submission Deadline: Friday, November 3, 2023 at 3:00 PM

Contact Information:

Gary Johnson
600 M. Durwood Stephenson Pkwy
Smithfield, NC 27577
(919) 934-2148
gary.johnson@smithfield-nc.com

Project Location

American Legion Hut
(Neuse Little Theater Building)
100 S. Front Street
Smithfield, NC 27577

Introduction:

The purpose of this RFP is to solicit proposals from qualified contractors for the structural reinforcement of a deck located at the American Legion Hut (Neuse Little Theater) located at 100 South Front Street, Smithfield, NC 27577. The project will involve the reinforcement and repairs to support beams and joists as detailed in engineered drawings as well as the replacement of damaged decking boards.

Scope of Work:

The scope of work for this project includes, the following:

- Inspection of the existing deck structure for additional damage
- Installation of new support beams, joists. etc. as detailed in the engineered drawings for the project
- Replacement of any damaged or deteriorated decking boards

Proposal Requirements:

- Detailed description of the proposed work
- Timeline (length of time for construction) for completion of the project
- Itemized cost for the completion of the project, including all materials and labor
- Qualifications and experience of the firm and its personnel
- References from previous clients

Submission of Proposals:

Proposals must be submitted in person or mail to:

Gary Johnson

600 M. Durwood Stephenson Pkwy

PO Box 2344

Smithfield, NC 27577

Or electronically to:

gary.johnson@smithfield-nc.com

Deadline to submit proposals is Friday, November 3, 2023 at 3:00 pm

The Town of Smithfield reserves the right to reject any or all proposals and to waive any irregularities or informalities in the proposals received.

Contact Information:

For questions or additional information, please contact Gary Johnson, Director of Parks and Recreation at (919) 934-2148 or gary.johnson@smithfield-nc.com .

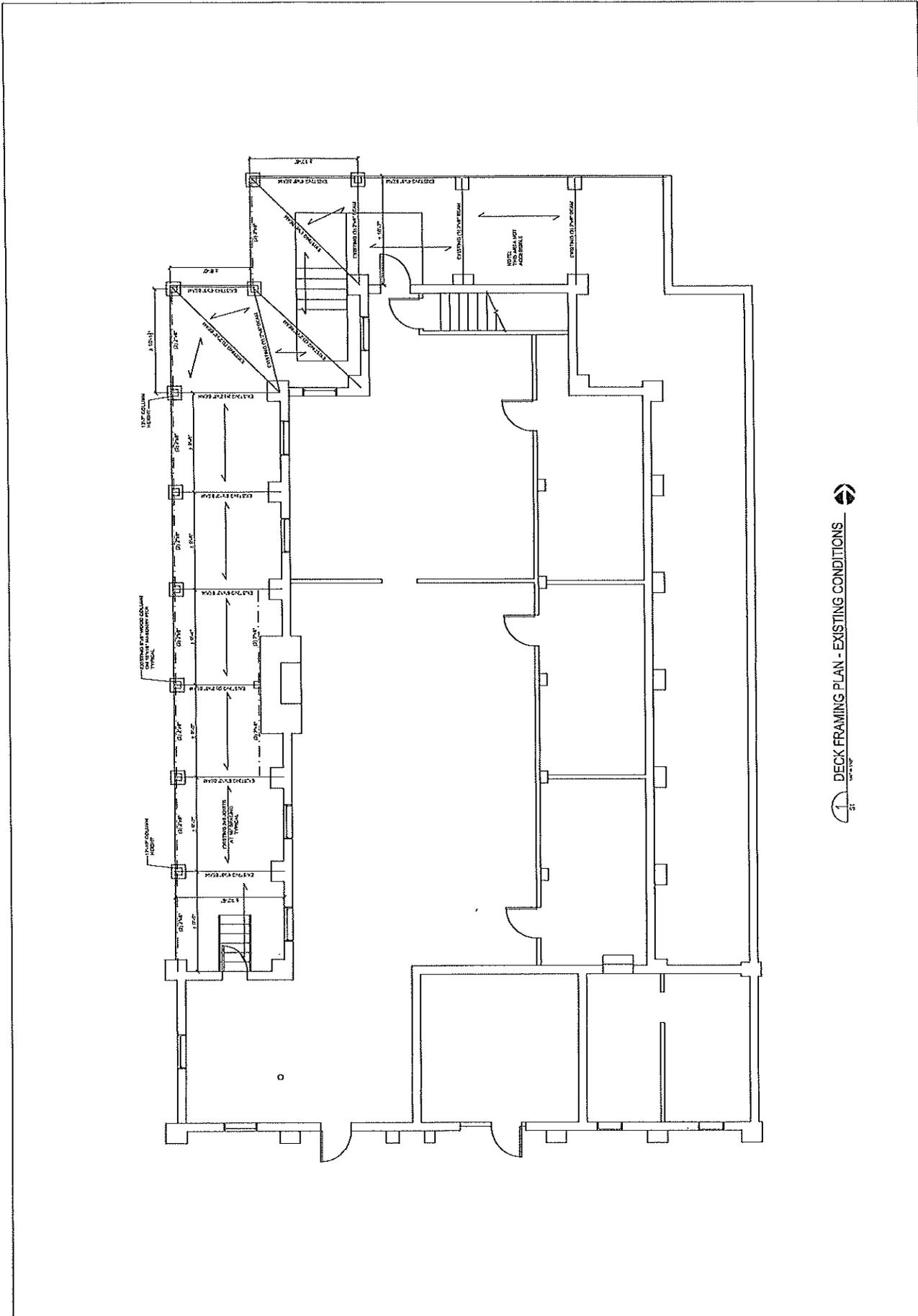


DATE	9/8/2023
DR.	BR
CH.	BR/LI
PROJ. #	C230502

REVISIONS	DATE
NO.	DESCRIPTION

EXISTING
 STRUCTURAL
 PLAN

S1



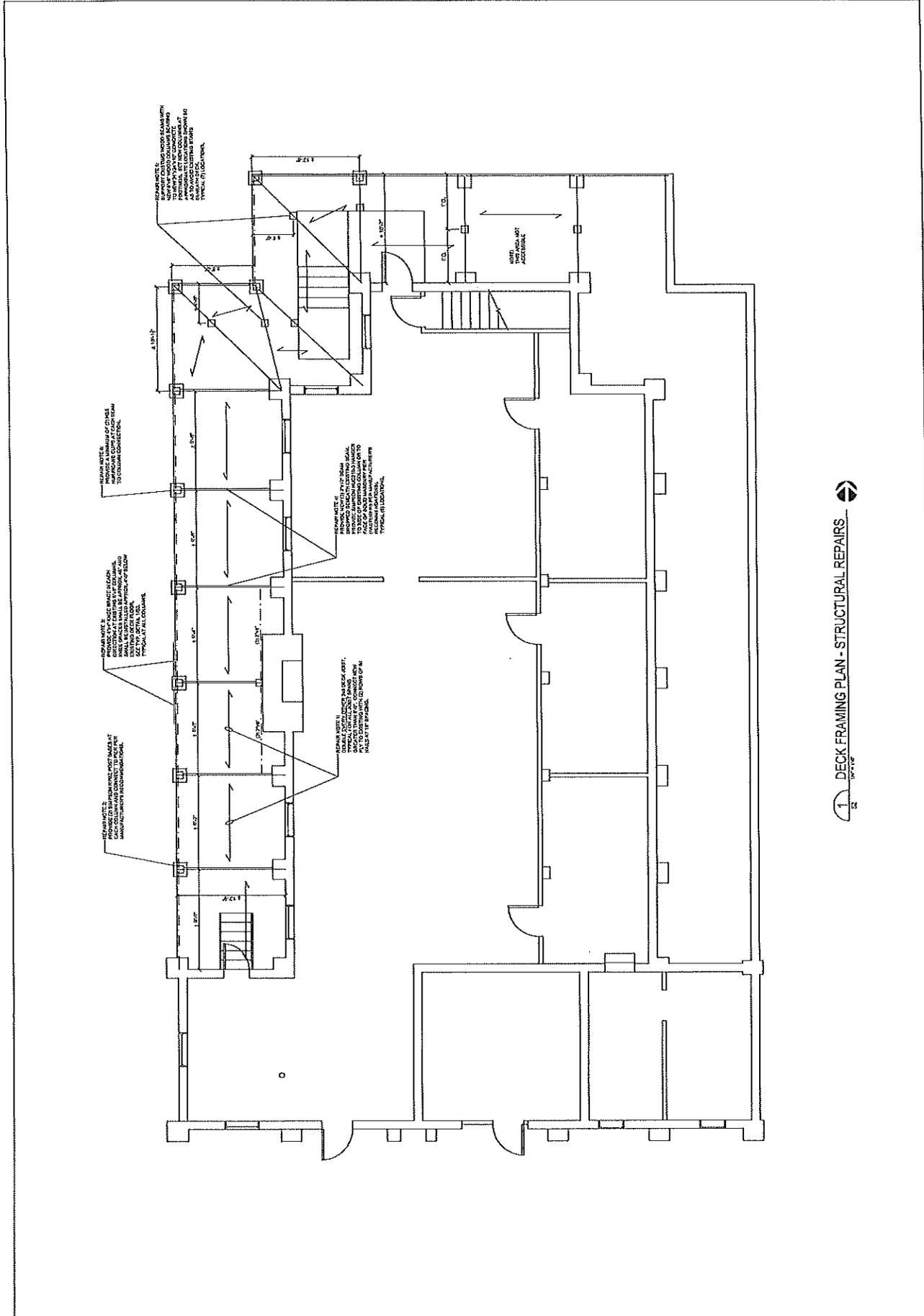
1 DECK FRAMING PLAN - EXISTING CONDITIONS



DATE	9/19/2023	
DR.	BR	
CHK.	BR/JL	
PROJECT	4-2023-02	
REVISIONS		
NO.	DESCRIPTION	DATE

STRUCTURAL
 REPAIR
 PLAN

S2



1 DECK FRAMING PLAN - STRUCTURAL REPAIRS



GARNER, NC 27529

Proposal

October 27, 2023

Prepared by Robbie S. Liles

CLIENT: Town of Smithfield P&R, Gary Johnson

PHONE: 919.934.2148

EMAIL: gary.johnson@smithfield-nc.com

PROJECT ADDRESS: 100 S. Front St., Smithfield, NC 27577

Phone: 919.210.1589

PROJECT #: 23-245 (revision 1)

Dear Gary,

I appreciate the opportunity to provide you with construction services for the above referenced project based on the drawings from Maurer Architecture with the engineering done by Ross Linden Engineers PC, Proj. #C230502.

If you have any questions concerning this proposal, please contact me.

Plans and notes provided by the owner for review to Blueprint Construction, LLC for purposes of this proposal will be followed unless the owner provides, in writing, changes associated with this project.

Labor and Material needed to complete the project is included in below pricing.

DESCRIPTION OF PROJECT

General Conditions:	\$1,000.00
Permits (based on Johnston Co permit fee schedule):	\$440.00
Framing labor:	\$17,100.00
Framing material:	\$9,677.85
Concrete/Footings (includes labor & material):	\$3,900.00
Equipment/Rentals (skid steer with auger, scaffolding, etc):	\$1,000.00

Estimated timeframe to complete is 7 days.

<i>Sub-Total:</i>	<i>\$33,117.85</i>
<i>Overhead:</i>	<i>\$1,987.07</i>
<i>Profit:</i>	<i>\$1,324.14</i>

TOTAL PROJECT PROPOSAL: \$36,429.06 (Thirty six thousand four hundred twenty nine dollars and 06/100 cents)



GARNER, NC 27529

Terms & Conditions

Any hidden damage that may not be noticed from a visual inspection is not included.

Please be advised that Blueprint Construction, LLC cannot order materials or schedule labor for any project prior to receiving a signed proposal or an executed contract. Projects will not be released on a verbal commitment.

Where the delivery of materials, included but not limited to those in shortage, is delayed through no fault of Blueprint Construction, LLC, the Owner shall not hold Blueprint Construction, LLC liable for costs associated with such delay.

If accepted, invoices are due within Thirty (30) Days from submittal. Any and all legal fees associated with collections of the accepted project along with accepted change orders, will be the sole responsibility of the accepting party.

Accepted By:

Title:

Date:



115 S. Railroad St, PO Box 899, Benson, NC 27504

General Contractors

CAPABILITIES STATEMENT

Stewart Group Enterprises, LLC (SGE) is Small Business Administration (SBA) Certified HUBZone, Woman-Owned Small Business who holds an Unlimited North Carolina General Contractors License.



- ◆ Founded in 2008.
- ◆ SBA HUBZone Certified Small Business
- ◆ Woman-owned Small Business
- ◆ Located in Benson, NC.
- ◆ 95 + years combined construction and management experience.

⇒ LOCAL COMPANY

⇒ LOCAL EXPERIENCE

⇒ LOCAL SUPPORT



- ◆ Experience in Design/Build, renovation, new construction, and alterations to infrastructure.



PAST PERFORMANCE:

Town of Garner

914 Building Upfit Project—Completed 2015
NC 50 Drainage Project—Completed 2016
Claymore Sidewalk Project—Completed 2015
 POC—Jonathan Ham
 jham@garnernc.gov
 919-773-4423

Town of Fuquay-Varina

Council Gym Renovations—Completed 2017
James A. Campbell Park New Restroom Facility—Completed 2021
Restroom Facility at South Park Splash Pad — Completed 2016
Falcon Park Picnic Shelter Repairs—Completed 2021
 POC—Jonathan Cox
 jcox@fuquay-varina.org
 919-697-0295

Town of Erwin

Porter Park Renovation—Completed 2015
Multiple Drainage Repairs
 POC—Doug Stevens
 dstevens@erwin-nc.org
 910-897-5840





115 S. Railroad St, PO Box 899, Benson, NC 27504
WBE, WOSB, HUB Zone

Phone (919) 894-2680

Fax (919) 457-1407

Owner:	Town of Smithfield
Address:	100 S. Front Street Smithfield, NC
Job Name:	American Legion Hut Deck and Porch Repairs
Plans Date:	Per request for proposal dated October 2, 2023
Revision:	
Date:	10/23/23
Attention:	Gary Johnson
Phone:	919-934-2148

PROPOSAL

Proposal pricing to include all labor, equipment, material, and supervision to complete the following

- Provide and install (2) Simpson RPBZ post bases at each column and connect to piers per the manufacturer's recommendations. Per manufacturer (2) 3/8" anchor bolts will be used per base to fasten to the existing pier. (4) 1/4" x 1 1/2" Strong-Drive SDS Heavy Duty connector screws will be used to fasten to the existing columns.
- Provide and install new 2x8 deck joist at every other existing deck joist. Typical for all joist spans.
- Provide and install new 4" x 4" knee bracing in each direction at each column through bolted as shown.
- Provide and install a minimum of (2) H2.5 hurricane clips at each beam to column connection.
- Provide and install new triple 2" x 12" beams dropped below the existing beams in (6) locations.
- Provide and install Simpson HUC210-3 hangers to the side of existing column or to the face of solid masonry pier.
- Provide and install 12" long metal straps to each side of the beams @ 16" on center.
- Install (7) new 8" x 8" wood columns bearing on new 24" x 24" x 10" concrete footings. New columns will be placed to avoid existing stairs beneath the deck.
- S3 Detail 3 call for (2) Simpson LPCZ post caps to connect existing beams to the new 8"x8" columns. LPCZ post caps only accommodate 4" and 6" posts. Our solution is to use (1) Simpson PC8Z at each new post.
- Replace 5' x 15' of existing decking boards.

Lumber, fasteners, and concrete	\$3,374
Simpson hardware (plates, straps, post brackets, hangers, bolts)	\$4,860
Equipment Rental	\$3,900
Labor	\$20,500
Permit	\$450
Overhead (6%)	\$1,986
Profit (10%)	\$3,507



115 S. Railroad St, PO Box 899, Benson, NC 27504
WBE, WOSB, HUB Zone

Phone (919) 894-2680

Fax (919) 457-1407

Project Duration - 4 weeks

Exclusions/Clarifications

- Design/Engineering
- Testing
- All work to be performed in accordance with the drawings provided with the RFP.
- All work to be performed during normal business hours.
- Any and all items not stated above.

We Propose hereby to furnish material and labor- complete in accordance with above specifications, for the sum of:

\$ 38,577

Payment to be made as follows:

Mutually Agreed Upon Terms and Conditions

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

Authorized Signature:

Travis Weaver
Stewart Group Enterprises, LLC

This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal-

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

Signature: _____

Date of Acceptance: _____



Request for Town Council Action

**Consent
Agenda
Item:**
**Award of
Contract**
Date: 11/14/2023

Subject: Award of Contract for Sewer Line Assessment Services
Department: Public Utilities
Presented by: Public Utilities Director – Ted Credle
Presentation: Consent Agenda Item

Issue Statement

In 2021, the Town applied for, and received a \$150,000 grant to, in part, assess the Town's sanitary sewer infrastructure. In accordance with the approved application for these funds, the Town advertised for a qualified contractor to perform the sewer assessment services, proposals were received, and the low bidder has been submitted for approval.

Financial Impact

The funds (\$27,607.00) to pay for these services will be taken from the approved funds in the Water Fund Capital Projects, which was set up to cover AIA services.

Action Needed

Approve the proposed bidder (Vision, NC), as recommended by staff, and authorize the Town Manager to execute the proposed agreement

Recommendation

Staff recommends the approval of Vision, NC as the low bidder and authorize the Town Manager to execute the contract

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Signed Bid Tab
3. Proposed Contract & Scope of Services



Staff Report

**Consent
Agenda
Item:** **Award of
Contract**

In 2021, the Town applied for and was awarded the North Carolina Division of Environmental Quality (NCDEQ) Clean Water State Revolving Fund (CWSRF) Asset Inventory and Assessment (AIA) grant in the amount of \$150,000.

One of the items this grant was to fund is a project that would physically inspect and assess the Town's sanitary sewer infrastructure by means of video recording. The suspect area of investigation is in the downtown area and is some of the oldest areas of the Town. To that end, bids were solicited.

A total of three (3) bids for these services were received on October 19, 2023. Vision, NC was the submitted "low" bidder.

Staff is asking Council to approve the proposed contractor and to authorize the Town Manager to execute the contract with the proposed contractor, to perform the work, in the amount of \$27,607.00, per the submitted bid.

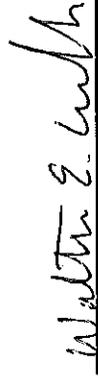
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Sanitary Sewer Assessment Services for Town of Smithfield

Bid Tabulation - Bids Received: October 19, 2023

	Contractors	Addenda Acknowledged	Non-Collusion Affidavit	Vendor Application	W-9	E-Verify	Bid Price
1	Waterworks, Inc.	x	x	x	x	x	\$ 29,115
2	Vision, NC	x	x	x	x	x	\$ 27,607
3	Hydronics Company	x	x	x	x	x	\$ 31,300
4							
5							
6							
7							

This is to certify that the bids tabulated herein were publically opened and read aloud at 2:00 p.m. on the 19th day of October, 2023 at the Town of Smithfield Operations Center located at 230 Hospital Road, Smithfield, North Carolina, and all said bids were accepted as "Responsive Bids"


 Walter E. Credle, P.E.
 Town of Smithfield

**NORTH CAROLINA
TOWN OF SMITHFIELD**

SERVICE CONTRACT

THIS CONTRACT is made, and entered into this the 15 day of November, 2023, by and between the **TOWN of SMITHFIELD**, a political subdivision of the State of North Carolina, (hereinafter referred to as "TOWN"), and Vision, NC a corporation duly authorized to do business in the state of North Carolina, (hereinafter referred to as "CONTRACTOR").

For and in consideration of mutual promises to each as herein after set forth, the parties hereto do mutually agree as follows:

- 1. SCOPE OF SERVICES.** CONTRACTOR hereby agrees to provide the services and/or materials under this contract pursuant to the provisions and specifications identified in "Attachment 1" (hereinafter collectively referred to as "Services"). Attachment 1 is hereby incorporated herein and made a part of this contract. Time is of the essence with respect to all provisions of this contract that specify a time for performance.

The TOWN will perform on-going contract monitoring to ensure that the terms of this contract are complied with. CONTRACTOR agrees to cooperate with the TOWN in its monitoring process and provide documentation and/or information requested during the term of this Agreement for the purpose of monitoring the services provided by CONTRACTOR.

- 2. TERM OF CONTRACT.** The Term of this contract for services is from November 15, 2023 to February 29, 2024 unless sooner terminated as provided herein.

- 3. PAYMENT TO CONTRACTOR.** CONTRACTOR shall receive from TOWN an amount not to exceed Twenty-Seven Thousand Six Hundred Seven and No Dollars (\$ 27,607.00) as full compensation for the provision of Services. TOWN agrees to pay CONTRACTOR at the rates specified for Services performed to the satisfaction of the TOWN, in accordance with this contract, and Attachment 1. Unless otherwise specified, CONTRACTOR shall submit an itemized invoice to TOWN by the end of the month during which Services are performed. A Funds Reservation number may be assigned to encumber the funds associated with this contract and must appear on all invoices and correspondence mailed to Purchaser. Payment will be processed promptly upon receipt and approval of the invoice by TOWN.

- 4. INDEPENDENT CONTRACTOR.** TOWN and CONTRACTOR agree that CONTRACTOR is an independent contractor and shall not represent itself as an agent or employee of TOWN for any purpose in the performance of CONTRACTOR's duties under this Contract. Accordingly, CONTRACTOR shall be responsible for payment of all federal, state and local taxes as well as business license fees arising out of CONTRACTOR's activities in accordance with this Contract. For purposes of this contract taxes shall include, but not be limited to, Federal and State Income, Social Security and Unemployment Insurance taxes.

CONTRACTOR, as an independent contractor, shall perform the Services required hereunder in a professional manner and in accordance with the standards of applicable professional organizations and licensing agencies.

- 5. INSURANCE AND INDEMNITY.** To the fullest extent permitted by laws and regulations, CONTRACTOR shall indemnify and hold harmless the TOWN and its officials, agents, and employees from and against all claims, damages, losses, and expenses, direct, indirect, or consequential (including but not limited to fees and charges of engineers or architects, attorneys, and other professionals and costs related to court action or mediation) arising out of or resulting from CONTRACTOR's performance of this Contract or the actions of the CONTRACTOR or its officials, employees, or contractors under this Contract or under contracts entered into by the CONTRACTOR in connection with this Contract. This indemnification shall survive the termination of this Contract.

In addition, CONTRACTOR shall comply with the North Carolina Workers' Compensation Act and shall provide for the payment of workers' compensation to its employees in the manner and to the extent required by such Act. Additionally, CONTRACTOR shall maintain, at its expense, the following minimum insurance coverage:

\$1,000,000 per occurrence /\$2,000,000 aggregate --- Bodily Injury Liability, and
\$ 100,000 --- Property Damage Liability, or
\$1,000,000 per occurrence /\$2,000,000 aggregate---Combined Single Limit Bodily Injury and
Property Damage

CONTRACTOR, upon execution of this Contract, shall furnish to the COUNTY a Certificate of Insurance reflecting the minimum limits stated above. The Certificate shall provide for thirty-(30) days advance written notice in the event of a decrease, termination or cancellation of coverage. Providing and maintaining adequate insurance coverage is a material obligation of the CONTRACTOR. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The limits of coverage under each insurance policy maintained by the CONTRACTOR shall not be interpreted as limiting the CONTRACTOR's liability and obligations under the Contract. Notwithstanding the foregoing, nothing contained in this section 5 shall be deemed to constitute a waiver of the sovereign immunity of the County, which immunity is hereby reserved to the County.

6. **HEALTH AND SAFETY.** CONTRACTOR shall be responsible for initiating, maintaining and supervising all safety precautions and programs required by OSHA and all other regulatory agencies while providing Services under this Contract.
7. **NON-DISCRIMINATION IN EMPLOYMENT.** CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, sex, race, creed, national origin, or disability. CONTRACTOR shall take affirmative action to ensure that qualified applicants are employed and that employees are treated fairly and legally during employment with regard to their age, sex, race, creed, national origin, or disability. In the event CONTRACTOR is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Contract may be canceled, terminated or suspended in whole or in part by TOWN, and CONTRACTOR may be declared ineligible for further TOWN contracts.
8. **GOVERNING LAW.** This Contract shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Contract shall be brought in the General Court of Justice in the County of Johnston and the State of North Carolina.
9. **TERMINATION.**
 - 9.1 **EVENT OF DEFAULT.** Any one or more of the following acts or omissions of the Contractor shall constitute an Event of Default hereunder:
 - a. Failure to perform the Services satisfactorily or on schedule,
 - b. Failure to submit any report required hereunder; and/or
 - c. Failure to perform any other covenant, term, or condition of this Agreement.

Upon the occurrence of an Event of Default, the TOWN may take one or more or all of the following actions:

1. Give Contractor written Notice of the Event of Default, specifying the Event of Default and requiring it to be remedied within, in the absence of greater or lesser specification of time, seven (7) calendar days from the date of the notice; and if the Event of Default is not timely remedied, terminate the agreement, effective two (2) days after giving the Contractor written Notice of Termination; and/or
2. Deduct any and all expenses incurred by the TOWN for damages caused by the Contractor's Event of Default; and/or
3. Treat the agreement as breached and pursue any of its remedies at law or in equity, or both, including damages and specific performance.

9.2 TERMINATION FOR CONVENIENCE. This Contract may be terminated, without cause, by either party upon thirty (30) days written notice to the other party. This termination notice period shall begin upon receipt of the Notice of Termination.

Termination of this Contract, under either section 9.1 or 9.2, shall not form the basis of any claim for loss of anticipated profits by either party.

- 10. SUCCESSORS AND ASSIGNS.** CONTRACTOR shall not assign its interest in this Contract without the written consent of TOWN. CONTRACTOR has no authority to enter into contracts on behalf of TOWN.
- 11. COMPLIANCE WITH LAWS.** CONTRACTOR represents that it is in compliance with all Federal, State, and local laws, regulations or orders, as amended or supplemented. The implementation of this Contract shall be carried out in strict compliance with all Federal, State, or local laws.
- 12. NOTICES.** All notices which may be required by this contract or any rule of law shall be effective when received by certified mail sent to the following addresses:

TOWN OF SMITHFIELD
ATTN: PUBLIC UTILITIES DEPARTMENT
320 HOSPITAL ROAD
SMITHFIELD, NORTH CAROLINA 27577

CONTRACTOR
ATTN: Vision, NC
7424 ACC BLVD. SUITE 106
RALEIGH, NC 27617

- 13. AUDIT RIGHTS.** For all Services being provided hereunder, the TOWN shall have the right to inspect, examine, and make copies of any and all books, accounts, invoices, records and other writings relating to the performance of the Services. Audits shall take place at times and locations mutually agreed upon by both parties. Notwithstanding the foregoing, CONTRACTOR must make the materials to be audited available within one (1) week of the request for them.
- 14. COUNTY NOT RESPONSIBLE FOR EXPENSES.** TOWN shall not be liable to CONTRACTOR for any expenses paid or incurred by CONTRACTOR, unless otherwise agreed in writing.
- 15. EQUIPMENT.** CONTRACTOR shall supply, at its sole expense, all equipment, tools, materials, and/or supplies required to provide Services hereunder, unless otherwise agreed in writing.
- 16. ENTIRE CONTRACT.** This contract, including Attachment 1, shall constitute the entire understanding between TOWN and CONTRACTOR and shall supersede all prior understandings and agreements relating to the subject matter hereof and may be amended only by written mutual agreement of the parties.
- 17. HEADINGS.** The subject headings of the sections are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. This contract shall be deemed to have been drafted by both parties and no interpretation shall be made to the contrary.

18. EXISTENCE. CONTRACTOR warrants that it is a corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina and is duly qualified to do business in the State of North Carolina and has full power and authority to enter into and fulfill all the terms and conditions of this contract.

19. CORPORATE AUTHORITY. By execution hereof, the person signing for CONTRACTOR below certifies that he/she has read this contract and that he/she is duly authorized to execute this contract on behalf of the CONTRACTOR.

20. E-VERIFY. As a condition of payment for services rendered under this agreement, CONTRACTOR shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if CONTRACTOR provides the services to the County utilizing a subcontractor, CONTRACTOR shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes as well. CONTRACTOR shall verify, by affidavit, compliance of the terms of this section upon request by the TOWN.

IN TESTIMONY WHEREOF, the parties have expressed their agreement to these terms by causing this Service Contract to be executed by their duly authorized office or agent.

TOWN OF SMITHFIELD

Michael L. Scott, Town Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Budget and Fiscal Control Act.

Gregory D. Siler, Town of Smithfield Chief Financial Officer

CONTRACTOR

By: _____
Authorized Representative

Print Name: _____

Title: _____

ATTACHMENT 1” to follow

AMENDMENT TO BOILER PLATE CONTRACT

(131 East Market Street, Smithfield)

THIS AMENDMENT TO CONTRACT (“Amendment”) is made as of November 15, 2023, by and among Vision, NC (“Contractor”), and the Town of Smithfield (“Town”).

RECITALS:

- A. Contractor desires to enter into a Contract with Town according to a form supplied, a boiler plate contract, by Contractor and used in its normal business, which agreement is hereinafter referenced as the Contract and dated approximately simultaneously with this Amendment.
- B. It is efficient for Town to enter small contracts such as this on forms supplied by Contractor so as to avoid the time and expense of more formally drafted contracts but Town desires to preserve for itself certain basic contractual provisions in all contracts.
- C. The Parties hereto have therefore agreed to the following Amendment to Contract.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties amend the Contract signed approximately simultaneously herewith and attached hereto by inserting the following provisions which shall be additional provisions of the Contract and shall control over any other provisions of the Contract that might appear contradictory hereto or appear to create ambiguities when read with the provisions agreed to herein.

1. **Miscellaneous:**

- a. **Clause Control.** Due to the volume of vender and independent contractor agreements submitted to the Town of Smithfield that would be too time consuming to redraft, this miscellaneous paragraph (subparagraphs a-n) is being inserted in Town Contracts and the provisions of this miscellaneous paragraph will control over all other provisions of the contract.
- b. **Merger and Modification.** This instrument constitutes the entire agreement between the parties and supersedes any and all prior agreements, arrangements and understandings, whether oral or written, between the parties. All negotiations, correspondence and memorandums passed between the parties hereto are merged herein and this agreement cancels and supersedes all prior agreements between the parties with reference thereto. No modification of this instrument shall be binding unless in writing, attached hereto, and signed by the party against whom or which it is sought to be enforced.
- c. **Waiver.** No waiver of any right or remedy shall be effective unless in writing and nevertheless shall not operate as a waiver of any other right or remedy or of the same right or remedy on a future occasion.
- d. **Caption and Words.** The captions and headings contained herein are solely for convenience and reference and do not constitute a part of this instrument. All words and phrases in this instrument shall be construed to include the singular and plural number, and the masculine, feminine or neuter gender, as the context requires.
- e. **Binding Effect.** This instrument shall be binding upon and shall insure to the benefit of the parties and their heirs, successors and permitted assigns.
- f. **North Carolina Law.** This instrument shall be construed in accordance with the laws of North Carolina without giving effect to its conflict of laws principles.

- g. Forum Selection. In any action arising from or to enforce this agreement, the parties agree (a) to the jurisdiction and venue exclusively of the state courts in Johnston County, North Carolina.
- h. Limitation of Liability. No party will be liable to another party, or to the extent this agreement may limit the same to any third party, for any special, indirect, incidental, exemplary, consequential or punitive damages arising out of or relating to this agreement, whether the claims alleges tortuous conduct (including negligence) or any other legal theory.
- i. Two Originals. This instrument may be executed in two (2) or more counterparts as the parties may desire, and each counterpart shall constitute an original.
- j. Follow Through. Each party will execute and deliver all additional documents and do all such other acts as may be reasonably necessary to carry out the provisions and intent of this instrument.
- k. Authority. Any corporate party or business entities and its designated partners, venturers, or officers have full and complete authority to sell, assign and convey the contracts and assume the obligations referred to herein; said corporations or entities are in good standing under North Carolina law.
- l. Severability. If any one or more of the terms, provisions, covenants or restrictions of this agreement shall be determined by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated. If, moreover, any one or more of the provisions contained in this Contract shall for any reason be determined by a Court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with the then applicable law.
- m. Contract Termination. The Town may terminate this contract without cause on 5 days' notice.
- n. Pre-Audit Certification. This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act to assure compliance with NCGS 159-28.

Greg Siler, Town Budget Officer

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement as of the day and year first above written.

Town:

By: _____
Michael. L. Scott, Town Manager

CONTRACTOR: _____

By: _____

Business Name: _____

ATTACHMENT 1

SCOPE OF SERVICES

This Scope of Services is an integral part of the contract between the **Town of Smithfield** (hereinafter referred to as “Town”), and **Vision, NC** (hereinafter referred to as “Contractor”), which contract is dated **November 15, 2023**.

CONTRACTOR hereby agrees to provide services and/or materials to the Town pursuant to the provisions set forth below.

I. Background/Purpose (Why): The purpose and intent of this request is to establish a contract with Vision, NC to perform sewer line cleaning & videoing services in conjunction with the sanitary sewer AIA grant, received by the Town of Smithfield in 2021. These services are needed to ascertain the physical condition of the existing sewer outfall in central downtown Smithfield, NC.

II. References: The following documents are incorporated herein by reference to them: The Contractor was given a set of Town infrastructure maps, in GIS format, and a project bid package. Additionally, the contractor was engaged through conversation and visited the site, to clarify site access.

III. Work/Requirements (What and Where): In accordance with the submitted proposal, provided by the contractor; the contractor will furnish the material, equipment, & labor to execute the work. Work is to be completed along the identified sanitary sewer outfall in Smithfield, NC.

IV. Schedules/Timelines (When): The Contractor shall proceed with cleaning & videoing services once the contract is executed and will have finished operations by February 29, 2024.

V. Transmittal/Delivery/Accessibility (How): The Contractor is required to provide the necessary labor, security and safety measures to uphold this contract. Work is to be completed along the Town sanitary sewer collection system in Smithfield, NC.

VI. Payment: Invoices and required warranties, permits or additional submittals shall be forwarded to Town Representative for review. Upon payment authorization, invoices will be paid net 30. Invoices and forms submitted MUST reference Town of Smithfield funds reservation number assigned to this contract. Authorization of payments will be forwarded to Finance Department dependent on receipt of all forms. The Town may withhold payment if required reports or submittals are not received. For this work the contractor will be paid a lump sum rate not to exceed \$ 27,607.00 ; in accordance with the attached proposal, provided by the contractor.



Request for Town Council Action

Consent Agenda Item:	Vehicle Purchase
Date:	11/14/2023

Subject: Vehicle Purchase
Department: Police Department
Presented by: Chief of Police – Pete Hedrick
Presentation: Consent Agenda Item

Issue Statement

The Police Chief is requesting to purchase a Ford Maverick pick-up for the CSA unit for the recently hired Community Service Aid (CSA). The vehicle will be purchased using funds from an insurance settlement of a previously wrecked vehicle, using the state bid, Performance Ford.

Financial Impact

The price of the vehicle is \$28,634.25. Proceeds from the insurance settlement were \$32,199.00

Action Needed

Approve or deny request.

Recommendation

Approve the request.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Vehicle specification sheet



Staff Report

Consent
Agenda
Item: Vehicle
Purchase

The Police Chief is recommending:

The purchase of a Ford Maverick for the PSA unit. The cost of this vehicle is \$28,634.25 from insurance proceeds from a previous non-fault accident of a police vehicle. The settlement for the totaled vehicle was \$32,199.00. The additional funds will be used to stripe the vehicle and purchase the required equipment for the Community Service Aid. The purchase is requested to be made from Performance Ford who currently holds the state contract for this vehicle. Further bidding is not required due to this being completed during the state bid process. Vehicle information is attached.

2023 Ford Maverick, Crew Cab, XLT Trim

North Carolina Statewide Vehicle Contract #202100002

Contract Term Dates: May 10, 2021 - May 9, 2023

Contract Pricing Firm for 23MY Vehicles



Drivetrain Configurations

FRONT W/D	<input type="checkbox"/>	W8E-300A	CREW CAB, FWD, 2.0L ECOBOOST (999, 448)	
ALL W/D	<input checked="" type="checkbox"/>	W8F-300A	CREW CAB, AWD, 2.0L ECOBOOST (999, 448)	\$ 26,946.95

BASE VEHICLE CONFIGURATION

Base Body Configuration

121	121" Wheel Base	Base
-----	-----------------	------

Base Powertrain Configuration

999	2.0 Liter Ecoboost Engine	Base
448	8 Speed Automatic Transmission	Base

Base Interior Configuration

YZ	Oxford White Color	Base
9	Black Cloth Bucket Seats, Manual 6 Way adj driver seat, 4 way manual	Base
W	adjustable passenger. Front Floor Console with Shifter, Armrest, Storage	Base

Base Package / Options

Tires	P225/65R17" A/S BSW Tires, 17" Sparkle Silver Steel Wheel	Base
	Power Locks, Windows, Rear Privacy Glass, Manual Fold/Glass Mirrors	Base
B4A	Remote Keyless Entry, Mini Spare Tire, Pre Collision Assist	Base
153	Front License Plate Bracke	
	Auto LED High Beam headlights, Auto On/Off headlamps	
	8" Center Stack Screen with Bluetooth connectivity, Apple Car Play and Android Auto	
	Rear View Camera, Tilt/Telescoping Steering Wheel	

Code	Additional Factory Options	MSRP	6% Disc
<input type="checkbox"/>	53Q 4K Tow Package (Gas Engine Only, N/A Hybrid) • 225/65R17 A/S BSW Tires • Trailer Brake Controller • Trailer Hitch Receiver w. 7-pin Connector • Transmission Oil Cooler • Higher Capacity Radiator • Upgraded Cooling Fan • Upgraded Drive Ratio AWD ONLY, N/A with FWD	\$ 745	\$ 700.30
<input type="checkbox"/>	86B Ford Co-Pilot360 (Blind Spot w/Cross Traffic Alert)	\$ 650	\$ 611.00
<input type="checkbox"/>	47K 400 Watt Invertor (Cab Location)	\$ 150	\$ 141.00
<input checked="" type="checkbox"/>	96G Spray In Bedliner	\$ 495	\$ 465.30
<input checked="" type="checkbox"/>	153 License Plate Bracket	N/C	N/C
<input checked="" type="checkbox"/>	51D Full Size Spare Tire	\$ 115	\$ 108.10
<input type="checkbox"/>	55D Rear Sliding Window with Privacy Glass (Requires 86B)	\$ 155	\$ 145.70
<input type="checkbox"/>	63B Splash Guards (Molded Front and Rear)	\$ 180	\$ 169.20
<input checked="" type="checkbox"/>	60B Trailer Hitch Receiver with 4 Pin Connector	\$ 100	\$ 94.00
<input checked="" type="checkbox"/>	90K Power 8 Way Driver Seat	\$ 285	\$ 267.90
<input type="checkbox"/>	76B Rear Parking Sensors	\$ 260	\$ 244.40
<input checked="" type="checkbox"/>	17S FX4 OFF ROAD PACKAGE	\$ 800	\$ 752.00

Standard Colors:			Quantity	Enter Quantity Here
<input type="checkbox"/>	KU	AREA 51		
<input type="checkbox"/>	NE	CACTUS GREY		
<input checked="" type="checkbox"/>	M7	CARBONIZED GREY METALLIC 5707-5721		
<input checked="" type="checkbox"/>	JS	ICONIC SILVER METALLIC 5722-5731		
<input checked="" type="checkbox"/>	YZ	OXFORD WHITE 5732-5761	1.00	
<input checked="" type="checkbox"/>	G1	SHADOW BLACK 5762-5771		
<input type="checkbox"/>	E7	VELOCITY BLUE METALLIC		

Dealer Installed Items			
<input type="checkbox"/>			

Total Price Per Vehicle:	\$ 28,634.25
Number Units This Spec:	1.00
Total this Order:	\$ 28,634.25

Notes & Instructions:

9/19/2023

Agency Information:

Agency Name: SMITHFIELD POLICE DEPARTMENT

Contact: _____

Position: _____

Address 1: _____

Address 2: _____

City, State, Zip: _____

Office Phone: _____

Cell Phone: _____

Email: _____

Fax: _____

FIN Code: _____

GPC Info: _____

Dianne Nelms
Government & Fleet Sales
605 Warsaw Road
Clinton, North Carolina 28328
dnelms@ramclinton.com
(910) 214-2956 Cell

PERFORMANCE
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Signal

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GO.TOTD.COM

POLICE INTERCEPTOR

SETINA

CORHINO





Request for Town Council Action

Consent
Agenda
Item: DSDC
Date: By-Laws
11/14/2023

Subject: Amendments to DSDC By-Laws
Department: General Government
Presented by: Town Manager - Michael Scott
Presentation: Consent Agenda Item

Issue Statement

Downtown Smithfield Development Corporation (DSDC) is requesting the Council approve changes to its By-Laws as attached in the request.

Financial Impact

None

Action Needed

Approve or deny changes

Recommendation

Follow the recommendation of DSDC.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Letter from the DSDC Executive Director
3. Draft Amended DSDC By-Laws



Staff Report

Consent	DSDC
Agenda	By-
Item:	Laws

Attached the Mayor and Council will find DSDC recommended changes to its by-laws. Changes are in red. The DSDC is requesting that the Council approve these changes.



October 18, 2023

Mrs. Shannan Parrish
Town Clerk
Town of Smithfield
PO Box 761
Smithfield, NC 27577

Re: DSDC Bylaws Amendment

Dear Mrs. Parrish and the Smithfield Town Council,

As stated in Article XXVII of the Downtown Smithfield Development Corporation bylaws:

Amendments. These bylaws or any portion thereof may be amended, altered, or repealed by the affirmative vote of two-thirds ($\frac{2}{3}$) of the Board at any regular or special meeting called for such purpose with approval of such amendment by the Smithfield Town Council.

At its October 17 meeting, the Board of Directors voted unanimously to amend the organization's bylaws. I have attached the Bylaws with the recommended amendment for your review. The Board requests the Council's approval of these amendments accordingly and asks that this be placed on the consent agenda for the Town Council's November meeting.

Thank you in advance for your consideration. Please feel free to contact me if you have any questions.

Sincerely,

Sarah Edwards
Executive Director

BYLAWS OF THE DOWNTOWN SMITHFIELD DEVELOPMENT CORPORATION

Name

Article I – Name

The name of the Corporation is “Downtown Smithfield Development Corporation.”

Principal Office

Article II – Principal Office

The principal office of the Corporation shall be located at such place as the Board of Directors of the Corporation may from time to time designate.

Purposes

Article III - Purpose

The purpose of the Corporation shall be:

- (a) To promote, stimulate and encourage the development of Downtown Smithfield, North Carolina in a manner beneficial to the citizens of Smithfield and Johnston County.
- (b) To undertake activities that will assist in, enable, or expedite the development of Downtown Smithfield.
- (c) To assist in the comprehensive planning of the beneficial development of Downtown Smithfield.
- (d) To undertake activities to attract businesses, investors, developers, and other persons and entities to invest in and take part in the development of Downtown Smithfield.
- (e) To undertake activities to improve and maintain the property values of Downtown Smithfield
- (f) To generally assist the Town of Smithfield and Johnston County and other organizations with purposes similar to or compatible with those of the Corporation.
- (g) To provide assistance following disasters for the purpose of combating community deterioration.

Members

Article IV – Members

The Corporation shall have no members.

Board of Directors

Article V – Board of Directors

The management of the Corporation shall be vested in the Board of Directors. The Board shall determine the number of employees of the Corporation, shall hire and terminate employees, and shall fix the compensation of employees.

Article VI – Number of Directors

The Board of Directors shall consist of fifteen (15) Directors, two of which shall be permanent members.

Article VII – Directors Terms

Directors shall be elected for a term of three years, beginning with five Directors elected in January 2019 and four Directors elected in January 2020 and 2021. Directors will be elected in the month of January. Directors shall be

nominated by the Board of Directors and shall become Directors upon approval by resolution of the Smithfield Town Council. At all times, there shall be at least five (5) Directors that own real property in the Downtown Smithfield Municipal Service District, own a business that leases property within the Downtown Smithfield Municipal Service District, or own an interest in a company that owns real property in the Downtown Smithfield Municipal Service District.

Article VIII – Term Limits

Elected directors may serve a maximum of three consecutive terms for a total of nine years, after which the director must rotate off the Board for at least one year.

Article IX – Vacancies on Board

When a vacancy shall occur on the Board of Directors, the remaining Directors shall nominate and elect a person to fill the vacancy and the nominee shall become a Director upon approval by resolution of the Smithfield Town Council. The Executive Director shall announce the vacancy to the remaining Directors at the next regularly scheduled meeting after being given notice of the same. The Executive Director shall then advertise the vacancy for a period of no less than forty-five (45) days to all property owners in the Downtown Smithfield Municipal Service District, in its newsletter, and through other means of communication and advertisement it deems appropriate. The remaining Directors shall review the applicants at the next meeting following the advertisement period and elect a person to fill the vacancy subject to approval from the Smithfield Town Council. Applications must be submitted at least two weeks prior to the board meeting at which they are scheduled to be reviewed.

Article X – Removal of Directors

A Director may be considered for removal upon three absences in a calendar year and/or upon recommendation of three-fourths (¾) of the Board of Directors. **For the purposes of Article X, a Director is synonymous with Board member.**

Article XI – Permanent Board Members

The Mayor of the Town of Smithfield (or his appointee) and the Chairman of the Johnston County Commissioners (or his appointee) shall each be permanent members of the Board of Directors and entitled to all rights and privileges of other directors, including the right to vote and hold office.

Officers

Article XII – Officers

The officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The Board of Directors, from among themselves, shall elect the officers.

Article XIII - Term

Each officer shall serve for a term of one year or until his successor is elected and qualifies. Officer elections shall be held at the regular meeting of the Board in January.

Article XIV – President

The President shall, when present, preside at all meetings of the Board. He shall sign, with any other proper officer, deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Article XV – Vice President

The Vice President, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, he shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Article XVI - Secretary

The Secretary shall keep accurate records of the acts and proceedings of all meetings of the Board. He shall give all notices required by law and by these Bylaws. He shall have general charge of the corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Article XVII – Treasurer

The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations to be made and filed at the registered or principal office of the Corporation within four months after the end of such fiscal year. The Treasurer shall, in general, perform all duties incident to his office and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Meeting of Board of Directors

Article XVIII – Monthly Meetings of Board

The Board of Directors shall meet once each calendar month at a time and place designated by the President of the Corporation. Board meetings shall be held at a central location, but Board members who are not present in person shall have the right to participate by telephone or teleconference.

Article XIX – Special Meetings

A special meeting of the Board of Directors may be called by the President upon five (5) days prior notice or upon call of a majority of the Board of Directors.

Article XX – Quorum

At any meeting of the Board of Directors of the Corporation, a majority of the Directors of the Corporation shall constitute a quorum. A quorum shall be required at a meeting of the Board of Directors for business transacted thereat to constitute action of the Board of Directors. Permanent board members should be counted toward the determination of having a quorum.

Article XXI – Voting

Each Director shall be entitled to one vote on each matter submitted to a vote at a meeting of the Board of Directors. A majority vote of the Directors present at any meeting shall be required for any decision or action of the Board of Directors, in the absence of some different requirements of law or the Articles of Incorporation or Bylaws of this corporation.

When one or more Directors participate in a board meeting via telephone or teleconference, all votes shall be taken by roll call.

A Director who is not present but who has conveyed to a member of the Board via written communication a proxy for a specific issue shall be an eligible voter on that particular item. The proxy must include the name of the Director who will not be present, the name of the Director to whom they give their proxy, the date of the meeting, the signature of the Director who will not be present, and the date that the proxy was executed. The proxy must be submitted to the Chairman and the Executive Director prior to the meeting in which the voter will not be present. The proxy may only apply to the current meeting, and may not be used as a valid vote at any subsequent meetings. Proxy votes shall not be considered eligible on matters pertaining to the budget or during election or removal of Directors or Officers, or any other matters relating to personnel.

Electronic voting may be used for urgent matters between meetings, in each case at the discretion of the Board of Directors. The same quorum requirements apply as in the case of a regular meeting, the number of replies received being the significant number. The President shall inform the Board of Directors promptly of the results of the alternate balloting. Such votes must be ratified at the next meeting.

Article XXII – **Robert’s Rules of Order**

Robert’s Rules of Order Newly Revised shall be the rules of order for all meetings, except as may be otherwise provided in these Bylaws.

Committees

Article XXIII – **Committees**

The President shall appoint, with the advice and consent of the Board of Directors, such committees as may be deemed advisable from time to time. The President shall be an ex-officio member of all committees.

Fiscal Year

Article XXIV – **Fiscal Year**

Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall end on June 30.

Annual Report

Article XXV – **Annual Report**

An annual un-audited financial report of the Corporation shall be prepared within seventy-five (75) days after the end of each fiscal year. All Corporate records shall be available for review by the Town of Smithfield or its designated independent auditor.

Bonding

Article XXVI – **Bonding**

The Board of Directors shall obtain a bond or bonds on the Treasurer or any other officer or employee of the Corporation of such nature and in such amounts as shall be necessary in the opinion of the Board to protect the Corporation from loss.

Indemnity

Article XXVII – **Indemnity**

The Corporation shall indemnify and hold harmless any director, officer or employee of the Corporation from any loss including reasonable expense incurred in defense of any action or claim resulting to such director, officer or employee as a result of serving in such capacity except to the extent such loss might be occasioned by intentional wrongdoing.

Amendments

Article XXVIII – **Amendments**

These Bylaws or any portion thereof may be amended, altered, or repealed by the affirmative vote of two-thirds (2/3) of the Board at any regular or special meeting called for such purpose with approval of such amendment by the Smithfield Town Council.

Article XXIX - **Staff**

The Executive Director shall be the principal Executive Officer of the Corporation, and subject to the control of the Board Directors, shall supervise and control the management of the Corporation in accordance with these Bylaws.

The Executive Director or other appointed staff shall maintain accurate records of the acts and proceeds of all meetings of the Board. He shall give all notices required by law and by these Bylaws. He shall have general charge of the corporate books and records and of the Corporate Seal, and he shall affix the Corporate Seal to any lawfully executed instrument requiring it.

The Accountant of the Downtown Smithfield Development Corporation shall have custody of all funds and securities belonging to the Corporation. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations to be made and filed at the registered or principal office of the Corporation within four months after the end of such fiscal year.

Article XXX – Executive Committee

The Executive Committee shall be made up of the Officers of the Board of Directors and one at-large Director appointed by the President. Except for the power to amend the articles of incorporation and bylaws, the Executive Committee shall have all the powers and authority of the board of directors in the intervals between meetings of the board of directors, and is subject to the direction and control of the full board.

Article XXXI - Conflict of Interest Policy

Whenever a director or officer has a financial or personal interest in any matter coming before the board of directors, the affected person shall fully disclose the nature of the interest and should not be physically present for discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

ADOPTED this the 14th day of November, 2023.

M. Andy Moore, Mayor

ATTEST:

Shannan Parrish, Town Clerk



Request for Town Council Action

Consent Agenda Item: Advisory Board Appointments
Date: 11/14/2023

Subject: Advisory Board Appointments
Department: General Government
Presented by: Town Clerk – Shannan Parrish
Presentation: Consent Agenda Item

Issue Statement

The Town Council is asked to consider a new appointment and a reappointment to the Recreation Advisory Committee

Financial Impact

N/A

Action Needed

The Town Council is asked to consider the reappointment **of** Sonny Howard and the new appointment of Tyree Minor to the **Recreation Advisory Committee.**

Recommendation

Staff recommends approval of these appointments

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Sonny Howard – Board Application
3. Tyree Minor – Board Application



Staff Report

Consent Advisory
Agenda Board
Item Appointment

Board Reappointment

Sonny Howard has submitted an application for consideration to be reappointed to a second term on the Recreation Advisory Committee.

Tyree Minor has submitted an application for consideration to be appointed to a first term on the Parks and Recreation Advisory Committee

Current Board vacancies are as follows:

- Appearance Commission – 2 positions
- Historic Properties Commission – 1 position
- Library Board of Trustees – 2 positions
- Parks and Recreation Advisory Commission – 2 positions



Town of Smithfield
Board, Commission, or Committee
Application

Name: Howard Jr. "Sonny" Paul H.
Home Address: 221 West Woodlawn Drive
Business Name & Address: Howard Farms 1661 Hwy 96 N Selma, N.C 27576
Telephone Numbers: 919-924-2540 919-524-5669 Debbie@carolinarealty-nc.com

Please check the Board(s) that you wish to serve on:

Appearance Commission
Board of Adjustment In Town Resident
Board of Adjustment ETJ Member
Historic Properties Commission
Library Board of Directors
Parks/Recreation Advisory Commission
Planning Board In-Town Resident
Planning Board ETJ Resident
Other:

Interests & Skills: I truly want to see the Town of Smithfield grow. The recreation commission has added numerous and various activities for the town such as pickle ball courts, expanding or building the Highway 210 multi-complex campus hopefully in the near future.

Circle highest level of education completed: (High School) 10 11 12 GED College 1 2 3 4 5 6

Recent Job Experiences: Worked as an official and umpire in football basketball baseball and softball for 45 years on the high school level and umpired USSSA softball for 46 years. Was the first inductee in 1996 in the USSSA Hall of Fame.

Civic or Service Organization Experience: Member of St. Paul's Episcopal Church - 35 years serve on the Finance Committee of St. Paul's Episcopal.

Town Boards previously served on and year(s) served: Parks/Recreation Advisory Commission 2020-2023

Please list any other Boards/Commissions/Committees on which you currently serve: Johnston County Livestock Arena Advisory Board

Why are you interested in serving on this Board/Commission/Committee? As a current member of this recreation advisory commission I have seen the town grow because of all the parks, trails, dog park, pickkball courts. There is some good recreation And something for all ages with all that we have to offer, people are going to join us and live inside Smithfield.

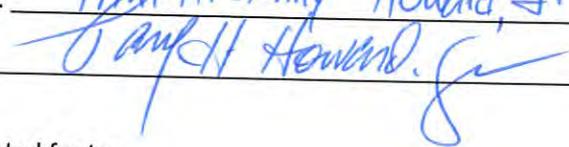
Affirmation of Eligibility: We offer anything imaginable for a town of our population or even larger with our recreation resources. Needless to say this does have an economic impact for our town.

Has any formal charge of professional misconduct, criminal misdemeanor or felony ever been filed against you in any jurisdiction?

Yes No If yes, please explain disposition: _____

Is there any conflict of interest or other matter that would create problems or prevent you from fairly and impartially discharging your duties as an appointee of the Smithfield Town Council? Yes No If yes, please explain: _____

I understand this application is public record and I certify that the facts contained in this application are true and correct to the best of my knowledge. I authorize and consent to background checks and to the investigation and verification of all statements contained herein as deemed appropriate and if necessary. I further authorize all information concerning my qualifications to be investigated and release all parties from all liability for any damages that may result from this investigation. I understand and agree that any misstatement may be cause for my removal from any Board/Commission/Committee. I understand regular attendance to any Council Board/Commission/Committee is important and, accordingly, I further understand that if my attendance is less than the standards established for any such body that this is cause for removal. Lacking any written standards for attendance by any Board/Commission/Committee, it is expected that I will attend at least 75% of all meetings during any one calendar year to maintain my seat on any Board/Commission/Committee to which I may be appointed. This form will remain on file in the Office of the Town Clerk and requests for updates will be sought prior to any consideration for reappointment (or future appointment) to any Board/Commission/Committee.

Printed Name: Paul H. "Sonny" Howard, Jr.
Signature:  Date: 10/1/2023

Return completed for to:
Shannan Parrish
Town Clerk
P. O. Box 761
Smithfield, North Carolina 27577
Phone: (919) 934-2116 Fax: (919) 989-8937 E-Mail: shannan.parrish@smithfield-nc.com

Applicants are required to be a resident of the Town of Smithfield for In-Town positions and within the Town's ETJ for ETJ positions

From: noreply@smithfield-nc.com
To: [Shannan Parrish](#)
Date: Sunday, October 15, 2023 11:29:58 PM

Name (Last, First, Middle Initial):

Tyree minor

Home Address:

213 Maple Circle

Business Name & Address:

213 Maple Circle

Home Telephone:

9199024596

Mobile Telephone:

9199024596

Email:

Tyreeminor12@gmail.com

Board which you are submitting an application:

Appearance Commission

Board of Adjustment (In-Town Resident)

Library Board of Directors

Parks/Recreation Advisory Commission

Interests and Skills:

Prior service US Navy Criminal justice - Pre law BA from Salem university AA degree from Louisburg Junior College Former College basketball player at Salem University. Graduate from Smithfield Selma High school 4 sport athlete

Recent Job Experiences:

US Navy 2016-2019 work study @ Louisburg College Esport coach at the university of North America Athletic director at Lake Raleigh Prep Academy planet fitness of Smithfield Trainer

Civic or Service Organization Experience:

N/A

Previous Town Board Experience:

N/A looking to obtain my first experience on my journey to becoming mayor

Current Board/Committee Service:

N/A

Why are you interested in serving on this Board/Commission/Committee?

I grew up here in the town of Smithfield born here. And as a young black male my family always told me to be the positive change in my community. I've always wanted to inspire change in my own way so I took the education route and got my degree. Now that I'm a young

black educated individual I want to spread my knowledge and help inspire and influence change. The Parks and Recreation Commission would play a vital role in this I believe my input as well as my experience as a College athlete could be an asset not only to the committee but the town of Smithfield and it's youth who take part in it. The Library board of directors is another board I believe having a young educated individual could bring in a new outlook on the help and resources we can bring to a community who doesn't even know resources are here to help. And the Appearance commission and board of adjustment I believe I would truly be an asset.

Has any formal charge of professional misconduct, criminal misdemeanor or felony ever been filed against you in any jurisdiction?

NO

If "YES" to above question, please explain in the box below:

Is there any conflict of interest or other matter that would create problems or prevent you from fairly and impartially discharging your duties as an appointee of the Smithfield Town Council?

NO

If "YES" to above question, please explain in the box below:

I understand this application is public record and I certify that the facts contained in this application are true and correct to the best of my knowledge. I authorize and consent to background checks and to the investigation and verification of all statements contained herein as deemed appropriate and if necessary. I further authorize all information concerning my qualifications to be investigated and release all parties from all liability for any damages that may result from this investigation. I understand and agree that any misstatement may be cause for my removal from any Board/Commission/Committee. I understand regular attendance to any Council Board/Commission/Committee is important and, accordingly, I further understand that if my attendance is less than the standards established for any such body that this is cause for removal. Lacking any written standards for attendance by any Board/Commission/Committee, it is expected that I will attend at least 75% of all meetings during any one calendar year to maintain my seat on any Board/Commission/Committee to which I may be appointed. This form will remain on file in the Office of the Town Clerk and requests for updates will be sought prior to any consideration for reappointment (or future appointment) to any Board/Commission/Committee.

NC



Staff Report

Consent
Agenda
Item: New Hire / Vacancy Report

Background

Per Policy, upon the hiring of a new or replacement employee, the Town Manager or Department Head shall report the new/replacement hire to the Council on the Consent Agenda at the next scheduled monthly Town Council meeting.

In addition, please find the following current vacancies:

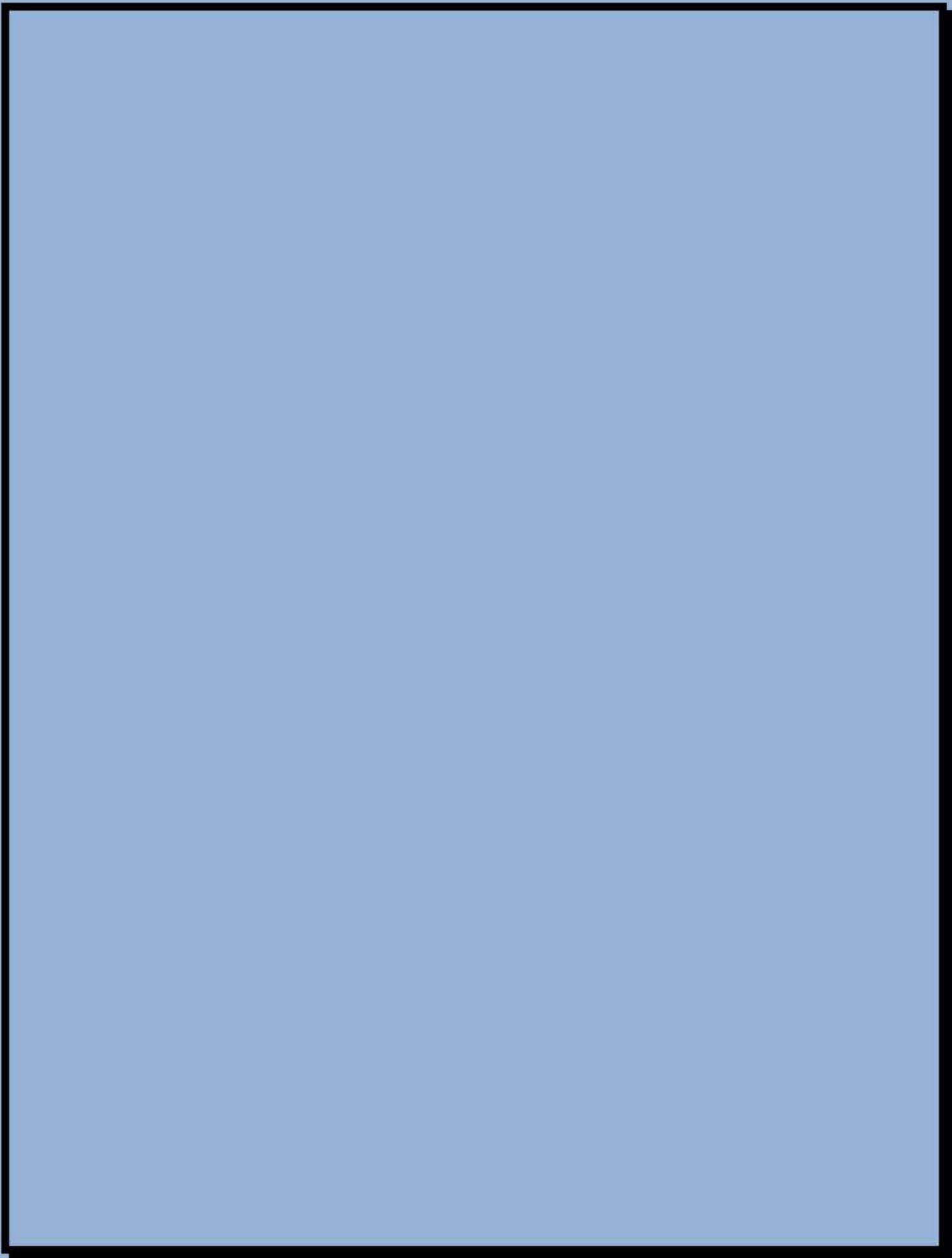
<u>Position</u>	<u>Department</u>	<u>Budget Line</u>
Firefighter (Part-time)	Fire	10-20-5300-5100-0200
Police Officer	Police	10-20-5100-5100-0200
Equipment Operator	PW – Sanitation	10-40-5800-5100-0200

Action Requested

The Town Council is asked to acknowledge that the Town has successfully filled the following vacancies in accordance with the Adopted FY 2023-2024 Budget.

<u>Position</u>	<u>Department</u>	<u>Budget Line</u>	<u>Rate of Pay</u>
Assistant Finance Director	Finance	10-10-4200-5100-0200	\$33.65/hr. (\$69,992.00/yr.)
	PU – Electric	31-72-7230-5100-0200	(1/3)
	PU – Water/Sewer	30-71-7220-5100-0200	(1/3)
Equipment Operator	PW – Streets (Transfer)	10-30-5600-5100-0200	\$21.99/hr. (\$45,739.20/yr.)
Equipment Operator	PW – Streets (Transfer)	10-30-5600-5100-0200	\$17.46/hr. (\$36,316.80/yr.)
Equipment Operator	PW – Streets	10-30-5600-5100-0200	\$18.07/hr. (\$37,585.60/yr.)
Equipment Operator	PW – Streets	10-30-5600-5100-0200	\$18.07/hr. (\$37,585.60/yr.)
Facility Maintenance Specialist	P&R – Recreation	10-60-6200-5100-0200	\$17.21/hr. (\$35,796.80/yr.)
Police Officer I	Police	10-20-5100-5100-0200	\$22.26/hr. (\$49,773.36/yr.)
Police Officer I	Police	10-20-5100-5100-0200	\$22.26/hr. (\$49,773.36/yr.)
Police Records Specialist	Police (was Admin Asst)	10-20-5100-5100-0200	\$18.58/hr. (\$38,646.40/yr.)
P/T SRAC Staff - General	P&R – Aquatics	10-60-6220-5100-0210	\$10.00/hr.
Public Safety Aide	Police	10-20-5100-5100-0200	\$18.08/hr. (\$37,606.40/yr.)
Utility Line Mechanic	PU – Water/Sewer	30-71-7220-5100-0200	\$17.37/hr. (\$36,129.60/yr.)

Business Items





Request for Town Council Action

Business
Agenda
Item: Amazon
Grant
Revisions
Date: 11/14/2023

Subject: Amazon Grant Revisions
Department: General Government
Presented by: Town Manager – Michael Scott
Presentation: Business Agenda Item

Issue Statement

Amazon is requesting a timeline amendment to its contract with the Town dated September 24, 2021.

Financial Impact

The grant program timeline will be moved two years into the future.

Action Needed

Agree or Deny Requested amendments.

Recommendation

Staff approves of the contract amendments in form, as attached.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Amazon Request for Amendment
3. Original September 24, 2021 Contract
4. Contract Amendment 1 Draft



Staff Report

Business
Agenda
Item: Amazon
Grant
Revisions
11/14/23

On September 24, 2021, the Town Council entered into an agreement with Amazon to create a tax grant process for a seven-year period beginning calendar year 2023 which included a minimum of a \$100,000,000 investment by Amazon and the creation of a minimum of 500 new permanent full-time employees. The grant read in part:

Grants will be paid based only upon ad valorem taxes actually paid and received with respect to property constructed and acquired with Eligible Investments and placed on the Project Site during the Investment Period. Grants shall be paid to Amazon in seven (7) annual installments on or before March 15 of each calendar year for the previous calendar year beginning with the 2023 calendar year. The Grants shall be made based upon the ad valorem taxes paid on the Eligible Investments as they are tracked through the seven (7)-year grant period (the "Grant Period"). Year 1 shall mean calendar year 2023 with the first Grant payment payable on or before March 15, 2024, Year 2 shall mean calendar year 2024, Year 3 shall mean calendar year 2025, Year 4 shall mean calendar year 2026, Year 5 shall mean calendar year 2027, Year 6 shall mean calendar year 2028 and Year 7 shall mean calendar year 2029. Each of the Parties has determined, independently, that the assessed property tax value of the Eligible Investments is the most objective means of accounting for the economic benefit to the Town of the Eligible Investments. In quantifying the benefit to the Town, the amount of each Grant shall be measured by and equal to an amount equal to the following specified percentages of the ad valorem taxes paid on the Eligible Investments in the previous year by Amazon (as they are classified for ad valorem taxes as real property or personal property):

Real Property

Tax Year	Grant %
Year 1	90%
Year 2	90%
Year 3	90%
Year 4	80%
Year 5	70%
Year 6	60%

Personal Property

Tax Year	Grant %
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	0%

Year 7	50%	Year 7	0%
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The requested amendments predominately include a change in timeline:

Grants will be paid based only upon ad valorem taxes actually paid and received with respect to property constructed and acquired with Eligible Investments and placed on the Project Site during the Investment Period. Grants shall be paid to Amazon in seven (7) annual installments on or before March 15 of each calendar year for the previous calendar year beginning with the ~~2023~~ 2025 calendar year. The Grants shall be made based upon the ad valorem taxes paid on the Eligible Investments as they are tracked through the seven (7)-year grant period (the "Grant Period"). Year 1 shall mean calendar year ~~2023~~ 2025 with the first Grant payment payable on or before March 15, ~~2024-2026~~, Year 2 shall mean calendar year ~~2024~~ 2026, Year 3 shall mean calendar year ~~2025-2027~~, Year 4 shall mean calendar year ~~2026~~ 2028, Year 5 shall mean calendar year ~~2027~~ 2029, Year 6 shall mean calendar year ~~2028~~ 2030 and Year 7 shall mean calendar year ~~2029~~ 2031. Each of the Parties has determined, independently, that the assessed property tax value of the Eligible Investments is the most objective means of accounting for the economic benefit to the Town of the Eligible Investments. In quantifying the benefit to the Town, the amount of each Grant shall be measured by and equal to an amount equal to the following specified percentages of the ad valorem taxes paid on the Eligible Investments in the previous year by Amazon (as they are classified for ad valorem taxes as real property or personal property):

Real Property

Personal Property

Tax Year	Grant %
Year 1	90%
Year 2	90%
Year 3	90%
Year 4	80%
Year 5	70%
Year 6	60%
Year 7	50%

Tax Year	Grant %
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	0%
Year 7	0%

The Town Council is asked to consider these changes, review the attached amendment contract, and make a decision to approve or deny the amendments.

VIA E-MAIL

May 8, 2023

Town of Smithfield
Attn: M. Andy Moore, Mayor
350 East Market Street
P.O. Box 761
Smithfield, NC 27577

Re: Amazon.com Services LLC Economic Development Incentive Agreement Extension Request

Dear Mayor Moore:

I am writing this letter on behalf of Amazon.com Services LLC ("Amazon") to request an amendment to the Economic Development Incentive Agreement, between Amazon and Town of Smithfield, North Carolina, and dated May 10, 2021 (the "Agreement").

The Agreement contemplates a Final Investment Milestone and a Final Employment Milestone, based on an assumed launch date of Fall 2022. Unfortunately, our expected launch date has been delayed due to various macroeconomic issues such as industry-wide supply chain challenges and inflationary pressures that have impacted not only this site but Amazon's entire network of facilities. This facility is now tentatively set to launch in Spring 2024.

Given these conditions, we respectfully request an 18-month extension to the Final Investment Milestone and Final Employment Milestone to June 30, 2024 and June 30, 2025, respectively, via an amendment to the Agreement. While we currently intend to launch the facility in Spring 2024 and hire more than 500 full-time employees as originally agreed upon, given ongoing economic uncertainty and to avoid future amendments, we are requesting a longer extension than our projected completion timeline requires. Rest assured, Amazon remains committed to launching the facility in Smithfield and being a great community partner.

Please contact me at 765-437-4401 you have any questions or need additional detail.

Sincerely,

Samuel Blatt

Sam Blatt
Manager, Economic Development

AMAZON.COM SERVICES LLC

and

TOWN OF SMITHFIELD,

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

Dated as of the 24th day of September, 2021

**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
(Project XD)**

THIS ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT (the “**Agreement**”) is entered into this 24th day of September 2021, by and between the **TOWN OF SMITHFIELD, NORTH CAROLINA**, a legal subdivision of the State of North Carolina (the “**Town**”), and **AMAZON.COM SERVICES LLC**, a Delaware limited liability company (“**Amazon**” or the “**Company**”), each referred to individually as a “**Party**” or collectively as the “**Parties.**”

RECITALS

1. The Town seeks to promote economic growth and development within its jurisdiction and the social and economic improvement of its citizens, and desires to accelerate the quality and quantity of economic growth and employment opportunities in its jurisdiction by encouraging business enterprises satisfying the aforementioned public purposes and thereby reduce physical, economic and social distress resulting from unemployment and underemployment existing in its jurisdiction.

2. The Economic Development Partnership of North Carolina (the “**Partnership**”) and the Town are in discussions to induce the Company to locate a new multi-purpose warehouse/distribution facility (the “**Facility**”) on the parcel located in or near the Town of Smithfield in Johnston County, North Carolina more fully described on **Exhibit A** attached hereto and incorporated herein by reference (the “**Project Site**”).

3. The Town and the County of Johnston (“**County**”) have presented the Company with various incentives in order to induce the Company’s commitment to locate the Facility in the Town of Smithfield, Johnston County, North Carolina

4. In partial consideration of the Inducements (as defined below) to be paid and delivered hereunder, the Company will locate its operations on the Project Site and, in connection therewith, construct or cause to be constructed and up-fit improvements comprising the Facility and install or caused to be installed on the Project Site industrial machinery, equipment and other real and personal property improvements subject to ad valorem taxation by Town with a non-depreciated initial capital investment cost of a minimum of \$100,000,000 (the “**Required Minimum Investment**”) and place such real and personal property in service on the Project Site.

5. The building, machinery, equipment, and other improvements to be installed and constructed at the Project Site in connection with the construction and equipping of the Facility will expand the Town tax base through increased ad valorem tax value created as a consequence of the Company's capital investment in such buildings, machinery and equipment being brought into the Town and the construction of new improvements at the Project Site.

6. By December 31, 2023, the Company will directly employ on the Project Site no fewer than five hundred (500) new permanent full-time employees at an average annual wage of no less than the Required Wage hereinafter defined for hourly and salaried permanent full-time employees at the Project Site (the "**Required Minimum Employment**"), which will provide significant employment opportunities to the residents of the Town.

7. In recognition of the benefits derived by the Town from its expanded tax base and the new employment opportunities provided by the Company, the Town has agreed to provide the economic incentives and inducements to the Company described herein.

8. The Town Council of Smithfield, North Carolina (the "**Council**") following a public hearing approved the Town's entry into this Agreement by a resolution adopted as of May 10, 2021 (the "**Council Resolution**").

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Town and Amazon agree as follows:

1. Definitions:

a. **Act:** means the Local Development Act of 1925, codified as N.C.G.S. 158-7.1, and all amendments and additions thereto or replacements thereof.

b. **Actual Employment:** means the total number of permanent full-time employees at the Required Wage at work on the Project Site at any specified time.

c. **Adjustment Factor:** has the meaning set forth in Section 4 hereof.

d. **Affiliate:** means an entity that controls, is controlled by or is under common control with Amazon. For purposes of the foregoing, "control" means the possession, directly or

indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract interest or otherwise.

- e. **Agreement:** means this Economic Development Incentive Agreement.
- f. **Amazon:** means Amazon.com Services LLC.
- g. **Annual Certification:** has the meaning set forth in Section 3 hereof.
- h. **Board:** has the meaning set forth in the Recitals.
- i. **Board Resolution:** has the meaning set forth in the Recitals.
- j. **Business Day:** means any day other than a weekend day or a legal holiday designated by the State of North Carolina.
- k. **County:** means Johnston County. The initial County Representative in the Tax Office to deal with Amazon with respect to matters related to this Agreement will be designated by the County; the County Representative may be changed from time to time upon at least ten days' prior written notice to Amazon.
- k.(1). **Town:** means the Town of Smithfield. The initial Town Representative is the Town Finance Director, Greg Siler; the Town Representative may be changed from time to time upon at least ten days prior written notice to Amazon.

Johnston County, under an interlocal agreement with the Town of Smithfield, lists ad valorem taxes and personal property taxes for the Town, as well as ad valorem tax collections. Therefore, tax listing will be through the Johnston County Tax Office for both the County and the Town.

- l. **Amazon Rep:** means the individual identified by Amazon to the Tax Office from time to time to be Amazon's duly authorized representative and agent to deal with the Tax Office with respect to all matters relating to this Agreement. The initial Amazon Rep is Sam Blatt, Manager, Economic Development; the Amazon Rep may be changed from time to time upon at least ten days' prior written notice to the Tax Office.
- m. **Eligible Investments:** subject to the limitations in this Agreement, means investments made by Amazon, an Affiliate or Fortress for the acquisition of real property and the construction of buildings and other real property improvements constituting the Facility and the acquisition and location in the Facility upon the Project Site of industrial

machinery, equipment and other real and personal property improvements subject to ad valorem taxation by the Town and properly reported and certified to the Tax Office in accordance with Section 3 hereof. Eligible Investments shall not include any investments made after the Investment Period. Only investments made for commercial and industrial purposes (as such purposes and terms are contemplated by the Act) shall be eligible for inclusion in Eligible Investments, including without limitation manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, and other industrial and commercial purposes. Eligible Investments shall not include inventory and goods held for sale. Eligible Investments shall include only (i) the investments made on and within the Project Site by Amazon, an Affiliate or Fortress and (ii) the investments made on and within the Project Site by Fortress for the construction of buildings and other real property improvements subject to ad valorem taxation by the Town. Buildings and related real property improvements may be added to Eligible Investments only when a temporary certificate of occupancy has been issued for them and they have been identified to the Tax Office and are subject to ad valorem taxation. Machinery, equipment, and other personal property may be added to Eligible Investments only when they have been located and placed in service on the Project Site, identified to the County tax office and are subject to ad valorem taxation. Planning, permitting, engineering and architectural fees and similar costs may constitute Eligible Investments to the extent subject to ad valorem taxation under the customary guidelines followed by the Tax Office. Incentives and Grants shall be paid on all Eligible Investments made on or before the Final Investment Milestone including those in excess of the Required Minimum Investment.

- n. **Employment Records:** has the meaning set forth in Section 3.
- o. **Facility:** has the meaning set forth in the Recitals.
- p. **Final Investment Milestone:** means December 31, 2022.
- q. **Final Employment Milestone:** means December 31, 2023.
- r. **Fortress:** means FNLI Agouti JNX LLC, a Delaware limited liability company (“Fortress”) or assignee or successor to Fortress which will acquire the Project Site and construct the Facility and lease the Project Site and Facility to the Company for the Company’s operations therein pursuant to a lease between Amazon and Fortress which

shall satisfy the conditions of this Subsection 1.r (the "**Lease**"). Neither the ownership of the Project Site by Fortress nor the Lease shall relieve the Company of its obligations hereunder or be deemed an assignment of this Agreement, provided that, so long as the Lease remains in effect, the investment and expenditures made by Fortress for the construction and equipping of the Facility on the Project Site shall be deemed to be made by the Company for purposes of fulfilling the Required Minimum Investment obligation and constitute part of the Eligible Investments to the extent remaining on the Project Site and subject to ad valorem taxes in the Town. Pursuant to the terms of the Lease, the Company shall pay, directly or indirectly, all ad valorem taxes with respect to the real and personal property on the Project Site.

- s. **Grant:** means the annual payment of Incentives to be paid in accordance with this Agreement.
- t. **Grant Period:** has the meaning set forth in Section 4 hereof.
- u. **Incentives:** means the incentive payments to be paid by the Town to Amazon in Grants as described in Section 4 hereof.
- v. **Investment Period:** means the period from the date hereof through the Final Investment Milestone unless the Agreement is terminated at some earlier time in accordance herewith.
- w. **Investment Records:** has the meaning set forth in Section 3.
- x. **Lease:** has the meaning set forth in Subsection 1.r.
- y. **Performance Commitments:** has the meaning set forth in Section 2 hereof.
- z. **Reported Year:** has the meaning set forth in Section 3 hereof.
- aa. **Reporting Party:** has the meaning set forth in Section 3 hereof.
- bb. **Required Minimum Employment:** means, five hundred (500) new permanent full-time employees, as of the Final Employment Milestone, at an average annual wage of no less than the Required Wage hereinafter defined for all hourly and salaried permanent full-time employees employed by Amazon at the Project Site. A "permanent full-time employee" shall mean a permanent full-time employee hired to work a minimum of 1600 hours per year and eligible for the full range of employment benefits offered by the Company to non-executive employees who is authorized to work in the United States (it

being understood that a permanent full-time employee may be an employee of an Affiliate so long as the requirements in such definition are met). The “average annual wage” shall be calculated by summing the annual wages and salaries of each reported and certified permanent full-time employee employed by the Company at the applicable time of calculation and dividing such total number of wages and salaries by the number of employees reported. Employment benefits shall include availability of a healthcare plan. The Parties acknowledge that an employee who is hired and has the opportunity to work a minimum of 1600 hours per year but who elects to take unpaid leave or time off or is on short-term or long-term disability will nonetheless be deemed to be a “permanent full-time employee” for purposes of this Agreement if such employee otherwise meets the definition of a permanent full-time employee. Further, as an alternative or additional option for calculating the number of permanent full-time employees, two (2) employees hired to work at least 1600 hours/year shall be counted as one (1) full-time employee if such employee otherwise meets the definition of a permanent full-time employee; provided that no more than twenty percent (20%) of the employees counted under this Agreement shall be counted as a permanent full-time employee under this sentence.

- cc. **Required Minimum Investment:** has the meaning set forth in the Recitals.
- dd. **Required Wage:** means an average annual rate of no less than Fifteen Dollars (\$15.00) per hour.
- ee. **Tax Office:** means the Johnston County Tax Office.
- ff. **Year 1 through Year 7:** shall have the meanings set forth in Section 4 hereof.
- 2. **Amazon’s Commitments:** For and in consideration of the Incentives to be paid by

the Town to Amazon hereunder, Amazon hereby commits to perform or provide the following (the “**Performance Commitments**”):

- a. Invest, or induce and cause to be invested by an Affiliate or Fortress, no less than the Required Minimum Investment by the Final Investment Milestone.
- b. Attain the Required Minimum Employment by the Final Employment Milestone. Certifications of Actual Employment on the Project Site as of December 31 for each

Reported Year beginning with calendar year 2022 shall be provided by Amazon to the Tax Office as set forth in Section 3.

c. Continue (directly or through an Affiliate) in business and full-time operation in the Facility on the Project Site at all times during the Grant Period, subject to temporary interruptions of operations as a result of force majeure, repairs following casualty damage and routine or non-routine maintenance.

3. **Reporting and Verification.** Each year Amazon (the “**Reporting Party**”) shall in compliance with applicable law, list with the Tax Office all property in or on the Project Site subject to ad valorem taxation and owned by Amazon or by Fortress and leased to Amazon. In addition, during the term of this Agreement beginning in the calendar year 2023, Amazon shall provide to the Tax Office no later than March 1 an annual certification (the “**Annual Certification**”) substantially in the form of **Exhibit B** attached hereto and incorporated herein by reference certifying the following for the immediately preceding calendar year (the “**Reported Year**”):

a. Total Eligible Investments made by the Reporting Party, an Affiliate, or Fortress permitted hereby during the Reported Year and cumulatively during the Investment Period, including the costs thereof.

b. All ad valorem taxes paid during the Reported Year with respect to the Eligible Investments for which Incentives are to be paid.

c. Any change affecting ad valorem taxes with respect to any Eligible Investments reported in prior Reported Years.

d. The Actual Employment as of December 31 in the Reported Year, to be certified by the Reporting Party.

e. That the Company is continuing in operation on the Project Site and the Lease remains in effect.

The investments comprising the Eligible Investments and the property acquired therewith shall be identified and tied to specific Johnston County tax parcels by Amazon and tracked by Amazon and the County. The Reporting Party shall provide to the Tax Office accurate and complete documentation of the Eligible Investments made by Amazon, an Affiliate or Fortress with each Annual Certification and identify the ad valorem taxes applicable to the Eligible

Investments, all in a form reasonably acceptable to the Tax Office with sufficient detail to enable the Tax Office to confirm the accuracy thereof. The information provided to the County shall include for the Reporting Party: (i) its annual tax listings; (ii) a complete list of all improvements with a designation of any new improvements made during the Reported Year; (iii) a list of any new equipment, machinery, and other personal property installed during the Reported Year as part of the Eligible Investments which indicates the value of each piece; and (iv) the Reporting Party's projected depreciation schedule for all personal property; provided that for tax calculation purposes, the County will depreciate all equipment, machinery, and other personal property according to the state-recommended trending schedules.

The Annual Certification filed by the Reporting Party shall be certified by the Amazon Rep, who shall be authorized to act on behalf of Amazon. Amazon and the Amazon Rep shall at all times cooperate with the Town and the Johnston County Tax Office as reasonably requested from time to time in order to assure the proper administration of the terms of this Agreement. The Town Representative shall be the principal point of contact for questions and assistance reasonably required by Amazon with respect to the administration of the terms of this Agreement.

Amazon shall provide and cause Fortress to provide the Town with information sufficiently detailed to allow the Town to differentiate improvements and property added from time to time from any previous property reported on which Incentives are being paid (the information in Section 3(i)-(iv) set forth above deemed sufficient for these purposes).

The County and/or Town may request additional information from the Reporting Party reasonably necessary to verify compliance with the Performance Commitments. In such event, the Reporting Party will make available for inspection at a convenient location and time it designates, and no more frequently than once in a calendar year, copies of invoices, purchase orders, contracts, canceled checks and other evidence which corroborate the Eligible Investments (the "**Investment Records**") and of employment records which evidence and corroborate Actual Employment (the "**Employment Records**"); alternatively, the Reporting Party may provide the Investment Records and Employment Records available in an electronic format reasonably acceptable to the County. The County and/or Town may further request at reasonable times and intervals no more frequently than once in a calendar year, that it be allowed to enter upon and inspect all improvements on the Project Site including the equipment, machinery, and personal

property thereon for the purpose of verifying the Eligible Investments and Actual Employment, which requests will not be unreasonably denied. For safety reasons, such inspections will be scheduled and coordinated with the Amazon Rep and the Reporting Party. Any such inspections shall take place at the Project Site and must (i) not be disruptive to Amazon's business and must take place at a mutually agreed time during Amazon's normal business hours; and (ii) take place on at least thirty (30) days' prior written notice. In lieu of an inspection, Amazon may provide such materials in an electronic format reasonably acceptable to the Town. Any information learned or disclosed in connection with any such audit is Amazon's confidential information subject to the confidentiality obligations set forth herein. Notwithstanding the foregoing or any other provision of this Agreement, Amazon shall not be required to disclose, permit the inspection of or examination of, or discuss, any document, information or other matter that (a) constitutes trade secrets or proprietary information, (b) in respect of which disclosure is prohibited by law or any binding agreement, or (c) is subject to attorney-client or similar privilege, employee privacy or constitutes attorney work product. Amazon acknowledges that the ad valorem value of an item of real or personal property may be less than the cost or Amazon's investment in such item.

4. **Grants.** Provided that the Required Minimum Investment has been made and reported to the Tax Office as of the Final Investment Milestone as required hereby and that the Required Minimum Employment, as applicable for that year of the Grant Period, has been attained and maintained as of the end of each Reported Period and reported to the Tax Office, and further provided Amazon is otherwise in full compliance with this Agreement, the Town shall pay Incentives to Amazon in Grants from any lawfully available funds not otherwise restricted upon the terms and conditions hereinafter set forth.

Grants will be paid based only upon ad valorem taxes actually paid and received with respect to property constructed and acquired with Eligible Investments and placed on the Project Site during the Investment Period. Grants shall be paid to Amazon in seven (7) annual installments on or before March 15 of each calendar year for the previous calendar year beginning with the 2023 calendar year. The Grants shall be made based upon the ad valorem taxes paid on the Eligible Investments as they are tracked through the seven (7)-year grant period (the "**Grant Period**"). Year 1 shall mean calendar year 2023 with the first Grant payment payable on or before March 15, 2024, Year 2 shall mean calendar year 2024, Year 3 shall mean calendar year 2025, Year 4

shall mean calendar year 2026, Year 5 shall mean calendar year 2027, Year 6 shall mean calendar year 2028 and Year 7 shall mean calendar year 2029. Each of the Parties has determined, independently, that the assessed property tax value of the Eligible Investments is the most objective means of accounting for the economic benefit to the Town of the Eligible Investments. In quantifying the benefit to the Town, the amount of each Grant shall be measured by and equal to an amount equal to the following specified percentages of the ad valorem taxes paid on the Eligible Investments in the previous year by Amazon (as they are classified for ad valorem taxes as real property or personal property):

Real Property

Tax Year	Grant %
Year 1	90%
Year 2	90%
Year 3	90%
Year 4	80%
Year 5	70%
Year 6	60%
Year 7	50%

Personal Property

Tax Year	Grant %
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	0%
Year 7	0%

If Amazon fails to achieve (i) the Required Minimum Investment goal by the Final Investment Milestone, or (ii) the Required Minimum Employment goal by the Final Employment Milestone, the Town shall be entitled, at its discretion, to reduce the Incentives and the Grant for Year 1 by a percentage (the “**Adjustment Factor**”) equal to the greater of (i) the percentage by which actual Eligible Investments as of the Final Investment Milestone is less than the Required Minimum Investment or (ii) the percentage by which Actual Employment as of the end of such Reported Year is less than the Required Minimum Employment. Such adjustment shall be effective for the Grant payment due following the end of Year 1. If as of the end of the Reported

Year for Years 2 through 7 of the Grant Period, the percentage by which the Actual Employment certified as of December 31 for such Reported Year shall be more or less than the Required Minimum Employment by a greater or lesser percentage than the Adjustment Factor then in effect, the Adjustment Factor shall be adjusted. In each case the Adjustment Factor shall be the largest percentage of non-performance of the Required Minimum Investment and the Required Minimum Employment as of December 31 for such Reported Year.

The Adjustment Factor shall be applied to the full Grant amount which would have been payable if the Required Minimum Investment goal and the Required Minimum Employment goal had been attained in full.

The calculation of the Incentives and Grants shall not be based upon any portion of ad valorem taxes paid which represents interest or penalties. Also, the calculation of the Incentives and Grants shall not be based upon any fire, insurance, or service district ad valorem taxes, or any other charge, fee, assessment, or tax other than the Town's primary general revenue ad valorem tax.

In no event shall any Incentives or Grants be paid under this Agreement to any party other than Amazon and no Incentives or Grants shall be paid after March 15, 2030 (which period shall be extended if the Grant schedule is extended for any reason, for example as a result of an event of force majeure or in the event a tax bill is appealed).

5. **Conditions.** During each of the years that Amazon is eligible for Grants, the Grant for such year will be paid to Amazon only after whichever of Amazon, or any Affiliate or Fortress is responsible for paying any portion of the taxes applicable to the Facility, the Project Site or any personal property located thereon or used in connection therewith, as applicable, pays in full its ad valorem tax bills for that year related to such assets (provided that, subject to the following condition relating to appeals, Amazon, any Affiliate, or Fortress may in good faith appeal any such tax bills). In addition, the Town will be obligated to make Grants for Eligible Investments only if the following conditions are satisfied or, at the Town's discretion, waived:

- Amazon and any Affiliate are then current in the payments of all taxes, charges, and fees of every nature owed by them to the Town;

- All taxes, charges, and fees of every nature owed to the Town for the Project Site and all assets located at the Project Site are in a current payment status by whoever payable;
- There is no current appeal pending regarding the valuation of property at the Project Site (in which case any Grant payment will be held in abeyance pending final resolution of the appeal);
- No violation of any other obligations of Amazon or any Affiliate to the Town, including conformity with all County and Town ordinances and regulations and any laws, orders or regulations that the County or Town is obligated to enforce against Amazon or an Affiliate on behalf of another body of government, has occurred and not been cured; and
- No violation in any material respects of any other obligations of Amazon, any Affiliate or Fortress to the Town with respect to the Project Site, including conformity with all Town ordinances and regulations and any laws, orders or regulations that the Town is obligated to enforce against Amazon, Fortress or the Project Site has occurred and not been cured by Amazon or Fortress; and
- Each of Amazon, any Affiliate and Fortress has complied with its other obligations and duties to the Town as set forth herein.

The payment of all taxes and other sums due the Town for the Eligible Investments is a material condition of eligibility for a Grant in any year during the term of this Agreement and shall not be construed as implying or suggesting that the Town is reimbursing to Amazon any or all ad valorem tax collected from Amazon, an Affiliate or Fortress.

6. **No Pledge of Faith and Credit.** No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Town within the meaning of any constitutional debt limitation. The parties acknowledge that the scope, term and duration hereof are in all events reasonable. No provision of this Agreement shall be construed or interpreted as delegating governmental powers or as a donation or a lending of the credit of the Town within the meaning of the North Carolina Constitution. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the Town's moneys. Provided, however, this Agreement shall be construed as a continuing contract in accordance with North Carolina General

Statutes§ 153A-13. To the extent of any conflict between this Section and any other provision of this Agreement, this Section shall take priority.

7. **Assignment.**

a. Except as provided in the following provisions of this Section 7 or otherwise set forth in this Agreement, no party shall assign its rights hereunder.

b. Notwithstanding the foregoing, Amazon may assign its rights hereunder to any entity that is an Affiliate without the prior consent of the Town provided that such Affiliate shall assume all obligations of Amazon hereunder in writing in a manner reasonably acceptable to the Town. Amazon will give the Town written notice of any such permitted assignment hereunder within thirty (30) days following such assignment. No such assignment shall release Amazon from its liability hereunder unless Amazon shall provide evidence to the reasonable satisfaction of the Town of the Affiliate's financial viability.

c. Nothing in this Agreement shall be deemed to constitute any restriction or condition on Fortress' ability to freely sell, transfer, or assign ownership of the Project Site or improvements thereon or any portion thereof which Fortress owns or any ownership interest in Fortress' entity at any time, provided that any transferee or successor shall agree in writing in a manner reasonably satisfactory to Town to assume all obligations of Fortress hereunder.

8. **Disclaimers.** The Town makes no express or implied warranty or representation of any kind whatsoever with respect to: the Project Site or Facility or any component part thereof, including but not limited to any warranty or representation with respect to the merchantability or the fitness or suitability thereof for any purpose, and further including the design or condition thereof; the safety, workmanship, quality or capacity of the Facility; compliance of the Facility with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect of the Project Site or Facility; the ability of the Facility to perform any function; or any other characteristic of the Project Site or Facility; it being agreed that Amazon is to bear all risks relating to the Project Site and Facility, the acquisition of the Project Site, the completion of the Facility and the transactions contemplated hereby and Amazon hereby waives the benefits of any and all implied warranties and representations of the Town as they may relate to the foregoing.

The provisions of this Section shall survive the Agreement's termination.

9. **Controlling Law.** This Agreement is entered into pursuant to the laws of the State of North Carolina and shall be construed and enforced thereunder.

10. **Amazon Default and Remedies.** In the event that Amazon, an Affiliate or Fortress fails to carry out or maintain the terms of this Agreement applicable to such party for the period of this Agreement, including but not limited to the Performance Commitments, then one or more of the following remedies shall be available to the Town:

a. If Amazon, an Affiliate or Fortress breaches any of the covenants or other terms or provisions herein, other than the Performance Commitments in Section 2.a., 2.b. and 2.c., and shall fail to cure such breach within thirty (30) days after written notice thereof, the Town may terminate the Agreement and no further Incentives shall be paid.

b. If Amazon, an Affiliate or Fortress fails to attain the Performance Commitments in Section 2.a or 2.b, the Incentives and Grants shall be adjusted by the Adjustment Factor in the manner set forth in Section 4.

c. If Amazon ceases or terminates its operations on the Project Site during the Grant Period other than for temporary purposes such as repairs following casualty damage, routine or non-routine maintenance or as a result of a force majeure, it is a violation of Section 2.c. and no further Incentives or Grants shall be payable. A “termination” of operations shall be deemed to have occurred if at any time Actual Employment is less than fifty percent (50%) of the Required Minimum Employment after December 31, 2023.

If as a result of the Town’s investigation and audit of the Annual Certifications, Investment Records or Employment Records, it is determined that the Incentives and Grants have been overpaid, the Town may demand that the overpayment be repaid and any amounts to be repaid shall be due and payable within thirty days after request for repayment and shall accrue interest at the legal rate from that date until repaid.

11. **De Minimis Waivers.** The Town may, in its sole discretion, waive *de minimis* breaches of conditions of this Agreement and, instead of abating the Grants in part or in their entirety per the adjustment terms above, may reduce the amount of the Grants by a lesser amount (or not at all) as it deems reasonable under all circumstances.

12. **Limitation on Damages.** Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable to the other Party for any exemplary, speculative, punitive,

indirect, special, consequential, or similar damages that may arise in connection with this Agreement.

13. **Force Majeure.** If by reason of acts of God, fires, floods, storms, insurrection, riots, acts of the public enemy, national catastrophe, labor disputes of any nature, regulatory changes, raw-material shortages, lack of public services, lack of public transport facilities, war (whether or not declared), terrorism, riot, rebellion, insurrections, government acts, sufferance of voluntary compliance with acts of government or governmental regulation whether or not valid, or other causes beyond the reasonable control and without the fault of Amazon, or similar unexpected events, Amazon is unable to fulfill its Performance Commitments called for herein, or if the same is delayed as a result of such event or events, then the parties hereto agree to extend the time period for Amazon's performance and the time period that the Town will be obligated to make the payments and provide the Incentives as referred to herein to a date to be mutually agreed upon by the Parties hereto based upon the gravity and duration of such unexpected event. Amazon shall give the Town notice of any claimed force majeure as soon as reasonably practicable after the occurrence thereof.

14. **Dispute Resolution and Cooperation.**

a. In the event of litigation for any alleged breach of this Agreement, exclusive jurisdiction and venue for such litigation shall be in the Superior Court of Johnston County, North Carolina, or the United States District Court for the Eastern District of North Carolina.

b. The Town further agrees to reasonably assist Amazon in its present as well as future applications for any incentives, grants and programs that may be or, alternatively, become available from the Town, County and/or the State, and that it will cooperate with Amazon in its defense (should any defense ever be necessary) of this Agreement and/or the Grants made or to be made hereunder, so as to support and in no way undercut same.

c. In the event that any of the incentives or other agreements of the Town are determined to be invalid, the Town agrees that it will, to the extent permitted by law, reasonably provide Amazon with alternative permitted incentives of substantially equal value pursuant to one or more alternative incentive grant programs and the Town shall have no other liability or obligation to Amazon.

15. **Termination by Amazon.** Amazon shall have the option of terminating this Agreement at any time, and from and after termination, no further Grants will be payable by the Town to Amazon.

16. **Notices.**

a. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand (collectively, "Notice") from one party to another, the Notice must be in writing and shall be effective upon the first to occur of (i) actual receipt by the intended recipient, or (ii) the first (1st) business day after it is properly addressed and placed in the custody of a nationally-recognized overnight courier, postage prepaid, for next business day delivery.

b. Each party's address to which such Notices shall be delivered is listed below:

If to Amazon:

Amazon.com Services, Inc.
410 Terry Avenue North
Seattle, Washington 98121
Attn: Vice President, Economic Development
Facsimile: (206) 266-7010

Amazon.com Services, Inc.
2121 7th Avenue
Seattle, Washington 98121
Attn: Economic Development Compliance
E-Mail: economicdevelopment@amazon.com

Amazon.com, Inc.
P.O. Box 81226
Seattle, Washington 98108-1226
Attn: General Counsel & Real Estate
Facsimile: (206) 266-7010

If to the Town: Town of Smithfield
P. O. Box 761
Smithfield, NC 27577
Attention: Greg Siler

With a copy to: Spence & Berkau, PA
P. O. Box 1335
Smithfield, NC 27577

Attention: Robert A. Spence, Jr.

If to the Tax Office: Johnston County Tax Administrator
P. O. Box 368
Smithfield, NC 27577

c. Any party entitled to receive Notice hereunder may change the address which it previously had specified for receiving the same, at any time and from time to time, by delivering a written change notice in accordance with the above provisions to the other party five (5) business days prior to the effective date of such change.

17. **Non-Business Days.** If the last date for performance of any act or the exercising of any right shall not be a Business Day, such action shall be performed or right exercised on or before the next Business Day.

18. **Severability.** If any provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, then: (a) such determination shall not invalidate or render unenforceable any other provision of this Agreement; (b) such provision shall be construed as closely as possible to the parties' original intent in order to render such provision valid or enforceable, as applicable; and (c) the remaining terms hereof, together with such reconstructed provision, shall constitute the parties' entire agreement hereof.

19. **Amendments.** This Agreement shall not be changed except in writing and signed by all the parties.

20. **Binding Effect and Effectiveness.** Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns, notwithstanding changes in corporate or other governance. The Town represents and warrants that it has approved this Agreement and the terms and incentives hereunder and that the terms and incentives hereunder have been, and this Agreement shall further be conditioned upon it being, stamp- certified as having been pre-audited in order to comply with the budgetary accounting requirements (if any) that apply under the Local Government Budget and Fiscal Control Act or otherwise. Such certification is set forth at the end of this Agreement and must be signed by the Town Finance Officer.

21. **Liability of Officers and Agents.** No official, officer, agent or employee of the Town or Amazon shall be subject to any personal liability or accountability by reason of the execution or performance of this Agreement, or any other documents related to the transactions contemplated hereby. Such officials, officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such official, officer, agent or employee from the performance of any official duty provided by law. Each of the Parties represents and warrants that it has the full right and authority to enter into this Agreement, which is binding upon such Party and the successors and assigns of such Party.

22. **Publicity.** The Town shall make no public announcement of the entering into of this Agreement or the terms and conditions hereof without the prior written consent of Amazon.

23. **Public Records.** Notwithstanding any terms or conditions stated herein, the Town is at all times subject to North Carolina laws regarding open meetings and disclosure of public records, and nothing stated herein shall be construed as requiring the Town to violate such laws. Amazon is directed to N.C.G.S. Section 132-1.2, which describes the instances in which confidential information may be withheld from disclosure, the types of information that qualify as confidential information, and the methods for ensuring that confidential information is not disclosed. The responsibility for complying with these methods to avoid disclosure of confidential information lies with Amazon.

24. **Counterparts; Electronic Signatures.** This Agreement may be executed in any number of separate counterparts. Each executed counterpart shall constitute an original, but all of them taken together shall constitute a single document. The signatures of the parties may appear on separate signature pages. This Agreement and any certification, report or other document contemplated hereby may be executed via DocuSign or similar electronic signature service.

25. **Condition Precedent.** It is a condition precedent to any obligations of the Town under this agreement that the Town will have fully annexed the Project Site into the municipality of the Town of Smithfield either by satellite annexation or otherwise.

(Signatures are on the following page.)

SIGNATURE PAGE 1 OF 2
TO ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
BY AND BETWEEN
TOWN OF SMITHFIELD, NORTH CAROLINA
AND AMAZON.COM SERVICES LLC



Shannan Parrish
Shannan Parrish, Town Clerk

TOWN OF SMITHFIELD

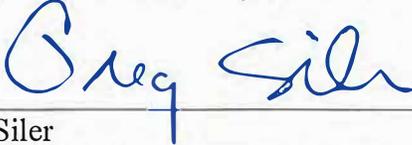
M. Andy Moore
M. Andy Moore, Mayor

AMAZON.COM SERVICES LLC (SEAL)

Holly Sullivan
By: Holly Sullivan, Authorized Representative

SIGNATURE PAGE 2 OF 2
TO ECONOMIC DEVELOPMENT AGREEMENT
BY AND BETWEEN TOWN OF SMITHFIELD, NORTH CAROLINA
AND AMAZON.COM SERVICES LLC

This instrument has been pre-audited to the extent, and in the manner required by, the “Local Government Budget and Fiscal Control Act.”



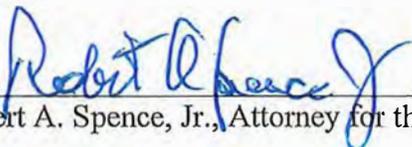
Greg Siler
Town of Smithfield Finance Officer
on behalf of the Town of Smithfield.

This Agreement was approved by the Smithfield Town Council at its meeting held the 10th day of May, 2021.



Michael Scott, Town Manager

This Agreement is legally sufficient as to form and is legally binding on the Town.



Robert A. Spence, Jr., Attorney for the Town of Smithfield

Exhibit A

Project Site

Being all of that 169.674 acre, Tract 1 and that 23.353 acre Tract 2 shown on a Recombination Plat for Samet Corporation by RWK, PA recorded 4/28/2021 in Plat Book 93, page 241 of the Johnston Registry

Exhibit B

Form of Performance Certificate

(Company Letterhead)

_____, 202__

PERFORMANCE CERTIFICATE

To: Town of Smithfield, North Carolina

Attn: Greg Siler, Town Finance Director

This Performance Certificate is furnished pursuant to Section 3 of the Economic Development Incentive Agreement, dated as _____, 2021 (the "Agreement"), by and between the Town of Smithfield ("Town") and Amazon.com Services LLC. (the "Company"). All items herein have the meanings given them in the Agreement.

The Company does hereby certify that:

As of December 31, 202__, Actual Employment at the Facility is _____ and Actual Additional Employment (at the Required Wage) at the Expansion is _____ (___). Attached hereto is a copy of the last Employer's Quarterly Tax and Wage Report filed with the State of North Carolina for the previous calendar year.

As of December 31 202__, the total amount of the Company's Eligible Investments paid or incurred in respect of the Expansion during the Reported Year was \$_____ for personal property additions and the total amount of the Company's Eligible Investments paid or incurred in respect of the Expansion during the Investment Period was \$_____ for personal property additions. Ad valorem Taxes paid with respect to the Eligible Investments for personal property additions during the Reported Year were \$_____.

As of December 31, 202__, the total amount of the Company's Eligible Investments paid or incurred in respect of the Expansion during the Reported Year was \$_____ for real estate improvements and the total amount of the Company's Eligible Investments paid or incurred in respect of the Expansion during the Investment Period was \$_____ for real estate improvements. Ad valorem Taxes paid with respect to the Eligible Investments for real estate improvements during the Reported Year were \$_____.

No changes affecting ad valorem taxes with respect to any Eligible Investments reported in prior years occurred except as follows: _____

The Company was in operation at all times during the Reported Year.

No portion of the sums referred to above was paid or incurred for any improvement to real or personal property other than the Project Site and the Facility.

The Company is at the date hereof in compliance with all applicable terms and conditions of the Agreement as set forth therein.

This the ___ day of _____, 202__.

AMAZON.COM SERVICES LLC

By: _____
Name: _____
Title: _____

**FIRST AMENDMENT TO
ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
(Project XD)**

THIS FIRST AMENDMENT TO ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT (the “**Amendment**”) is entered into this ___ day of November, 2023, by and between the **TOWN OF SMITHFIELD, NORTH CAROLINA**, a legal subdivision of the State of North Carolina (the “**Town**”), and **AMAZON.COM SERVICES LLC**, a Delaware limited liability company (“**Amazon**” or the “**Company**”), each referred to individually as a “**Party**” or collectively as the “**Parties.**”

RECITALS

1. The Town and the Company entered into an Economic Development Incentive Agreement dated as of September 24, 2021 (the “**Agreement**”) relating to the Company’s location of a new multi-purpose warehouse/distribution facility (the “**Facility**”) on a parcel located in the Town of Smithfield in Johnston County, North Carolina more fully described in the Agreement.

2. Due to various macroeconomic issues such as industry-wide supply chain challenges and inflationary pressures, the development of the Facility has been delayed.

3. As a result of the delay, the Company has requested the Town to agree to an eighteen (18) month extension of the Final Investment Milestone and Final Employment Milestone as set forth in the Agreement and the Town has agreed to such extension and to related revisions to the Agreement.

4. The Town and the Company desire to execute this Amendment to evidence their agreement to the extension and other terms set forth herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Town and Amazon agree as follows:

1. Amendments: The Agreement is hereby amended as follows
 - a. The date “December 31, 2023” in the sixth paragraph of the Recitals shall be revised to “June 30, 2025”.
 - b. The definitions of Final Investment Milestone and Final Employment Milestone in Section 1 shall be deleted and the following substituted in lieu thereof:
 - i. Final Investment Milestone: means June 30, 2024.

ii. Final Employment Milestone: means June 30, 2025.

c. The date “calendar year 2022” in Section 2.b. shall be revised to “calendar year 2025”.

d. The date “calendar year 2023” in the first paragraph of Section 3 shall be revised to “calendar year 2025”.

e. The second paragraph of Section 4 shall be deleted and the following substituted in lieu thereof.

“Grants will be paid based only upon ad valorem taxes actually paid and received with respect to property constructed and acquired with Eligible Investments and placed on the Project Site during the Investment Period. Grants shall be paid to Amazon in seven (7) annual installments on or before March 15 of each calendar year for the previous calendar year beginning with the 2025 calendar year. The Grants shall be made based upon the ad valorem taxes paid on the Eligible Investments as they are tracked through the seven (7)-year grant period (the “**Grant Period**”). Year 1 shall mean calendar year 2025 with the first Grant payment payable on or before March 15, 2026, Year 2 shall mean calendar year 2026, Year 3 shall mean calendar year 2027, Year 4 shall mean calendar year 2028, Year 5 shall mean calendar year 2029, Year 6 shall mean calendar year 2030 and Year 7 shall mean calendar year 2031. Each of the Parties has determined, independently, that the assessed property tax value of the Eligible Investments is the most objective means of accounting for the economic benefit to the Town of the Eligible Investments. In quantifying the benefit to the Town, the amount of each Grant shall be measured by and equal to an amount equal to the following specified percentages of the ad valorem taxes paid on the Eligible Investments in the previous year by Amazon (as they are classified for ad valorem taxes as real property or personal property):

Real Property

Tax Year	Grant %
Year 1	90%
Year 2	90%
Year 3	90%
Year 4	80%
Year 5	70%
Year 6	60%
Year 7	50%

Personal Property

Tax Year	Grant %
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	0%
Year 7	0%

f. The date “March 15, 2030” in the sixth paragraph of Section 4 shall be revised to “March 15, 2032”.

g. The date “December 31, 2023” in Section 10.c. shall be revised to “June 30, 2025”.

2. Ratification. The Agreement is hereby ratified and affirmed and, except as amended hereby, shall remain in full force and effect. To the extent that any provision herein shall be deemed to conflict (after reasonable construction of the provisions in order to effectuate their terms) with terms considered to remain effective in the Agreement, then the terms of this Amendment shall be controlling.

3. Binding Effect and Effectiveness. Subject to the specific provisions of the Agreement, the Agreement as amended by this Amendment shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns, notwithstanding changes in corporate or other governance.

4. Counterparts; Electronic Signatures. This Amendment may be executed in any number of separate counterparts. Each executed counterpart shall constitute an original, but all of them taken together shall constitute a single document. The signatures of the parties may appear on separate signature pages. This Amendment and any certification, report or other document contemplated hereby may be executed via DocuSign or similar electronic signature service.

(Signatures are on the following pages.)

SIGNATURE PAGE 1 OF 2
TO FIRST AMENDMENT TO
ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
BY AND BETWEEN
TOWN OF SMITHFIELD, NORTH CAROLINA
AND AMAZON.COM SERVICES LLC

(SEAL)

TOWN OF SMITHFIELD

ATTEST:

Shannan Parrish, Town Clerk

M. Andy Moore, Mayor
Town of Smithfield

AMAZON.COM SERVICES LLC

By: _____

Name: _____

Title: _____

SIGNATURE PAGE 2 OF 2
TO FIRST AMENDMENT TO
ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
BY AND BETWEEN TOWN OF SMITHFIELD, NORTH CAROLINA
AND AMAZON.COM SERVICES LLC

This instrument has been pre-audited to the extent, and in the manner required by, the “Local Government Budget and Fiscal Control Act.”

Greg Siler
Town of Smithfield Finance Officer
on behalf of Smithfield, North Carolina

This Amendment was approved by the Smithfield Town Council at its meeting held the ___ day of __ November __, 2023.

M. Andy Moore, Mayor
Town of Smithfield, NC

This Agreement is legally sufficient as to form and is legally binding on the Town.

Robert Spence, Jr.
Town Attorney



Request for Town Council Action

Business	Fire
Agenda	Funding
Item	Supplement
Date:	11/14/2023

Subject: Fire Funding Supplement
Department: Fire Department
Presented by: Fire Chief – Jeremey Daughtry
Presentation: Business Agenda Item

Issue Statement

Consideration and request for approval to create three Firefighter positions with the use of the Fire Funding Supplement.

Financial Impact

The approval of this item would have no affect on the current budget. These funds are provided through the Fire Funding Supplement.

Action Needed

Approval of three Firefighter positions.

Recommendation

Staff respectfully requests the Town Council to approve the three additional Firefighter positions.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report



Staff Report

Business Agenda Item Fire Funding Supplement

The Fire Funding Supplement was developed to create a positive impact on fire protection services in Johnston County. The funding of this supplement is intended to provide the Smithfield Fire Department with an additional \$214,000, annually, paid to the Town of Smithfield in twelve equal payments which began in July, 2023. Careful consideration was placed on the use of these funds to provide a positive impact to the customers of Smithfield while ensuring this supplement would be recurring for years to come and could be used as such.

The current staffing model of the Smithfield Fire Department provides three 24-hour shifts with six personnel per shift, three of which are housed at Station 1 and three at Station 2. If approved, the additional positions would increase the number of personnel to seven per shift. The additional Firefighter will be housed at Station 1.

The table below was provided by the Finance Department and is based on the current pay scale for a Firefighter I.

Annual Gross	\$41,910.96
FICA	\$3,206.19
State Retirement	\$5,406.51
Medical & Dental	\$9,974.88
401K Match Max (election dependent)	\$1,257.33
Annual Total Payroll Cost	\$61,755.87

These figures are based off of the percentages below with a set dollar amount for both medical and dental on employer paid insurance contributions (amounts for “employee only” elections).

FICA	7.65%
State Retirement	12.90%
401K Match Max (election dependent)	3.00 %

The recurring annual payroll cost of the addition of three Firefighter positions based on the current pay scale is \$185,267.61. If approved to create three new positions and considering the amount of time needed for the process of hiring for the positions, it is likely it will be January 2024 before the new employees would start.

The addition of three new Firefighter positions will be accompanied by an initial cost for turnout gear/uniforms. The initial cost for the gear/uniforms will be \$5,500.00 per employee.

The table below shows the needed funds for the personnel beginning in January, 2024

	Per FF	3 FF's
6 Months Compensation	\$ 30,877.94	\$ 92,633.81
Gear/Uniforms	\$ 5,500.00	\$ 16,500.00
Total for FY24	\$ 36,377.94	\$ 109,133.81



Request for Town Council Action

Consent PD
Agenda Incentive
Item:
Date: 11/14/2023

Subject: Police Department hiring and retention incentives
Department: Police Department
Presented by: **Chief of Police - Pete Hedrick**
Presentation: Business **Agenda Item**

Issue Statement

The Police Chief is requesting to use lapsed salary monies to fund hiring and retention incentives. The police department is currently allocated 37 full time law enforcement positions and 5 civilian positions. 24 of the law enforcement positions are currently staffed (with 2 in BLET) leaving 13 open spots. To assist with filling these positions and help ensure that we retain the personnel we have the Police Chief is requesting a hiring incentive of \$5000 and a retention incentive of \$7500.

Financial Impact

Covered by existing budget and lapsed salary

Action Needed

Approve or deny request.

Recommendation

Approve.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. **Supporting Information**



Staff Report

Business
 Agenda PD
 Item: Incentive

The Police Chief is recommending:

- Hiring incentive of \$5000 for anyone with BLET training. Paid in two installments \$2500 at hiring and \$2500 upon successful completion of FTO.
- Retention incentives:
 - a. \$7500 law enforcement over a year employment
 - b. \$5000 law enforcement less than a year not off FTO.
 - c. \$2000 part time officer, animal control, civilian positions and currently enrolled in BLET (paid in two installments \$1000 graduation from BLET and \$1000 after successful completion of FTO)
 - d. \$5000 supervisory civilian position

All monies would be paid to the employee over a year in two installments and have a repayment requirement if the employee leaves or is terminated within one year.

Chief	0	Officer	7500
Asst Chief	0	Officer	7500
Capt	7500	Officer	7500
LT	7500	Officer	7500
LT	7500	Officer	7500
LT	7500	Officer	7500
Sgt	7500	SRO	7500
Sgt	7500	PT ACO	2000
Sgt	7500	PT Officer	2000
Sgt	7500	PT Officer	2000
LT	7500	BLET	5000
Sgt	7500	PT Officer	2000
Det	7500	PT Officer	2000
Officer	7500	BLET	2000
Officer	7500	Admin	2000
Officer	7500	Admin	2000
Officer	7500	Accreditation	5000

\$191,000 retention incentive
 \$ 50,000 Hiring incentive
 Total=\$241,000



SMITHFIELD POLICE DEPARTMENT

110 S. Fifth Street • Smithfield, NC 27577
Phone: (919) 934-2121 • Fax: (919) 934-0223



Chief P. R. Hedrick

Smithfield Police Department finds itself at a very critical time for its future. We are currently down 13 positions. We have suspended our Narcotics unit and currently have only 3 officers assigned to detectives' duties. This places most of the workload on our road patrol officers, who are already running short-handed. Cases that should be assigned to detectives for follow up are being worked by patrol. While we see some light at the end of the tunnel, we currently have 4 officers awaiting completion of BLET or approval from the State. If these officers successfully complete our FTO program, which is not a guarantee, we will still be 9 positions down.

We simply cannot afford to lose any personnel at this pivotal juncture. The remaining staff members have been struggling with this staffing shortage, and to their credit have remained with the Town. The profession of law enforcement is filled with stressors, being shorthanded is a major contributor to job dissatisfaction and burnout. Over the last several years the Officers and civilian staff have been tasked to do more with less. The competition for law enforcement officers has never been higher. Officers now have many more options when looking for employment.

I have studied the hiring landscape for law enforcement officers in North Carolina and have seen that Hiring Incentives are now commonplace. They range from \$2000 to \$12000. To become competitive with other law enforcement agencies I suggest that we offer a \$5000 signing bonus to new employees that are currently BLET certified.

A look at how State and Federal governments are attempting to retain employees shows that they commonly pay a retention bonus to people in hard to fill positions. The range is between 15-50% of the employee's annual salary. I had our Towns finance director provide me the average salary of the police departments employees, \$64,173.12 and calculated that 15% was \$9625.13. I suggest that we pay our police officers a one-time \$7500 retention incentive. Which will send the message we desperately need them to hear, that they are valued, and we need and want them to stay here. The support staff that allows our office to function effectively and efficiently should also be paid with ranges between \$2000 and \$5000 depending on their job. These incentives, when paid out over a one-year time span, will also help stabilize our workforce during this critical rebuilding phase.

Thank you for your consideration concerning this matter.
Police Chief Pete Hedrick



Request for Town Council Action

Business Agenda Item: Acceptance of SDF Analysis
Date: 11/14/2023

Subject: Acceptance of System Development Fee (SDF) Analysis

Department: Public Utilities

Presented by: Public Utilities Director – Ted Credle

Presentation: Business Agenda Item

Issue Statement

In 2018 and in accordance with North Carolina Law, the Town hired a competent firm to provide analysis for the establishment of System Development Fees (SDF). The SDF are a mechanism to ensure that future growth is **"paid for" by those involved in the growth**, rather than existing customers. Part of the legislation mandated that the analysis must be updated at intervals not greater than five (5) years. the Town asked the same firm to complete the update and the findings are being presented.

Financial Impact

The SDF analysis recommends a new set of fees.

Action Needed

Council should accept the analysis and allow 45 days for public comment. At the end of 45 days, Council will hold a public hearing and may enact any, or all, of the recommended fees, up to the level designated by the analysis.

Recommendation

Staff recommends Council to accept the analysis, post the analysis for 45 days and enact the recommended new level of SDF.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. Completed SDF Analysis, with recommendations
3. Original SDF Analysis



Staff Report

Business Acceptance
 Agenda of SDF
 Item: Analysis

In accordance with North Carolina General Statute 162A-209 (c), the Town is updating the system development fee analysis. In 2018, the Town undertook the original analysis and adopted these fees in accordance with NC Law. In accordance with this process, the Town has committed to update the analysis at an interval not to exceed 5 years. With the completion of the Water Plant Improvement project and the resulting debt service, staff felt **this was an opportune time to “update” the analysis.**

The consulting firm (Envirolink) that performed the original analysis was engaged to perform the update. Envirolink has completed the analysis and in accordance with NC Law 162A-209 (a), the Town will hear the analysis and post publicly for not less than 45 days. During this time, the public is invited to ask questions and offer feedback on the analysis. This feedback will be forwarded to the Envirolink for consideration.

At the end of the public posting, the Council may conduct a public hearing prior to considering adoption of the fees, modified, or revised.

Staff is asking for the Council to accept the analysis, post the analysis on the Town website, and then conduct a public hearing at the December meeting to consider adopting the recommended fees.

The **comparison of existing fees and the new, proposed fees. We included a 3” category this round, as we have had some interest, commercially, in such a size.**

Water Meter Size	Current Fee Water	Current Fee Sewer	Proposed Fee Water	Proposed Fee Sewer
5/8"	\$420.00	\$230.00	\$595.00	\$763.00
3/4"	\$650.00	\$350.00	\$893.00	\$1,145.00
1"	\$1,100.00	\$600.00	\$1,480.00	\$1,908.00
1-1/2"	\$2,200.00	\$1,200.00	\$2,975.00	\$3,815.00
2"	\$3,500.00	\$1,900.00	\$4,760.00	\$6,104.00
3"			\$8,925.00	\$11,445.00
4"	\$11,000.00	\$6,000.00	\$14,875.00	\$19,075.00
6"	\$22,000.00	\$12,000.00	\$29,750.00	\$38,150.00

Town of Smithfield
Johnston County, North Carolina

System Development Fee Analysis

PROVIDED BY:



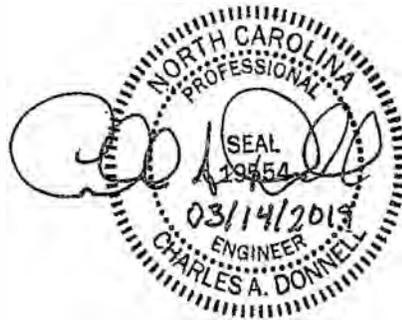
ENVIROLINK

March 14, 2019

Town of Smithfield

System Development Fee Analysis

March 14, 2019



[seal]

OVERVIEW

The Town of Smithfield (Town) retained EnviroLink, Inc. to prepare a System Development Fee (SDF) analysis for Town's Water and Waste Water utility systems in order to evaluate the potential level of a SDF fee if implemented as part of the Town's Rate and Fee schedule.

This SDF is developed in accordance with and to meet the requirements of General Statute 162A; Article 8; System Development Fees. System development fees are one-time charges that may be used to fund capital improvements necessary for the expansion of a utility system or to properly allocate the capital investment made by existing customers on utility system that is available to serve new development or a combination thereof. The Town cannot implement or continue any form of "system development" charges or fees unless they are developed, reviewed, approved and administered in accordance with Article 8. The scope of this analysis is limited to the development of a calculated maximum appropriate SDF, should the Town wish to implement a SDF under Article 8.

The SDF developed within this analysis, for both water and waste water, is based on Equivalent Residential Units (ERU) and an appropriate valuation of existing and planned (approved) facilities to be used by new development. The SDF, upon proper review and approval, can be implemented as a charge to be applied under the authority granted to the Town in accordance with General Statute 162A; Article 8; System Development Fees. (Subject to the appropriate Posting, Notice, Public Hearing and accounting requirements of Article 8.)

Other types (sizes) of connections are herein evaluated on an individual basis with respect to the capacity proportional to ERU and the SDF for other size connections. This analysis provides a SDF schedule for other size connections in accordance with established standards.

The SDF developed within this analysis for the Town, is based on information provided by the Town, is reasonably related to the capital facility demands of new development and / or the value of the existing system and/or proposed expansions of the system to be made available for new development. This report documents the data, methodology, assumptions and results of the requested SDF analysis.

The maximum SDF per Equivalent Residential Unit (ERU) calculated for the Town as provided by this analysis is \$443.67 for the Water System and \$241.19 for the Waste Water System. The details and components are provided in the following analysis.

SYSTEM INFRASTRUCTURE

The following information was provided by the Town's staff in January, 2019 or obtained from information provided to the Division of Water Resources Local Water Supply Plan for 2017.

The Town's Water System contains over 116 miles of distribution system lines and over 5,703 retail customers. The Town has a river withdrawal permit limit of 6.2 Million Gallons per Day (MGD) and has never exceeded that amount. The Town had a Maximum Daily Use of 5.05 MGD during August 2017 and a calculated Average Daily Use of 3.428 MGD during 2017. In addition to the Town's water use, the Town provides approximately 2.0 MGD in Water sales to Johnston County Utilities via a 16 inch connection. The Town maintains approximately 2 million gallons of potable water storage facilities throughout the system. The Town assumes that the distribution system can convey all permitted water and uses 6.2 MGD as the operational capacity for planning purposes.

The Town's Waste Water system consists of over 85 miles of gravity pipes and 6 miles of force mains. The Waste Water system conveys an average of 2.0 MGD and a peak of 3.4 MGD to the Johnston County Utilities Waste Water Treatment Plant. The Town operates 18 lift stations with a combined capability of approximately 9.0 MGD, which have an assumed operational limit of 7.2 MGD.

The Town has several ongoing capital projects for which funds have been expended and principal payments have been made that are not in the Inventory of Assets. The principal payments on these projects have been included as the basis for the Incremental SDF calculation and include the following:

- (1) I&I Sand Removal - Waste Water Project - \$1.43 M - Principal to Date \$317,594.79
- (2) Various Water & Waste Water Projects - \$1.182 M - Principal to Date \$273,076.18
- (3) Booker Dairy Road Relocation - Water Project - \$2.037 M - Principal to Date \$412,638.74

In addition, during June 2018, the Town completed a 10 Year Capital Improvement Plan (CIP) for the Water and Waste Water system. The CIP outlines major capital projects and the Town is proceeding with obtaining financing for a number of these projects; however no financing has been completed for these projects.

REGULATORY REQUIREMENTS

In accordance with SESSION LAW 2017-138 HOUSE BILL 436 - AN ACT TO PROVIDE FOR UNIFORM AUTHORITY TO IMPLEMENT SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEMS IN NORTH CAROLINA AND TO CLARIFY THE APPLICABLE STATUTE OF LIMITATIONS; General Statute 162A; Article 8; System Development Fees was enacted wherein a "system development fee" is described as:

162A-201. Definitions.

(9) System development fee. – A charge or assessment for service imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs, as provided in this Article. The term includes amortized charges, lump-sum charges, and any other fee that functions as described by this definition regardless of terminology. The term does not include any of the following:

- a. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.
- b. Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.
- c. Availability charges.
- d. Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.
- e. Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c).

In addition, General Statute 162A; Article 8; System Development Fees provides that the SDF analysis meet the following conditions:

162A-205. Supporting analysis.

A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

- (1) Is prepared by a financial professional or a licensed professional engineer qualified by experience and training or education to employ generally accepted accounting, engineering, and planning methodologies to calculate system development fees for public water and sewer systems.
- (2) Documents in reasonable detail the facts and data used in the analysis and their sufficiency and reliability.
- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article.
- (4) Documents and demonstrates the reliable application of the methodologies to the facts and data, including all reasoning, analysis, and interim calculations underlying each identifiable component of the system development fee and the aggregate thereof.
- (5) Identifies all assumptions and limiting conditions affecting the analysis and demonstrates that they do not materially undermine the reliability of conclusions reached.
- (6) Calculates a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand.
- (7) Covers a planning horizon of not less than 10 years nor more than 20 years.
- (8) Is adopted by resolution or ordinance of the local governmental unit in accordance with G.S. 162A-209.

The "service unit of new development" is based on the following definition:

162A-201. Definitions.

- (8) Service unit. – A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards.

In addition, there are certain minimum requirements required by the statute.

162A-207. Minimum requirements.

- (a) Maximum. – A system development fee shall not exceed that calculated based on the system development fee analysis.
- (b) Revenue Credit. – In applying the incremental cost or marginal cost, or the combined cost, method to calculate a system development fee with respect to water or sewer capital improvements, the system development fee analysis must include as part of that methodology a credit against the projected aggregate cost of water or sewer capital improvements. That credit shall be determined based upon generally accepted calculations and shall reflect a deduction of either the outstanding debt principal or the present value of projected water and sewer revenues received by the local governmental unit for the capital improvements necessitated by and attributable to such new development, anticipated over the course of the planning horizon. In no case shall the credit be less than twenty-five percent (25%) of the aggregate cost of capital improvements.

(c) Construction or Contributions Credit. – In calculating the system development fee with respect to new development, the local governmental unit shall credit the value of costs in excess of the development's proportionate share of connecting facilities required to be oversized for use of others outside of the development: No credit shall be applied, however, for water or sewer capital improvements on-site or to connect new development to water or sewer facilities.

AUTHORIZATION AND IMPLEMENTATION

The SDF proposed by the Town is authorized by General Statute 162A; Article 8; System Development Fees:

162A-203. Authorization of system development fee.

(a) A local governmental unit may adopt a system development fee for water or sewer service only in accordance with the conditions and limitations of this Article.

(b) A system development fee adopted by a local governmental unit under any lawful authority other than this Article and in effect on October 1, 2017, shall be conformed to the requirements of this Article not later than July 1, 2018.

Town is required by General Statute 162A; Article 8; System Development Fees to implement and maintain the proposed SDF through the following process:

162A-209. Adoption and periodic review.

(a) For not less than 45 days prior to considering the adoption of a system development fee analysis, the local governmental unit shall post the analysis on its Web site and solicit and furnish a means to submit written comments, which shall be considered by the preparer of the analysis for possible modifications or revisions.

(b) After expiration of the period for posting, the governing body of the local governmental unit shall conduct a public hearing prior to considering adoption of the analysis with any modifications or revisions. (c) The local governmental unit shall publish the system development fee in its annual budget or rate plan or ordinance. The local governmental unit shall update the system development fee analysis at least every five years.

COLLECTION AND USE OF REVENUE FROM SDF

162A-211. Use and administration of revenue.

(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:

(1) Costs of constructing capital improvements including, and limited to, any of the following:

- a. Construction contract prices.
- b. Surveying and engineering fees.
- c. Land acquisition cost.
- d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.

(2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.

(3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.

(b) Revenue from system development fees calculated using the buy-in method may be expended for previously completed capital improvements for which capacity exists and for capital rehabilitation projects. The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments.

(c) A local governmental unit may pledge a system development fee as security for the payment of debt service on a bond, note, or other obligation subject to compliance with the foregoing limitations.

(d) System development fee revenues shall be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section.

The Town is allowed to collect the SDF in when the following conditions are met:

162A-213. Time for collection of system development fees.

For new development involving the subdivision of land, the system development fee shall be collected by a local governmental unit either at the time of plat recordation or when water or sewer service for the subdivision or other development is committed by the local governmental unit. For all other new development, the local governmental unit shall collect the system development fee at the time of application for connection of the individual unit of development to the service or facilities.

SYSTEM DEVELOPMENT FEE CALCULATION METHODOLOGY

The following methodology was used to calculate the System Development Fee Buy-In component for this analysis:

$$\frac{\text{SYSTEM CAPACITY (GPD)}}{\text{(GPD)/ EQUIVALENT RESIDENTIAL UNIT}} = \frac{\text{TOTAL EQUIVALENT RESIDENTIAL UNITS (SYSTEM)}}{\text{(Based on Capacity of Each System)}}$$

$$\frac{\text{SYSTEM VALUE (REPLACEMENT COST NEW LESS DEPRECIATION- ADJUSTED FOR DEBT, ETC.)}}{\text{TOTAL EQUIVALENT RESIDENTIAL UNITS (SYSTEM CAPACITY)}} =$$

$$= \text{SYSTEM DEVELOPMENT FEE (BUY-IN) / EQUIVALENT RESIDENTIAL UNIT}$$

The following methodology was used to calculate the System Development Fee Incremental component for this analysis:

$$\frac{[\text{TOTAL PROJECT COST (TO DATE) - INTEREST (TO DATE)] = \text{TOTAL PRINCIPAL (TO DATE)}}{\text{TOTAL EQUIVALENT RESIDENTIAL UNITS (SYSTEM CAPACITY)}} =$$

$$= \text{SYSTEM DEVELOPMENT FEE (INCREMENTAL) / EQUIVALENT RESIDENTIAL UNIT}$$

DEVELOPMENT FEE CALCULATION METHODOLOGY - BUY-IN ASSET VALUATION

In accordance with General Statute 162A; Article 8; System Development Fees; (162A-205. Supporting analysis)... "A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article."

The 7th edition of AWWA's "Principles of Water Rates, Fees, and Charges" documents methods used to calculate system value using descriptions similar to those in GS162A; Article 8. AWWA defines the most common options to determine the value for system development charges include the "buy-in method", "incremental cost method" and "combined approach". These terms are:

- " 1. The buy-in method is based on the value of the existing system's capacity. This method is typically used when the existing system has sufficient capacity to serve new development now and into the future.
2. The incremental cost method is based on the value or cost to expand the existing system's capacity. This method is typically used when the existing system has limited or no capacity to serve new development and new or incremental facilities are needed to serve new development now and into the future.

3. The combined approach is based on a blended value of both the existing and expanded system's capacity. This method is typically used where some capacity is available in parts of the existing system (e.g., source of supply), but new or incremental capacity will need to be built in other parts (e.g., treatment plant) to serve new development at some point in the future."

AWWA's "Principles of Water Rates, Fees and Charges" documents several options to calculate the value of the existing system's capacity.

"Validation and system equity. There are different methods used to establish a value to the existing assets under the buy-in methodology. If the existing assets are valued at their original cost or depreciated original cost, this is often referred to as the original cost method. An alternative valuation approach is to value the existing assets at a replacement cost or a depreciated replacement cost. This is commonly referred to as the replacement cost method. According to the replacement cost method, the existing system components are valued at the current-day cost of replicating the existing assets. This is typically accomplished through the use of a construction cost index or other comparable valuation method to bring the historical costs up to current-day value. In summary form the four valuation approaches for system assets under the buy-in method are as follows:

1. Original cost (OC) is the cost of construction in the year of construction.
2. Original cost less accumulated depreciation (OCLD) is also known as the net book value of the system assets.
3. Replacement cost new (RCN) is the original cost escalated to current-day dollars, providing an estimate of the current-day cost of replicating the existing facilities.
4. Replacement cost new less depreciation (RCNLD) is the original cost escalated to current-day dollars, less accumulated replacement cost depreciation. This provides an estimate of the current-day cost of duplicating the existing facilities that is then adjusted by an estimate of the replacement cost depreciation, resulting in a replacement cost valuation that reflects the remaining depreciable life of the facility."

"A combination of the approaches may also be used. Using the OC and OCLD valuations, the SDC reflects the original investment in the existing capacity. The new customer "buys in" to the capacity at the OC or the net book value cost (OCLD) for the facilities and as a result pays an amount similar to what the existing customers paid for the capacity (OC) or the remaining value of the original investment (OCLD)."

"Using the RCN and the RCNLD valuations, the SDC [System Development Charge] reasonably reflects the cost of providing new expansion capacity to customers as if the capacity was added at the time the new customers connected to the water system. It may also be thought of as a valuation method to fairly compensate the existing customers for the carrying costs of the excess capacity built into the system in advance of when the new customers connect to the system. This is because, up to the point of the new customer connecting to the system, the existing customers have been financially responsible for the carrying costs of that excess capacity that is available for development.

System liabilities and equity. Balance-sheet liabilities and equity that are recognized in the valuation method should equitably address the issue of the outstanding principal portion of long-term debt. When debt is issued to finance a growth- or expansion-related project, the principal portion of the debt service will be repaid over time, possibly through a customer's

rates after connection to the system and payment of an SDC. Given that, a debt credit may be applicable to avoid the potential double-charging of these debt costs through both the SDC and user rates. In a situation where the SDC is separated into functional components (source of supply, treatment, pumping, transmission, etc.), the analysis may provide these debt credits at the functional level or on a combined system level at the end of the analysis."

"Valuation adjustments may be necessary if grants or other contributions were used to develop the capacity-related facilities or if a facility is replaced and the resulting replacement provides additional capacity to accommodate future customers. This may be addressed within the valuation process by determining the percentage of the asset eligible for the SDC (i.e., percent SDC eligible). For example, if grants were provided specifically for the water treatment facilities, these grant contributions should be credited to the value (cost) of those specific facilities, and the grant-related portion of the water treatment plant's value should not be included in the SDC."

In addition, GS 162A-211 "Use and administration of revenue" paragraph (b) states "The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments." Therefore, the AWWA methodologies of OCLD or RCNLD meets the requirements of this section.

The "buy-in" methodology is used to value the existing infrastructure and the valuation of the complete infrastructure is based on Replacement Cost New Less Depreciation (RCNLD) to properly address the "carrying costs" of the existing system infrastructure borne by the existing customers.

Each system's value is then divided by the Town's total ERU for water or waste water based on each system's capacity to determine the Buy -In SDF / ERU.

SYSTEM DEVELOPMENT FEE CALCULATION METHODOLOGY - INCREMENTAL ASSET VALUATION

The "incremental cost" methodology is used when additional facilities are needed to provide capacity due to additional growth or maintain service to ensure system reliability. During the development and construction of the additional facilities, these projects under construction would not be included as current capital assets of the Town. However, funds have been expended by the Town and revenues have been collected from the Town's existing customers for these facilities. These revenues have recouped costs to date for payments for actual equipment or facilities or the payment to date of principal and interest as part of the project financing. As a result, the existing customers, through the rates, have made a principal investment in the new projects which may not be included in the existing assets.

Therefore, it is appropriate to incorporate the valuation funds expended for these projects into the development of the SDF costs in order adequately address principal investment made by the existing customers. The SDF analysis methodology used sums the principal paid to date for existing capital expenditures that are not included in the Asset Inventory and excludes interest paid to date and other contributions for approved and implemented projects. This adequately addresses the requirements of Article 8 for the exclusion of interest and other contributions .

The "incremental cost" methodology described above is used to value facilities that are approved, for which funds have been expended and that are not included in the assets used by the "buy-in" methodology described in the preceding section.

Each system's value of principal payments for ongoing projects is then divided by the Town's total ERU for water or waste water based on each system's capacity to determine the Incremental SDF / ERU. For the comparison of the credit related to the Incremental SDF, the total payments to date by the existing customers is divided by the Town's existing ERU for water or wastewater based on the Town's maximum usage to date. This provides a more accurate comparison to the costs incurred by the existing customer base for the ongoing projects compared to the calculated Incremental SDF / ERU for new customers.

EQUIVALENT RESIDENTIAL UNIT TOTAL

In accordance with GS 162A-205 (6); the analysis is required to calculate "... a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand." GS 162A-201(8) defines Service unit as "A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards."

For this analysis, the SDF per ERU is based on the Total Equivalent Residential Units by Capacity for the Town. The Equivalent Residential Unit (ERU) is based on a demand of 360 gallons per day (GPD) for Waste Water use. (*NC Administrative Code 15A NCAC02T.0114 for a three-bedroom home based on 120 GPD per bedroom). The Total ERUs for water or wastewater is determined by dividing the system capacity GPD by the single ERU demand of 360 GPD for waste water or 400 GPD for water (assumes 90 percent pass through to waste water). This determines the Total ERU capable of being served by each system.

Total Equivalent Residential Units by Capacity

Water	System Capacity MGD	6.200 MGD
	System Capacity GPD	6,200,000 GPD
	Equivalent Residential Unit GPD *	<u>400 GPD / ERU</u>
	Total Equivalent Residential Units by Capacity	15,500 ERU (Capacity Based)
* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom		/ 0.9

Total Equivalent Residential Units by Capacity

Waste Water	System Capacity MGD	7.200 MGD
	System Capacity GPD	7,200,000 GPD
	Equivalent Residential Unit GPD	<u>360 GPD / ERU</u>
	Total Equivalent Residential Unit by Capacity	20,000 ERU (Capacity Based)

* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom

CALCULATION FOR VARIOUS CATEGORIES OF DEMAND

The analysis is also required to provide an equivalency or conversion table for use in determining the fees applicable for various categories of demand. The SDF for larger meters is determined by the SDF per ERU times the Capacity Factor for larger meters. The Capacity Factor methodology is consistent with industry standards and represent a reflection of the possible demand, and therefore capital cost of providing service for different meter sizes. The AWWA based Capacity Factor chart below is used to calculate SDF for "various categories of demand" which is based on the installed tap / meter size.

Meter Size	AWWA (capacity)	Capacity Factor
5/8 inch	20	1.00
3/4 inch	30	1.50
1 inch	50	2.50
1-1/2 inch	100	5.00
2 inch	160	8.00
3 inch	300	15.00
4 inch	500	25.00
6 inch	1,000	50.00
8 inch	1,600	80.00
10 inch	2,300	115.00
12 inch	4,300	215.00

CALCULATED SYSTEM DEVELOPMENT FEE

The calculated SDF shown below for the Town was developed using the System Development Fee Methodology described previously for the Buy-In and Incremental portions and utilizes the utility asset and capacity information provided by the Town. A SDF can be implemented after completing the required posting, notice and public hearing requirements, which includes addressing any comments received during the posting period. The Town can choose to implement a SDF that is less than or equal to the calculated SDF (Buy-In, Incremental or Total) as determined by this analysis.

Water System	Capital Assets	Equivalent Residential Unit (ERU) SDF Incremental Cost / ERU (Principal to Date)	(Buy In) (Incremental)	\$ \$	406.88 36.79
Water System	System Development Fee per ERU			\$	443.67
Waste Water System	Capital Assets	Equivalent Residential Unit (ERU) SDF Incremental Cost / ERU (Principal to Date)	(Buy In) (Incremental)	\$ \$	219.53 21.66
Waste Water System	System Development Fee per ERU			\$	241.19
Total System Development Fee per ERU				\$	684.86
RCNLD & Total Equivalent Residential Units by Capacity					

Meter Size	AWWA (GPM capacity)		Waste Water		
	Capacity Factor	Water SDF	SDF	Total SDF	
5/8 inch	20	1.00	\$ 443.67	\$ 241.18	\$ 684.86
3/4 inch	30	1.50	\$ 665.51	\$ 361.78	\$ 1,027.28
1 inch	50	2.50	\$ 1,109.18	\$ 602.96	\$ 1,712.14
1-1/2 inch	100	5.00	\$ 2,218.36	\$ 1,205.92	\$ 3,424.28
2 inch	160	8.00	\$ 3,549.37	\$ 1,929.47	\$ 5,478.85
3 inch	300	15.00	\$ 6,655.07	\$ 3,617.77	\$ 10,272.84
4 inch	500	25.00	\$ 11,091.79	\$ 6,029.61	\$ 17,121.40
6 inch	1,000	50.00	\$ 22,183.58	\$ 12,059.22	\$ 34,242.80

Note: Individual Residential Units to be charged at 5/8" rate regardless of actual meter size

NOTE: Commercial, Industrial, Institutional, and Irrigation meters maximum should be based actual meter / tap size.

CALCULATION OF SYSTEM DEVELOPMENT FEES (Buy-In)

The following charts show the calculation of each system's (Water or Waste Water) Replacement Cost New Less Depreciation, adjusted for outstanding debt, and adjusted for any assets currently in service but not included in the most recent Audited assets to determine the system asset value. The asset value for each system is then divided by the total Equivalent Residential Units (ERU) of capacity for that system to determine the SDF per ERU.

WATER ASSETS AND SDF CALCULATION

CODE	Smithfield Water System Asset Description	[1] Original Cost	[2] Dep Yrs	[3] Accrued Depreciation	[4] Yr Install	[5] % Dep	[6] Ins Yr Index	[7] 2018 Index	[8] RCN Factor	[9] RCN	[10] RCNLD
37	NEW WATER PLANT AND PUM	\$ 2,500,000.00	30	\$ 2,319,443.61	1988	92.8%	89.9	227.3	2.528	\$ 6,320,912.12	\$ 456,512.43
38	ALUM SLUDGEHANDLINGFA	\$ 8,373.36	50	\$ 2,986.79	1998	35.7%	115.1	227.3	1.975	\$ 16,535.75	\$ 10,637.42
45	WATER PUMPING STATIONN	\$ 205,000.00	30	\$ 190,193.61	1988	92.8%	89.9	227.3	2.528	\$ 518,314.79	\$ 37,435.96
47	IMPROVEMENTS TO WATER P	\$ 205,762.00	30	\$ 85,734.13	2005	41.7%	151.6	227.3	1.499	\$ 308,507.27	\$ 179,962.63
149	MOTOR J. CO PUMP STATION	\$ 5,000.00	50	\$ 2,741.09	1989	54.8%	92.1	227.3	2.468	\$ 12,339.85	\$ 5,574.92
177	DECHLORINATION SYSTEM	\$ 22,609.00	30	\$ 9,420.38	2005	41.7%	151.6	227.3	1.499	\$ 33,898.59	\$ 19,774.23
186	R WIN TAKE ENGINE REBUILD	\$ 30,056.01	10	\$ 23,794.33	2009	79.2%	180.1	227.3	1.262	\$ 37,932.99	\$ 7,902.72
188	STREAMING CURRENT MONIT	\$ 12,500.00	10	\$ 8,333.33	2010	66.7%	183.5	227.3	1.239	\$ 15,483.65	\$ 5,161.22
189	BACKWASH PUMP	\$ 57,959.13	10	\$ 34,775.46	2011	60.0%	191.2	227.3	1.189	\$ 68,902.25	\$ 27,560.92
190	ECLIPSE SAMPLING STATION	\$ 10,425.45	10	\$ 6,081.54	2011	58.3%	191.2	227.3	1.189	\$ 12,393.85	\$ 5,164.07
191	REPAIR FLOCCULATOR GEARBO	\$ 4,898.79	7	\$ 4,024.02	2011	82.1%	191.2	227.3	1.189	\$ 5,823.72	\$ 1,039.93
192	BACKFLOW INSTALL	\$ 5,368.00	7	\$ 4,153.82	2012	77.4%	194.6	227.3	1.168	\$ 6,270.02	\$ 1,418.21
194	DOUBLE WALL DAY TANK 25	\$ 17,605.00	10	\$ 8,215.67	2012	46.7%	194.6	227.3	1.168	\$ 20,563.29	\$ 10,967.08
195	INSTAVALVE UNIT COMPLETE	\$ 38,555.00	10	\$ 12,530.38	2014	32.5%	204.9	227.3	1.109	\$ 42,769.90	\$ 28,869.67
198	TANK - 20,000 GAL FERRIC SUL	\$ 27,850.00	10	\$ 7,658.75	2014	27.5%	204.9	227.3	1.109	\$ 30,894.61	\$ 22,398.59
200	SOLAR BEE GS-12 MIXER	\$ 15,658.00	10	\$ 3,262.08	2015	20.8%	206.2	227.3	1.102	\$ 17,260.25	\$ 13,664.37
204	TMH ANALYZER	\$ 32,500.00	10	\$ 6,500.00	2015	20.0%	206.2	227.3	1.102	\$ 35,825.65	\$ 28,660.52
206	LAB TOC ANALYZER	\$ 23,500.00	10	\$ 4,700.00	2015	20.0%	206.2	227.3	1.102	\$ 25,904.70	\$ 20,723.76
207	GENERATOR/VFDs	\$ 97,700.00	10	\$ 12,212.50	2016	12.5%	207.3	227.3	1.096	\$ 107,125.95	\$ 93,735.21
208	STORAGE TANK 10,500 GAL (1	\$ 11,067.66	10	\$ 276.69	2017	2.5%	213.6	227.3	1.064	\$ 11,777.52	\$ 11,483.09
209	STORAGE TANK 10,500 GAL (2	\$ 11,067.66	10	\$ 276.69	2017	2.5%	213.6	227.3	1.064	\$ 11,777.52	\$ 11,483.09
212	MCC CABINET	\$ 25,000.00	10	\$ 2,500.00	2016	10.0%	207.3	227.3	1.096	\$ 27,411.96	\$ 24,670.77
213	HYDROGRITTER	\$ 54,344.00	10	\$ 5,434.40	2016	10.0%	207.3	227.3	1.096	\$ 59,587.03	\$ 53,628.33
214	SLUDGE PRESS	\$ 83,000.00	10	\$ 4,841.67	2016	5.8%	207.3	227.3	1.096	\$ 91,007.72	\$ 85,698.93
215	SLUDGE PRESS PUMP	\$ 15,617.00	10	\$ 1,301.42	2016	8.3%	207.3	227.3	1.096	\$ 17,123.71	\$ 15,696.73
216	PUMP 50 HP FAIRNU PUMP STA	\$ 14,900.00	10	\$ 372.50	2017	2.5%	213.6	227.3	1.064	\$ 15,855.66	\$ 15,459.27
217	PUMP 50 HP FAIRNU PUMP STA	\$ 14,900.00	10	\$ 372.50	2017	2.5%	213.6	227.3	1.064	\$ 15,855.66	\$ 15,459.27
313	12 INCH LINE BUFFALO RD	\$ 165,005.00	30	\$ 68,752.89	2005	41.7%	151.6	227.3	1.499	\$ 247,398.66	\$ 144,314.67
314	FLANDERS FILTER PROJECT	\$ 154,902.00	30	\$ 67,124.20	2004	43.3%	143.7	227.3	1.582	\$ 245,018.96	\$ 138,844.08
320	BUFFALO ROAD METER POINT	\$ 135,987.66	20	\$ 40,796.28	2011	30.0%	191.2	227.3	1.189	\$ 161,663.15	\$ 113,164.23
321	WALMART/BAYHILL LINE LOO	\$ 51,260.74	30	\$ 10,252.14	2011	20.0%	191.2	227.3	1.189	\$ 60,939.15	\$ 48,751.33
322	HOSPITAL ROAD W/S LINE	\$ 350,811.05	30	\$ 70,162.20	2011	20.0%	191.2	227.3	1.189	\$ 417,046.82	\$ 333,637.47
324	FIRE HYDRANT REPLACEMENT	\$ 49,781.52	20	\$ 9,956.32	2013	20.0%	201.2	227.3	1.130	\$ 56,239.26	\$ 44,991.39
327	LOH & ROF WATER FILTER CO	\$ 49,965.00	20	\$ 5,204.69	2015	10.4%	206.2	227.3	1.102	\$ 55,077.81	\$ 49,340.54
328	CHLORINE DIOXIDE SYSTEM	\$ 134,344.42	20	\$ 6,717.22	2016	5.0%	207.3	227.3	1.096	\$ 147,305.77	\$ 139,940.49
527	SLUDGE SYSTEM	\$ 1,249,864.10	30	\$ 756,867.75	1998	60.6%	115.1	227.3	1.975	\$ 2,468,237.27	\$ 973,571.42
529	300,000 GAL WATER TANK	\$ 275,000.00	30	\$ 255,139.13	1988	92.8%	89.9	227.3	2.528	\$ 695,300.33	\$ 50,215.53
530	1,000,000 GAL WTR TNK GLEV	\$ 200,000.00	30	\$ 185,556.39	1988	92.8%	89.9	227.3	2.528	\$ 505,672.97	\$ 36,518.72
531	REPAIRS TO WATER PLANT FIL	\$ 322,450.25	50	\$ 94,688.61	2002	29.4%	128.7	227.3	1.766	\$ 569,486.73	\$ 402,255.02
550	AMONIA TREAT SYSTEM	\$ 159,101.00	50	\$ 61,534.85	1996	38.7%	110.2	227.3	2.063	\$ 328,163.86	\$ 201,241.25
551	AMMONIA STORAGE TANK	\$ 8,890.00	50	\$ 3,141.32	1998	35.3%	115.1	227.3	1.975	\$ 17,556.01	\$ 11,352.52
553	16" WATER LINE IN SERV 15825	\$ 142,425.00	50	\$ 79,284.14	1988	55.7%	89.9	227.3	2.528	\$ 360,102.36	\$ 159,643.13
554	12" WATER LINE IN SER 11,475	\$ 68,850.00	50	\$ 38,326.50	1988	55.7%	89.9	227.3	2.528	\$ 174,077.92	\$ 77,174.54
555	8" WATER LINE IN SERVICE 22,	\$ 113,500.00	50	\$ 63,182.26	1988	55.7%	89.9	227.3	2.528	\$ 286,969.41	\$ 127,221.61
556	6" WATER LINE IN SERVICE 20	\$ 352,459.95	50	\$ 213,265.56	1988	60.5%	89.9	227.3	2.528	\$ 891,147.35	\$ 351,934.20
557	2" WATER LINE IN SERVICE 29	\$ 59,000.00	50	\$ 32,744.41	1988	55.5%	89.9	227.3	2.528	\$ 149,173.53	\$ 66,383.71
558	1 1/2" WATER LINE IN SERV 5,	\$ 10,850.00	50	\$ 6,021.16	1988	55.5%	89.9	227.3	2.528	\$ 27,432.76	\$ 12,209.07
559	10" WATER LINE IN SERV 1400	\$ 5,260.00	50	\$ 2,919.89	1988	55.5%	89.9	227.3	2.528	\$ 13,299.20	\$ 5,916.65
561	6" & 8" INSERT VALVES AND S	\$ 6,946.67	50	\$ 3,334.65	1992	48.0%	99.4	227.3	2.287	\$ 15,885.09	\$ 8,259.68
562	WEST SMITHFIELD WATER SY	\$ 466,374.00	50	\$ 395,869.84	1994	84.9%	104.4	227.3	2.177	\$ 1,015,390.90	\$ 153,501.87
563	RELOCATE WATER LINE ON M	\$ 23,192.00	50	\$ 9,315.17	1996	40.2%	110.2	227.3	2.063	\$ 47,836.13	\$ 28,622.54
564	WATER TAP @WAL-MART	\$ 23,869.00	50	\$ 9,388.34	1996	39.3%	110.2	227.3	2.063	\$ 49,232.52	\$ 29,868.00
565	WAL PAT RD WATER MAIN	\$ 51,563.20	50	\$ 20,109.70	1997	39.0%	112.8	227.3	2.015	\$ 103,903.50	\$ 63,381.03
566	RPLACE WATERLINE BETWEE	\$ 14,652.50	50	\$ 4,835.29	1999	33.0%	117.6	227.3	1.933	\$ 28,320.69	\$ 18,974.93
567	WATER LINE HOLLAND DR	\$ 217,027.30	50	\$ 74,150.94	1999	34.2%	117.6	227.3	1.933	\$ 419,475.39	\$ 276,154.73
568	BARBOUR RD WATER LINE	\$ 78,336.00	50	\$ 27,025.92	1999	34.5%	117.6	227.3	1.933	\$ 151,409.63	\$ 99,173.31
570	WATER METER IN SERVICE	\$ 87,697.00	50	\$ 48,817.70	1988	55.7%	89.9	227.3	2.528	\$ 221,730.01	\$ 98,301.06
571	METER BOX IN SERVICE 3,585	\$ 223,148.75	50	\$ 124,218.72	1988	55.7%	89.9	227.3	2.528	\$ 564,201.46	\$ 250,131.21
572	6" FIRD/HVD	\$ 221,340.00	50	\$ 123,212.60	1988	55.7%	89.9	227.3	2.528	\$ 559,628.28	\$ 248,101.87
594	CLEAR WELL FENCING	\$ 14,459.24	10	\$ 10,362.43	2010	71.7%	183.5	227.3	1.239	\$ 17,910.55	\$ 5,074.69

CODE	Smithfield Water System Asset Description	[1] Original Cost	[2] Dep Yrs	[3] Accrued Depreciation	[4] Yr Install	[5] % Dep	[6] Ins Yr Index	[7] 2018 Index	[8] RCN Factor	[9] RCN	[10] RCNLD
596	WILSON ST LINE REPLACEMENT	\$ 30,520.00	20	\$ 3,306.33	2015	10.8%	206.2	227.3	1.102	\$ 33,643.05	\$ 29,998.39
615	ELECTRONIC CONTROL VALVE 2-Way (2)	\$ 34,164.75	20	\$ -	2017	0.0%	213.6	227.3	1.064	\$ 36,356.03	\$ 36,356.03
36	CONSTRUCTION OF NEW OFFICE	\$ 3,476.87	30	\$ 2,652.80	1994	76.3%	104.4	227.3	2.177	\$ 7,569.84	\$ 1,794.16
193	TELEPHONE SYSTEM	\$ 912.00	6	\$ 671.84	2013	73.6%	201.2	227.3	1.130	\$ 1,030.31	\$ 271.88
196	NESHAP COMPLIANCE SERVIC	\$ 11,250.00	10	\$ 3,375.00	2014	30.0%	204.9	227.3	1.109	\$ 12,479.87	\$ 8,735.91
197	NESHAP COMPLIANCE SERVIC	\$ 11,250.00	10	\$ 3,375.00	2014	30.0%	204.9	227.3	1.109	\$ 12,479.87	\$ 8,735.91
199	MINI EXCAVATOR - CATERPIL	\$ 30,439.50	10	\$ 8,370.87	2014	27.5%	204.9	227.3	1.109	\$ 33,767.20	\$ 24,481.21
201	SCADA - 9 STATIONS/FLOWER	\$ 25,876.50	10	\$ 7,116.04	2014	27.5%	204.9	227.3	1.109	\$ 28,705.36	\$ 20,811.38
203	BACKHOE LOADER 420F	\$ 40,750.00	10	\$ 7,470.84	2015	18.3%	206.2	227.3	1.102	\$ 44,919.86	\$ 36,684.55
498	2004 FORD F-250	\$ 6,919.50	83.3	\$ 6,919.50	2004	100.0%	143.7	227.3	1.582	\$ 10,945.04	\$ -
504	2012 FORD F750 TRUCK	\$ 41,221.50	5	\$ 41,221.50	2013	100.0%	201.2	227.3	1.130	\$ 46,568.82	\$ -
505	2014 CHEV SILVERADO 1500	\$ 14,900.00	5	\$ 8,691.67	2014	58.3%	204.9	227.3	1.109	\$ 16,528.89	\$ 6,887.04
506	2015 FREIGHTLINER 114SD	\$ 164,902.35	5	\$ 76,954.15	2015	46.7%	206.2	227.3	1.102	\$ 181,776.45	\$ 95,947.44
507	2015 CHEVROLET 2500	\$ 16,212.50	5	\$ 5,674.38	2015	35.0%	206.2	227.3	1.102	\$ 17,871.49	\$ 11,616.47
508	2017 CHEVROLET COLORADO	\$ 14,672.20	5	\$ 978.15	2017	6.7%	213.6	227.3	1.064	\$ 15,613.25	\$ 14,572.37
528	UPGRADING OF INSTRUMENT	\$ 13,960.00	50	\$ 6,025.90	1994	43.2%	104.4	227.3	2.177	\$ 30,393.75	\$ 17,274.16
560	ASSORTED W&S	\$ 65,157.68	50	\$ 33,881.84	1990	52.0%	94.3	227.3	2.410	\$ 157,055.56	\$ 75,387.05

Water System Value Replacement Cost New Less Depreciation \$ 6,369,463.77

Less Debt Appendix B \$ 62,763.86
Less Grants, Contributions, Etc. \$ -
\$ 6,276,699.92

Water System Value for System Development Fee \$ 6,306,699.92

Water System Total Equivalent Residential Units by Capacity Appendix E 15,500

Water System Equivalent Residential Unit (ERU) SDF \$ 406.88

- [1] June 30, 2018 Financial Data
- [2] June 30, 2018 Financial Data
- [3] June 30, 2018 Financial Data
- [4] June 30, 2018 Financial Data
- [5] Percent of Asset Depreciation [3]/[1]
- [6] RSMean Index - January 2019 for Installed Date
- [7] RSMean Index - January 2019 for January 2018
- [8] Replacement Cost New Factor [8]/[7]
- [9] Replacement Cost New [1]*[8]
- [10] Replacement Cost New Less Depreciation [1]-[5] x [9]
Assets split 50/50 Water & Waste Water Systems

WASTEWATER ASSETS AND SDF CALCULATION

CODE	Smithfield Waste Water System Asset Description	[1] Original Cost	[2] Dep Yrs	[3] Accrued Depreciation	[4] Yr Install	[5] % Dep	[6] Ins Yr Index	[7] 2018 Index	[8] RCN Factor	[9] RCN	[10] RCNLD
39	PINE ACRES LIFT STATION PU	\$ 25,000.00	30	\$ 23,193.61	1988	92.8%	89.9	227.3	2.528	\$ 63,209.12	\$ 4,567.21
40	BELMONT LIFT STATION PUMP	\$ 75,000.00	30	\$ 69,587.74	1988	92.8%	89.9	227.3	2.528	\$ 189,627.36	\$ 13,696.81
41	JCC LIFT STATION	\$ 11,000.00	30	\$ 10,206.39	1988	92.8%	89.9	227.3	2.528	\$ 27,812.01	\$ 2,006.54
42	HOWARD JOHNSON LIFT STAT	\$ 30,000.00	30	\$ 27,832.74	1988	92.8%	89.9	227.3	2.528	\$ 75,850.95	\$ 5,479.62
43	SHALLCROSS LIFT STATION P	\$ 25,000.00	30	\$ 23,193.61	1988	92.8%	89.9	227.3	2.528	\$ 63,209.12	\$ 4,567.21
44	HOUSING PROELT LIFT STATIO	\$ 20,000.00	30	\$ 18,556.39	1988	92.8%	89.9	227.3	2.528	\$ 50,567.30	\$ 3,649.97
202	GRI NDER -LI FTSTATION #3	\$ 29,688.00	10	\$ 6,185.00	2015	20.8%	206.2	227.3	1.102	\$ 32,725.91	\$ 25,908.01
205	AIRCOMPRESSOR DOOSAN PO	\$ 21,924.00	10	\$ 3,836.70	2015	17.5%	206.2	227.3	1.102	\$ 24,167.44	\$ 19,938.13
210	GENERATOR ENGINE PUMP ST	\$ 13,063.67	10	\$ 653.18	2017	5.0%	213.6	227.3	1.064	\$ 13,901.56	\$ 13,206.48
211	DRI -PRI MEDIESEL PUMP	\$ 39,747.97	10	\$ 331.23	2017	0.8%	213.6	227.3	1.064	\$ 42,297.35	\$ 41,944.87
218	CONTROL PANE L PUMPSTATI	\$ 45,840.00	10	\$ 1,146.00	2017	2.5%	213.6	227.3	1.064	\$ 48,780.11	\$ 47,560.61
318	IMPROVEMENTS TO LIFT STAT	\$ 932,026.00	30	\$ 341,742.83	2006	36.7%	162.0	227.3	1.493	\$ 1,307,713.02	\$ 828,218.30
319	BOOKER DAIRY SEWER LINE	\$ 110,000.00	30	\$ 22,000.02	2011	20.0%	191.2	227.3	1.189	\$ 130,768.83	\$ 104,615.04
323	WEST SMI THFIELD&I	\$ 49,848.00	20	\$ 9,969.60	2013	20.0%	201.2	227.3	1.130	\$ 56,314.37	\$ 45,051.49
325	SEWER LINE REHAB I-95	\$ 176,517.63	20	\$ 35,303.52	2013	20.0%	201.2	227.3	1.130	\$ 199,415.79	\$ 159,532.64
326	HWY 70 BRIDGE REPLACEMEN	\$ 372,809.56	20	\$ 55,921.44	2014	15.0%	204.9	227.3	1.109	\$ 413,565.71	\$ 351,530.84
552	CUR OFF VALUE IN SERV	\$ 44,325.00	50	\$ 24,675.14	1988	55.7%	89.9	227.3	2.528	\$ 112,069.77	\$ 49,082.02
569	WEST SMI THFIELD WASTEWA	\$ 7,957.05	50	\$ 2,652.26	1999	33.3%	117.6	227.3	1.933	\$ 15,379.57	\$ 10,253.22
573	MAMHOLE IN SERV 1032	\$ 33,930.00	50	\$ 18,887.70	1988	55.7%	89.9	227.3	2.528	\$ 85,787.42	\$ 38,032.42
574	6" SEWER LINE 15,775 FT	\$ 31,550.00	50	\$ 17,194.18	1989	54.5%	92.1	227.3	2.468	\$ 77,864.44	\$ 35,429.73
575	8" SEWER LINE 170,797 FT	\$ 170,797.00	50	\$ 93,084.08	1989	54.5%	92.1	227.3	2.468	\$ 421,521.80	\$ 191,793.12
576	10" SEWER LINE 13,875 FT	\$ 41,625.00	50	\$ 22,686.48	1989	54.5%	92.1	227.3	2.468	\$ 102,729.23	\$ 46,739.69
577	12" SEWER LINE 22,300 FT	\$ 66,900.00	50	\$ 36,460.50	1989	54.5%	92.1	227.3	2.468	\$ 165,107.17	\$ 75,123.76
578	WEST SMI THFIELDSEWERSYS	\$ 1,969,667.65	50	\$ 1,222,766.63	1994	62.1%	104.4	227.3	2.177	\$ 4,288,366.44	\$ 1,626,155.19
579	INSTALL MANHOLE 120 SEWE	\$ 8,500.00	50	\$ 3,499.47	1995	41.2%	107.6	227.3	2.112	\$ 17,955.86	\$ 10,563.39
580	REPAIR TO 12" SEWER 2ND ST	\$ 7,297.50	50	\$ 2,979.59	1996	40.8%	110.2	227.3	2.063	\$ 15,051.92	\$ 8,906.18
581	12" SEWERLINE REPLACEMEN	\$ 31,890.00	50	\$ 12,755.00	1996	40.0%	110.2	227.3	2.063	\$ 65,776.74	\$ 39,466.05
582	SEWERLINE CONSTRUCTION	\$ 44,406.00	50	\$ 16,726.26	1997	37.7%	112.8	227.3	2.015	\$ 89,481.24	\$ 55,776.64
583	REPLACE SEWER LINE	\$ 42,227.00	50	\$ 13,512.70	2001	32.0%	125.1	227.3	1.817	\$ 76,724.20	\$ 52,172.35
584	PUMP	\$ 18,000.00	50	\$ 10,020.00	1988	55.7%	89.9	227.3	2.528	\$ 45,510.57	\$ 20,176.35
595	PUMP STATION #1 TOP REPLA	\$ 52,760.00	20	\$ 8,353.67	2014	15.8%	204.9	227.3	1.109	\$ 58,527.81	\$ 49,260.90
597	SEWER LINE REPLACEMENT R	\$ 25,589.00	20	\$ 2,558.90	2015	10.0%	206.2	227.3	1.102	\$ 28,207.47	\$ 25,386.72
598	PUMPSTATI ON#7 RENO	\$ 116,821.08	20	\$ 1,460.26	2017	1.2%	213.6	227.3	1.064	\$ 124,313.82	\$ 122,759.90
36	CONSTRUCTION OF NEW OFFICE	\$ 3,476.87	30	\$ 2,652.80	1994	76.3%	104.4	227.3	2.177	\$ 7,569.84	\$ 1,794.16
193	TELEPHONE SYSTEM	\$ 912.00	6	\$ 671.34	2013	73.6%	201.2	227.3	1.130	\$ 1,030.31	\$ 271.88
196	NESHAP COMPLIANCE SERVIC	\$ 11,250.00	10	\$ 3,375.00	2014	30.0%	204.9	227.3	1.109	\$ 12,479.87	\$ 8,735.91
197	NESHAP COMPLIANCE SERVIC	\$ 11,250.00	10	\$ 3,375.00	2014	30.0%	204.9	227.3	1.109	\$ 12,479.87	\$ 8,735.91
199	MINEXCAVATOR - CATERPIL	\$ 30,439.50	10	\$ 8,370.87	2014	27.5%	204.9	227.3	1.109	\$ 33,767.20	\$ 24,481.21
201	SCADA - 9 STATIONS/FLOWER	\$ 25,876.50	10	\$ 7,116.04	2014	27.5%	204.9	227.3	1.109	\$ 28,705.36	\$ 20,811.38
203	BACKHOE LOADER 420F	\$ 40,750.00	10	\$ 7,470.84	2015	18.3%	206.2	227.3	1.102	\$ 44,919.86	\$ 36,684.55
498	2004 FORD F-250	\$ 6,919.50	83.3	\$ 6,919.50	2004	100.0%	143.7	227.3	1.582	\$ 10,945.04	\$ -
504	2012 FORD F750 TRUCK	\$ 41,221.50	5	\$ 41,221.50	2013	100.0%	201.2	227.3	1.130	\$ 46,568.82	\$ -

CODE	Smithfield Waste Water System Asset Description	[1] Original Cost	[2] Dep Yrs	[3] Accrued Depreciation	[4] Yr Install	[5] % Dep	[6] Ins Yr Index	[7] 2018 Index	[8] RCN Factor	[9] RCN	[10] RCNLD	
505	2014 CHEV SILVERADO 1500	\$ 14,900.00	5	\$ 8,691.67	2014	58.3%	204.9	227.3	1.109	\$ 16,528.89	\$ 6,887.04	
506	2015 FREIGHTLINER 114SD	\$ 164,902.35	5	\$ 76,954.43	2015	46.7%	206.2	227.3	1.102	\$ 181,776.45	\$ 96,947.44	
507	2015 CHEVROLET 2500	\$ 16,212.50	5	\$ 5,674.38	2015	35.0%	206.2	227.3	1.102	\$ 17,871.49	\$ 11,616.47	
508	2017 CHEVROLET COLORADO	\$ 14,672.20	5	\$ 978.15	2017	6.7%	213.6	227.3	1.064	\$ 15,613.25	\$ 14,572.37	
528	UPGRADING OF INSTRUMENT	\$ 13,960.00	50	\$ 6,025.90	1994	43.2%	104.4	227.3	2.177	\$ 30,393.75	\$ 17,274.16	
560	ASSORTED W&S	\$ 65,157.68	50	\$ 33,881.84	1990	52.0%	94.3	227.3	2.410	\$ 157,055.56	\$ 75,387.05	
Waste Water System Value Replacement Cost New Less Depreciation											\$ 4,453,350.94	
Less Debt											Appendix B	\$ 62,763.86
Less Grants, Contributions, Etc.												\$ -
											\$ 62,763.86	
Waste Water System Value for System Development Fee											\$ 4,390,587.09	
Waste Water System Total Equivalent Residential Units by Capacity											Appendix E	20,000
Waste Water System Equivalent Residential Unit (ERU) SDF											\$ 219.53	

- [1] June 30, 2018 Financial Data
- [2] June 30, 2018 Financial Data
- [3] June 30, 2018 Financial Data
- [4] June 30, 2018 Financial Data
- [5] Percent of Asset Depreciation [3]/[1]
- [6] RSMean Index - January 2019 for Installed Date
- [7] RSMean Index - January 2019 for January 2018
- [8] Replacement Cost New Factor [8]/[7]
- [9] Replacement Cost New [1]x[8]
- [10] Replacement Cost New Less Depreciation (1 - [5]) x [9]
Assets split 50/50 Water & Waste Water Systems

CALCULATION OF SYSTEM DEVELOPMENT FEES (Incremental)

The following chart shows the calculation of each system's (Water or Waste Water) SDF / ERU for Incremental costs, taking into account each projects in progress which are not in the current asset inventory, for which debt has been incurred, and payments (principal and interest) that have been made through December 31, 2018.

Also shown is a comparison of the Incremental SDF / ERU based on the respective system capacity versus the total cost per existing ERU based on the system peak capacity to date to illustrate the credit (reduction of cost per ERU) for incremental customers versus the existing customer peak capacity.

CALCULATION OF SYSTEM DEVELOPMENT FEES (Incremental)

Project Description	[1] Approved Projects in Progress (Capital Cost)	[2] Approved Projects in Progress (Total Including Interest)	[3] Approved Projects in Progress (Interest)	[3] Approved Projects (Outstanding Debt Principal)	[4] Approved Project Asset Value Inc. SDF (Principal To Date)	[5] To Date Cost & Debt Svc Existing Customers	Cost To Date / Existing Customer Peak ERU*	Incremental SDF / ERU Capacity** [4] / [5]	Credit % of Incremental SDF VS Existing Customers Cost [=>25%]
Waste Water System									
I & I SAND REMOVAL	WW \$1,430,000	\$1,661,051	\$231,051	\$1,112,405	\$317,595	\$415,285	\$32.84	\$15.88	52%
WB&WW PROJECTS (WASTE WATER PORTION)	WW \$1,181,500	\$555,551	\$55,801	\$384,244	\$115,506	\$138,888	\$10.98	\$5.78	47%
WW	\$1,929,750	\$2,216,602	\$286,852	\$1,496,650	\$433,100	\$554,172	\$43.83	\$21.66	51%
Water System									
WATER PROJECTS	W \$1,181,500	\$757,872	\$76,122	\$524,179	\$157,571	\$189,468	\$14.98	\$10.17	32%
BOOKER DAIRY RELOCATION	W \$2,037,249	\$2,195,727	\$158,478	\$1,624,610	\$412,639	\$470,513	\$37.21	\$26.62	28%
W	\$2,718,999	\$2,953,599	\$234,600	\$2,148,790	\$570,209	\$659,981	\$52.19	\$36.79	30%
							\$96.02	\$58.44	39%

Incremental Cost Calculation Use Only For Approved Capital Improvement Projects (Under Construction, Debt or Obligation Issued and Not in Assets)

20,000	Appendix E
15,500	

** SDF WASTE WATER TOTAL ERU (SYSTEM CAPACITY)
 ** SDF WATER TOTAL ERU (SYSTEM CAPACITY)

12,645	Appendix E
12,645	

* RETAIL WASTE WATER TOTAL ERU (EXISTING CUSTOMER PEAK USAGE)
 * RETAIL WATER TOTAL ERU (EXISTING CUSTOMER PEAK USAGE)

APPENDICES AND ADDITIONAL INFORMATION

**GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2017 SESSION LAW 2017-138
HOUSE BILL 436**

H436-v-6

AN ACT TO PROVIDE FOR UNIFORM AUTHORITY TO IMPLEMENT SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEMS IN NORTH CAROLINA AND TO CLARIFY THE APPLICABLE STATUTE OF LIMITATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 162A of the General Statutes is amended by adding a new Article to read:
"Article 8.

"System Development Fees.

"§ 162A-200. Short title.

This Article shall be known and may be cited as the "Public Water and Sewer System Development Fee Act."

"§ 162A-201. Definitions.

The following definitions apply in this Article:

(1) Capital improvement. – A planned facility or expansion of capacity of an existing facility other than a capital rehabilitation project necessitated by and attributable to new development.

(2) Capital rehabilitation project. – Any repair, maintenance, modernization, upgrade, update, replacement, or correction of deficiencies of a facility, including any expansion or other undertaking to increase the preexisting level of service for existing development.

(3) Existing development. – Land subdivisions, structures, and land uses in existence at the start of the written analysis process required by G.S. 162A-205, no more than one year prior to the adoption of a system development fee.

(4) Facility. – A water supply, treatment, storage, or distribution facility, or a wastewater collection, treatment, or disposal facility, including for reuse or reclamation of water, owned or operated, or to be owned or operated, by a local governmental unit and land associated with such facility.

(5) Local governmental unit. – Any political subdivision of the State that owns or operates a facility, including those owned or operated pursuant to local act of the General Assembly or pursuant to Part 2 of Article 2 of Chapter 130A, Article 15 of Chapter 153A, Article 16 of Chapter 160A, or Articles 1, 4, 5, 5A, or 6 of Chapter 162A of the General Statutes.

(6) New development. – Any of the following occurring after the date a local government begins the written analysis process required by G.S. 162A-205, no more than one year prior to the adoption of a system development fee, which increases the capacity necessary to serve that development:

a. The subdivision of land.

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b. The construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which increases the number of service units.

c. Any use or extension of the use of land which increases the number of service units.

(7) Service. – Water or sewer service, or water and sewer service, provided by a local governmental unit.

(8) Service unit. – A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards.

(9) System development fee. – A charge or assessment for service imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs, as provided in this Article. The term includes amortized charges,

lump-sum charges, and any other fee that functions as described by this definition regardless of terminology. The term does not include any of the following:

- a. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.
- b. Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.
- c. Availability charges.
- d. Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.
- e. Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c).

(10) System development fee analysis. – An analysis meeting the requirements of G.S. 162A-205.

"§ 162A-202. Reserved.

"§ 162A-203. Authorization of system development fee.

- (a) A local governmental unit may adopt a system development fee for water or sewer service only in accordance with the conditions and limitations of this Article.
- (b) A system development fee adopted by a local governmental unit under any lawful authority other than this Article and in effect on October 1, 2017, shall be conformed to the requirements of this Article not later than July 1, 2018.

"§ 162A-204. Reserved.

"§ 162A-205. Supporting analysis.

A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

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- (1) Is prepared by a financial professional or a licensed professional engineer qualified by experience and training or education to employ generally accepted accounting, engineering, and planning methodologies to calculate system development fees for public water and sewer systems.
- (2) Documents in reasonable detail the facts and data used in the analysis and their sufficiency and reliability.
- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article.
- (4) Documents and demonstrates the reliable application of the methodologies to the facts and data, including all reasoning, analysis, and interim calculations underlying each identifiable component of the system development fee and the aggregate thereof.
- (5) Identifies all assumptions and limiting conditions affecting the analysis and demonstrates that they do not materially undermine the reliability of conclusions reached.
- (6) Calculates a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand.
- (7) Covers a planning horizon of not less than 10 years nor more than 20 years.
- (8) Is adopted by resolution or ordinance of the local governmental unit in accordance with G.S. 162A-209.

"§ 162A-206. Reserved.

"§ 162A-207. Minimum requirements.

(a) Maximum. – A system development fee shall not exceed that calculated based on the system development fee analysis.

(b) Revenue Credit. – In applying the incremental cost or marginal cost, or the combined cost, method to calculate a system development fee with respect to water or sewer capital improvements, the system development fee analysis must include as part of that methodology a credit against the projected aggregate cost of water or sewer capital improvements. That credit shall be determined based upon generally accepted calculations and shall reflect a deduction of either the outstanding debt principal or the present value of projected water and sewer revenues received by the local governmental unit for the capital improvements necessitated by and attributable to such new development, anticipated over the course of the planning horizon. In no case shall the credit be less than twenty-five percent (25%) of the aggregate cost of capital improvements.

(c) Construction or Contributions Credit. – In calculating the system development fee with respect to new development, the local governmental unit shall credit the value of costs in excess of the development's proportionate share of connecting facilities required to be oversized for use of others outside of the development. No credit shall be applied, however, for water or sewer capital improvements on-site or to connect new development to water or sewer facilities.

"§ 162A-208. Reserved.

"§ 162A-209. Adoption and periodic review.

(a) For not less than 45 days prior to considering the adoption of a system development fee analysis, the local governmental unit shall post the analysis on its Web site and solicit and furnish a means to submit written comments, which shall be considered by the preparer of the analysis for possible modifications or revisions.

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(b) After expiration of the period for posting, the governing body of the local governmental unit shall conduct a public hearing prior to considering adoption of the analysis with any modifications or revisions.

(c) The local governmental unit shall publish the system development fee in its annual budget or rate plan or ordinance. The local governmental unit shall update the system development fee analysis at least every five years.

"§ 162A-210. Reserved.

"§ 162A-211. Use and administration of revenue.

(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:

(1) Costs of constructing capital improvements including, and limited to, any of the following:

a. Construction contract prices.

b. Surveying and engineering fees.

c. Land acquisition cost.

d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.

(2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.

(3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.

(b) Revenue from system development fees calculated using the buy-in method may be expended for previously completed capital improvements for which capacity exists and for capital

rehabilitation projects. The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments.

(c) A local governmental unit may pledge a system development fee as security for the payment of debt service on a bond, note, or other obligation subject to compliance with the foregoing limitations.

(d) System development fee revenues shall be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section.

"§ 162A-212. Reserved.

"§ 162A-213. Time for collection of system development fees.

For new development involving the subdivision of land, the system development fee shall be collected by a local governmental unit either at the time of plat recordation or when water or sewer service for the subdivision or other development is committed by the local governmental unit. For all other new development, the local governmental unit shall collect the system development fee at the time of application for connection of the individual unit of development to the service or facilities.

"§ 162A-214. Reserved.

"§ 162A-215. Narrow construction.

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Notwithstanding G.S. 153A-4 and G.S. 160A-4, in any judicial action interpreting this Article, all powers conferred by this Article shall be narrowly construed to ensure that system development fees do not unduly burden new development."

SECTION 2. G.S. 130A-64 reads as rewritten:

"§ 130A-64. Service charges and rates.

(a) A sanitary district board shall apply service charges and rates based upon the exact benefits derived. These service charges and rates shall be sufficient to provide funds for the maintenance, adequate depreciation and operation of the work of the district. If reasonable, the service charges and rates may include an amount sufficient to pay the principal and interest maturing on the outstanding bonds and, to the extent not otherwise provided for, bond anticipation notes of the district. Any surplus from operating revenues shall be set aside as a separate fund to be applied to the payment of interest on or to the retirement of bonds or bond anticipation notes. The sanitary district board may modify and adjust these service charges and rates.

(b) The district board may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 3. G.S. 153A-277 reads as rewritten:

"§ 153A-277. Authority to fix and enforce rates.

(a) A county may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by a public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary for the same class of service in different areas of the county and may vary according to classes of service, and different schedules may be adopted for services provided outside of the county. A county may include a fee relating to subsurface discharge wastewater management systems and services on the property tax bill for the real property where the system for which the fee is imposed is located.

...

(a2) A county may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes.

...."

SECTION 4.(a) G.S. 160A-314 reads as rewritten:

"§ 160A-314. Authority to fix and enforce rates.

(a) A city may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by any public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary according to classes of service, and different schedules may be adopted for services provided outside the corporate limits of the city.

...

(e) A city may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 4.(b) G.S. 160A-317 is amended by adding a new subsection to read:

"(a4) System Development Fees. – A city may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 5.(a) G.S. 162A-6(a) is amended by adding a new subdivision to read:

"(9a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 5.(b) G.S. 162A-9 is amended by adding a new subsection to read:

"(a5) An authority may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 6.(a) G.S. 162A-36(a) is amended by adding a new subdivision to read:

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"(8a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 6.(b) G.S. 162A-49 reads as rewritten:

"§ 162A-49. Rates and charges for services.

(a) The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of land for the services furnished or to be furnished by any water system or sewerage system or both. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the water system or sewerage system or both, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the water system or the sewerage system or both, the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 7.(a) G.S. 162A-69 is amended by adding a new subdivision to read:

"(8a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 7.(b) G.S. 162A-72 reads as rewritten:

"§ 162A-72. Rates and charges for services.

(a) The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of and for the services furnished or to be furnished by any sewerage system. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and

revised so that the revenues of the sewerage system, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the sewerage system the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 8. G.S. 162A-85.13 is amended by adding a new subsection to read:

"(a1) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 9. G.S. 162A-88 reads as rewritten:

"§ 162A-88. District is a municipal corporation.

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(a) The inhabitants of a county water and sewer district created pursuant to this Article are a body corporate and politic by the name specified by the board of commissioners. Under that name they are vested with all the property and rights of property belonging to the corporation; have perpetual succession; may sue and be sued; may contract and be contracted with; may acquire and hold any property, real and personal, devised, sold, or in any manner conveyed, dedicated to, or otherwise acquired by them, and from time to time may hold, invest, sell, or dispose of the same; may have a common seal and alter and renew it at will; may establish, revise and collect rates, fees or other charges and penalties for the use of or the services furnished or to be furnished by any sanitary sewer system, water system or sanitary sewer and water system of the district; and may exercise those powers conferred on them by this Article.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 10.(a) G.S. 1-52(15) reads as rewritten:

"(15) For the recovery of taxes paid as provided in G.S. 105-381.G.S. 105-381 or for the recovery of an unlawful fee, charge, or exaction collected by a county, municipality, or other unit of local government for water or sewer service or water and sewer service."

SECTION 10.(b) This section is to clarify and not alter G.S. 1-52.

SECTION 11. Sections 1 through 9 of this act become effective October 1, 2017, and apply to system development fees imposed on or after that date. Section 10 of this act, being a clarifying amendment, has retroactive effect and applies to claims accrued or pending prior to and after the date that section becomes law. Nothing in this act provides retroactive authority for any system development fee, or any similar fee for water or sewer services to be furnished, collected by a local governmental unit prior to October 1, 2017. The remainder of this act is effective when it becomes law and applies to claims accrued or pending prior to and after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

s/ Daniel J. Forest

President of the Senate

s/ Tim Moore

Speaker of the House of Representatives

s/ Roy Cooper

Governor Approved 4:13 p.m. this 20th day of July, 2017

TOWN OF SMITHFIELD
Water & Sewer Fund
Debt Service

Debit for Assets Inventory - Used for Buy-In SDF Calculation

Debit for Assets Inventory - Used for Buy-In SDF Calculation

G/L Account#	Description	Lender	Account#	Loan Amount	FY 17-18 Principle	FY 17-18 Interest	FY 17-18 Total Paid	Date of Payment	Loan Balance
30-71-7240-5400-9502	Sewer Loan	NC DENR	H-SRL-T-96-0322	408,220.00	20,411.00	306.17	306.17	4/13/2018	0.00
30-71-7240-5400-9503	Equipment Loan 83% Joint loan with Electric 31-7250-0001	KS Bank	10153252	407,683.55 of 491,185.00	41,155.63	1,284.64	42,440.27	5/11/2018	125,577.71
30-71-7240-5400-9505	I & I Sand Removal	Four Oaks	58262	62,886.21	63,876.72	19,180.22	83,056.94	8/18/2017	1,178,375.70
30-71-7240-5400-9506	Water/Sewer Projects	BB&T	993300354700003	54,609.50	55,171.98	11,061.64	65,571.14	10/13/2017	964,164.08
30-71-7240-5400-9507	FY17 Sewer Projects					10,499.16	65,671.14	4/6/2018	
30-71-7240-5400-9508	Booker Dairy Rd	BB&T	9933003547	136,159.55	137,541.57	20,678.08	156,837.63	9/20/2017	1,763,547.88

Allocation of Debt Service by Utility

G/L Account#	Description	Loan Balance	Water Allocation	Waste Water Allocation
30-71-7240-5400-9503	Equipment Loan 83% Joint loan with Electric 31-7250-0001	125,577.71	62,763.86	62,763.86
30-71-7240-5400-9505	I & I Sand Removal		50%	50%
30-71-7240-5400-9506	Water/Sewer Projects			
30-71-7240-5400-9508	Booker Dairy Rd			

TOTAL DEBT FOR SDF BUY-IN ANALYSIS

562,763.86 562,763.86

Appendix C

(Not Used)

Historical Cost Indexes

The table below lists both the RSMeans® historical cost index based on Jan. 1, 1993 = 100 as well as the computed value of an index based on Jan. 1, 2019 costs. Since the Jan. 1, 2019 figure is estimated, space is left to write in the actual index figures as they become available through the quarterly RSMeans Construction Cost Indexes.

To compute the actual index based on Jan. 1, 2019 = 100, divide the historical cost index for a particular year by the actual Jan. 1, 2019 construction cost index. Space has been left to advance the index figures as the year progresses.

Year	Historical Cost Index Jan. 1, 1993 = 100		Current Index Based on Jan. 1, 2019 = 100		Year	Historical Cost Index Jan. 1, 1993 = 100		Current Index Based on Jan. 1, 2019 = 100		Year	Historical Cost Index Jan. 1, 1993 = 100		Current Index Based on Jan. 1, 2019 = 100	
	Est.	Actual	Est.	Actual		Actual	Est.	Actual	Actual		Est.	Actual		
Oct 2019*					July 2004	143.7	63.2			July 1986	84.2	37.1		
July 2019*					2003	132.0	58.1			1985	82.6	36.3		
April 2019*					2002	128.7	56.6			1984	82.0	36.1		
Jan 2019*	227.3		100.0	100.0	2001	125.1	55.0			1983	80.2	35.3		
July 2018		222.9	98.1		2000	120.9	53.2			1982	76.1	33.5		
2017		213.6	94.0		1999	117.6	51.7			1981	70.0	30.8		
2016		207.3	91.2		1998	115.1	50.6			1980	62.9	27.7		
2015		206.2	90.7		1997	112.8	49.6			1979	57.8	25.4		
2014		204.9	90.1		1996	110.2	48.5			1978	53.5	23.5		
2013		201.2	89.5		1995	107.6	47.3			1977	49.5	21.8		
2012		194.6	85.6		1994	104.4	45.9			1976	46.9	20.6		
2011		191.2	84.1		1993	101.7	44.7			1975	44.8	19.7		
2010		183.5	80.7		1992	99.4	43.7			1974	41.4	18.2		
2009		180.1	79.2		1991	96.8	42.6			1973	37.7	16.6		
2008		180.4	79.4		1990	94.3	41.5			1972	34.8	15.3		
2007		169.4	74.5		1989	92.1	40.5			1971	32.1	14.1		
2006		162.0	71.3		1988	89.9	39.5			1970	28.7	12.6		
2005		151.6	66.7		1987	87.7	38.6			1968	26.9	11.8		

Adjustments to Costs

The "Historical Cost Index" can be used to convert national average building costs at a particular time to the appropriate building costs for some other time.

Time Adjustment Using the Historical Cost Indexes:

$$\frac{\text{Index for Year A}}{\text{Index for Year B}} \times \text{Cost in Year B} = \text{Cost in Year A}$$

Example:

Estimate and compare construction costs for different years in the same city.

To estimate the national average construction cost of a building in 1970, knowing that it cost \$900,000 in 2019:

$$\text{INDEX in 1970} = 28.7$$

$$\text{INDEX in 2019} = 227.3$$

$$\frac{\text{INDEX 1970}}{\text{INDEX 2019}} \times \text{Cost 2019} = \text{Cost 1970}$$

$$\frac{28.7}{227.3} \times \$900,000 = .126 \times \$900,000 = \$113,400$$

The construction cost of the building in 1970 was \$113,400.

Note: The city cost indexes for Canada can be used to convert U.S. national averages to local costs in Canadian dollars.

Example:

To estimate and compare the cost of a building in Toronto, ON in 2019 with the known cost of \$600,000 (US\$) in New York, NY in 2019:

$$\text{INDEX Toronto} = 110.1$$

$$\text{INDEX New York} = 132.1$$

$$\frac{\text{INDEX Toronto}}{\text{INDEX New York}} \times \text{Cost New York} = \text{Cost Toronto}$$

$$\frac{110.1}{132.1} \times \$600,000 = .834 \times \$600,000 = \$500,076$$

The construction cost of the building in Toronto is \$500,076 (C\$).

*Historical Cost Index updates and other resources are provided on the following website:
<http://info.enr.com/rsmeans/rsmeans.html>

Appendix E CALCULATION OF SYSTEM EQUIVALENT RESIDENTIAL UNITS BY CAPACITY

Town of Smithfield

Miles of Line	91 miles Waste Water	127 miles Water
Daily Use	3,428 MGD Avg.	5,058 MGD Max
Water System Capacity	7,000 MGD	Permitted Capacity RE: Email UD 1/8/19 2.0 MGD Allocated to JCo. Utility:
Waste Water System Capacity	7,000 MGD	Total Lift Station Capacity RE: Email UD 1/8/19 @ 80% Capacity

ERU By Capacity * NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom

ERU GPD Water use	400 GPD	Waste Water GPD / 0.9
ERU GPD Waste Water Use	360 GPD	*

Water System Capacity	6,200,000 GPD** /	400 GPD / ERU =	15,500 ERU TOTAL SYSTEM CAPACITY
Waste Water System Capacity	7,700,000 GPD /	360 GPD / ERU =	21,389 ERU TOTAL SYSTEM CAPACITY

** 2.0 MGD Allocated to Wholesale Sales

ERU By Actual Use * NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom

ERU GPD Water use	400 GPD	Waste Water GPD / 0.9
ERU GPD Waste Water Use	360 GPD	*

Water System Peak Use Existing Customers	5,058,000 GPD** /	400 GPD / ERU =	12,645 ERU EXISTING CUSTOMER ESTIMATE BY US
WW System Peak / Existing Customers Estimate	4,552,200 GPD /	360 GPD / ERU =	12,645 ERU EXISTING CUSTOMER ESTIMATE BY US

** 2017 Peak Water Usage Reported Data to DWR and LWSP & WW Estimated by Water X 0.9

Appendix F

INCREMENTAL SDF CALCULATION (Principal Including All Payments to Date & Financing Model)

Allocation of Debt Service by Utility		Principal Payment to Date Through 12/31/2018	Water Allocation	Waste Water Allocation
30-71-7240-5400-9503	Equipment Loan 83% Joint loan with Electric 31-7250-0001	0.00	0.00	0.00
30-71-7240-5400-9505	I & I Sand Removal	317,594.79	50%	50%
30-71-7240-5400-9506	Water/Sewer Projects	273,076.18	50%	50%
30-71-7240-5400-9508	Booker Dairy Rd	412,638.74	50%	50%

Aug 2, 2016
Memo - T. Credle
/ G. Siles

Total Project Principal Paid to Date - Assets Not in Inventory (Incremental SDF)

\$1,430,000.00

I&I SAND REMOVAL

Loan \$1,430,000.00
Interest 2.90%
Year 10
Payment \$83,056.94

Period	Beginning Balance	Payment	Principal	Interest	Cummulative Principal	Cummulative Interest	Ending Balance
9/1/2016	\$1,430,000.00	\$83,056.94	\$61,861.17	\$21,195.77	\$61,861.17	\$21,195.77	\$1,368,138.83
3/1/2017	\$1,368,138.83	\$83,056.94	\$63,000.20	\$20,056.74	\$124,861.37	\$41,252.51	\$1,305,138.63
9/1/2017	\$1,305,138.63	\$83,056.94	\$62,886.21	\$20,170.73	\$187,747.58	\$61,423.24	\$1,242,252.42
3/1/2018	\$1,242,252.42	\$83,056.94	\$63,876.72	\$19,180.22	\$251,624.30	\$80,603.46	\$1,178,375.70
9/1/2018	\$1,178,375.70	\$83,056.94	\$65,970.49	\$17,086.45	\$317,594.79	\$97,689.91	\$1,112,705.21
3/1/2019	\$1,112,705.21	\$83,056.94	\$66,927.06	\$16,129.88	\$384,521.85	\$113,819.79	\$1,045,478.15
9/1/2019	\$1,045,478.15	\$83,056.94	\$67,897.51	\$15,159.43	\$452,419.36	\$128,979.22	\$977,580.64
3/1/2020	\$977,580.64	\$83,056.94	\$68,882.02	\$14,174.92	\$521,301.38	\$143,154.14	\$908,698.62
9/1/2020	\$908,698.62	\$83,056.94	\$69,880.81	\$13,176.13	\$591,182.19	\$156,330.27	\$838,817.81
3/1/2021	\$838,817.81	\$83,056.94	\$70,894.08	\$12,162.86	\$662,076.27	\$168,493.13	\$767,923.73
9/1/2021	\$767,923.73	\$83,056.94	\$71,922.05	\$11,134.89	\$733,998.32	\$179,628.02	\$696,001.68
3/1/2022	\$696,001.68	\$83,056.94	\$72,964.92	\$10,092.02	\$806,963.24	\$189,720.04	\$623,036.76
9/1/2022	\$623,036.76	\$83,056.94	\$74,022.91	\$9,034.03	\$880,986.15	\$198,754.07	\$549,013.85
3/1/2023	\$549,013.85	\$83,056.94	\$75,096.24	\$7,960.70	\$956,082.39	\$206,714.77	\$473,917.61
9/1/2023	\$473,917.61	\$83,056.94	\$76,185.13	\$6,871.81	\$1,032,267.52	\$213,586.58	\$397,732.48
3/1/2024	\$397,732.48	\$83,056.94	\$77,289.82	\$5,767.12	\$1,109,557.34	\$219,353.70	\$320,442.66
9/1/2024	\$320,442.66	\$83,056.94	\$78,410.52	\$4,646.42	\$1,187,967.86	\$224,000.12	\$242,032.14
3/1/2025	\$242,032.14	\$83,056.94	\$79,547.47	\$3,509.47	\$1,267,515.33	\$227,509.59	\$162,484.67
9/1/2025	\$162,484.67	\$83,056.94	\$80,700.91	\$2,356.03	\$1,348,216.24	\$229,865.62	\$81,783.76
3/1/2026	\$81,783.76	\$82,969.62	\$81,783.76	\$1,185.86	\$1,430,000.00	\$229,865.62	\$0.00
					\$1,430,000.00	\$229,865.62	Total Principal & Interest

W&S PROJECTS

Loan \$1,181,500.00
 Interest 1.03%
 Year 10
 Payment \$65,671.14

Period	Beginning Balance	Payment	Principal	Interest	Cummulative Principal	Cummulative Interest	Ending Balance
9/1/2016	\$1,181,500.00	\$65,671.14	\$53,501.69	\$12,169.45	\$53,501.69	\$12,169.45	\$1,127,998.31
3/1/2017	\$1,127,998.31	\$65,671.14	\$54,052.76	\$11,618.38	\$107,554.45	\$23,787.83	\$1,073,945.55
9/1/2017	\$1,073,945.55	\$65,671.14	\$54,609.50	\$11,061.64	\$162,163.95	\$34,849.47	\$1,019,336.05
3/1/2018	\$1,019,336.05	\$65,671.14	\$55,171.98	\$10,499.16	\$217,335.93	\$45,348.63	\$964,164.07
9/1/2018	\$964,164.07	\$65,671.14	\$55,740.25	\$9,930.89	\$273,076.18	\$55,279.52	\$908,423.82
3/1/2019	\$908,423.82	\$65,671.14	\$56,314.37	\$9,356.77	\$329,390.55	\$64,636.29	\$852,109.45
9/1/2019	\$852,109.45	\$65,671.14	\$56,894.41	\$8,776.73	\$386,284.96	\$73,413.02	\$795,215.04
3/1/2020	\$795,215.04	\$65,671.14	\$57,480.43	\$8,190.71	\$443,765.39	\$81,603.73	\$737,734.61
9/1/2020	\$737,734.61	\$65,671.14	\$58,072.47	\$7,598.67	\$501,837.86	\$89,202.40	\$679,662.14
3/1/2021	\$679,662.14	\$65,671.14	\$58,670.62	\$7,000.52	\$560,508.48	\$96,202.92	\$620,991.52
9/1/2021	\$620,991.52	\$65,671.14	\$59,274.93	\$6,396.21	\$619,783.41	\$102,599.13	\$561,716.59
3/1/2022	\$561,716.59	\$65,671.14	\$59,885.46	\$5,785.68	\$679,668.87	\$108,384.81	\$501,831.13
9/1/2022	\$501,831.13	\$65,671.14	\$60,502.28	\$5,168.86	\$740,171.15	\$113,553.67	\$441,328.85
3/1/2023	\$441,328.85	\$65,671.14	\$61,125.45	\$4,545.69	\$801,296.60	\$118,099.36	\$380,203.40
9/1/2023	\$380,203.40	\$65,671.14	\$61,755.04	\$3,916.10	\$863,051.64	\$122,015.46	\$318,448.36
3/1/2024	\$318,448.36	\$65,671.14	\$62,391.12	\$3,280.02	\$925,442.76	\$125,295.48	\$256,057.24
9/1/2024	\$256,057.24	\$65,671.14	\$63,033.75	\$2,637.39	\$988,476.51	\$127,933.87	\$193,023.49
3/1/2025	\$193,023.49	\$65,671.14	\$63,683.00	\$1,988.14	\$1,052,159.51	\$129,921.01	\$129,340.49
9/1/2025	\$129,340.49	\$65,671.14	\$64,338.93	\$1,332.21	\$1,116,498.44	\$131,253.22	\$65,001.56
3/1/2026	\$65,001.56	\$65,671.08	\$65,001.56	\$669.52	\$1,181,500.00	\$131,922.74	\$0.00
					\$1,313,422.74	Total Principal & Interest	
		\$118,099.36		WW	\$118,099.36	\$118,099.36	
		\$169,463.05		W	\$169,463.05	\$169,463.05	

Booker Dairy Relocation

Loan \$2,037,249.00
 Interest 1.02%
 Year 7
 Payment \$156,837.63

Period	Beginning Balance	Payment	Principal	Interest	Cummulative Principal	Cummulative Interest	Ending Balance
9/23/2017	\$2,037,249.00	\$156,837.63	\$136,159.55	\$20,678.08	\$136,159.55	\$20,678.08	\$1,901,089.45
3/23/2018	\$1,901,089.45	\$156,837.63	\$137,541.57	\$19,296.06	\$273,701.12	\$39,974.14	\$1,763,547.88
9/23/2018	\$1,763,547.88	\$156,837.63	\$138,937.62	\$17,900.01	\$412,638.74	\$57,874.15	\$1,624,610.26
3/23/2019	\$1,624,610.26	\$156,837.63	\$140,347.83	\$16,489.80	\$552,986.57	\$74,363.95	\$1,484,262.43
9/23/2019	\$1,484,262.43	\$156,837.63	\$141,772.36	\$15,065.27	\$694,758.93	\$89,429.22	\$1,342,490.07
3/23/2020	\$1,342,490.07	\$156,837.63	\$143,211.35	\$13,626.28	\$837,970.28	\$103,055.50	\$1,199,278.72
9/23/2020	\$1,199,278.72	\$156,837.63	\$144,664.95	\$12,172.68	\$982,635.23	\$115,228.18	\$1,054,613.77
3/23/2021	\$1,054,613.77	\$156,837.63	\$146,133.30	\$10,704.33	\$1,128,768.53	\$125,932.51	\$908,480.47
9/23/2021	\$908,480.47	\$156,837.63	\$147,616.55	\$9,221.08	\$1,276,385.08	\$135,153.59	\$760,863.92
3/23/2022	\$760,863.92	\$156,837.63	\$149,114.86	\$7,722.77	\$1,425,499.94	\$142,876.36	\$611,749.06
9/23/2022	\$611,749.06	\$156,837.63	\$150,628.38	\$6,209.25	\$1,576,128.32	\$149,085.61	\$461,120.68
3/23/2023	\$461,120.68	\$156,837.63	\$152,157.25	\$4,680.38	\$1,728,285.57	\$153,765.99	\$308,963.43
9/23/2023	\$308,963.43	\$156,837.63	\$153,701.65	\$3,135.98	\$1,881,987.22	\$156,901.97	\$155,261.78
3/23/2024	\$155,261.78	\$156,837.69	\$155,261.78	\$1,575.91	\$2,037,249.00	\$158,477.88	(\$0.00)
					\$1,728,285.57	Total Principal & Interest	

Town of Smithfield
Johnston County, North Carolina

System Development Fee Analysis

PROVIDED BY:



ENVIROLINK

November 6, 2023

Original report August 31, 2023

Revision 1, November 5, 2023

Revision 2, November 6, 2023

Revision #1 dated November 5, 2023, incorporates revisions to the assets included in the water system and wastewater system analysis and related or editorial corrections.

A. The following assets were moved to the water system assets and removed from the wastewater asset list:

Asset #	Description
1. 00038	ALUM SLUDGE HANDLING FA
2. 00213	HYDROGRITTER
3. 00214	SLUDGE PRESS
4. 00215	SLUDGE PRESS/SLUDGE PRESS PUMP
5. 00608	SLUDGE PRESS/DEWATERING SYSTEM
6. 00650	200 AMP PANNEL&112.5 KVA TRANSFORMER
7. 00665	2-WAY ELECTRIC CONTROL VALVES
8. 00710	SAND GRIT PUMP
9. 00327	LOH & ROF WATER FILTER CO
10. 00328	CHLORINE DIOXIDE SYSTEM
11. 00527	SLUDGE SYSTEM
12. 00194	DOUBLE WAYY TANK 25
13. 00195	INSTAVLAVE COMPLETE
14. 00664	BOOKR DAIRY RD ENGR & CONST

B. The following assets were moved to the wastewater system assets and removed from the water asset list:

Asset #	Description
1. 00211	DRI-PRIME DIESEL PUMP
2. 00552	CUR OFF VALUE IN SERV

C. The water plant commissioned in 2022 is added to the water asset list.

D. Other editorial and related corrections to the document

Revision #2 dated November 6, 2023 is a correction for updated information on REUs and meter size chart, page 14

Town of Smithfield

System Development Fee Analysis

I hereby certify this Town of Smithfield, System Development Fee Analysis and Revision #1 were prepared under my direct supervision. I also certify I am a duly Registered Professional Engineer under the laws of North Carolina

Registration # 9553

Kenneth M. Raber, P.E.



OVERVIEW

The Town of Smithfield (Town) retained Envirolink of North Carolina, LLC. to prepare an update to System Development Fee (SDF) analysis for Town's Water and Wastewater utility systems in order meet the requirements of General Statute 162A; Article 8, which provides that an SDF analysis is required to be updated every five years if an SDF fee is to remain in effect as part of the Town's Rate and Fee schedule.

This SDF is developed in accordance with and to meet the requirements of General Statute 162A; Article 8; System Development Fees. System development fees are one-time charges that may be used to fund capital improvements necessary for the expansion of a utility system or to properly allocate the capital investment made by existing customers on utility system that is available to serve new development or a combination thereof. The Town cannot implement or continue any form of "system development" charges or fees unless they are developed, reviewed, approved and administered in accordance with Article 8. The scope of this analysis is limited to the development of a calculated maximum appropriate SDF, should the Town wish to implement an SDF under Article 8.

The SDF developed within this analysis, for both water and wastewater, is based on Equivalent Residential Units (ERU) and an appropriate valuation of existing and planned (approved) facilities to be used by new development. The SDF, upon proper review and approval, can be implemented as a charge to be applied under the authority granted to the Town in accordance with General Statute 162A; Article 8; System Development Fees. (Subject to the appropriate Posting, Notice, Public Hearing and accounting requirements of Article 8.)

Other types (sizes) of connections are herein evaluated with respect to the capacity proportional to ERU and the SDF for other size connections. This analysis provides a SDF schedule for other size connections in accordance with established standards.

The SDF developed within this analysis for the Town, is based on information provided by the Town, is reasonably related to the capital facility demands of new development and / or the value of the existing system and/or proposed expansions of the system to be made available for new development. This report documents the data, methodology, assumptions and results of the requested SDF analysis.

The maximum SDF per Equivalent Residential Unit (ERU) calculated for the Town as provided by this analysis is \$595 for the Water System and \$763 for the Wastewater System. The details and components are provided in the following analysis.

SYSTEM INFRASTRUCTURE

The Town's Water System contains over 122 miles of distribution system lines and over 5,703 retail customers. The Town had an average daily use of 2.12 MGD and a capacity of 8.30 MGD. In addition to the Town's water use, the Town provides approximately 2.0 MGD in Water sales to Johnston County Utilities via a 16-inch connection. The Town maintains approximately 2 million gallons of potable water storage facilities throughout the system. The Town's distribution system is designed to convey all permitted water.

The Town's Wastewater system consists of over 93 miles of gravity pipes and 6 miles of force mains. The Wastewater system conveys an average of 2.14 MGD and a peak of 3.0 MGD to the Johnston County Utilities Wastewater Treatment Plant.

The Town has several ongoing capital projects for which funds have been expended and principal payments have been made that are not in the Inventory of Assets. The principal payments on these projects, if they qualify, have been included as the basis for the Incremental SDF calculation and include the following:

- (1) I&I Sand Removal - Wastewater Project - \$1.43 M - Principal to Date \$1,032,267
- (2) Various Water & Wastewater Projects - \$1.182 M - Principal to Date \$863,051

REGULATORY REQUIREMENTS

In accordance with SESSION LAW 2017-138 HOUSE BILL 436 - AN ACT TO PROVIDE FOR UNIFORM AUTHORITY TO IMPLEMENT SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEMS IN NORTH CAROLINA AND TO CLARIFY THE APPLICABLE STATUTE OF LIMITATIONS; General Statute 162A; Article 8; System Development Fees was enacted wherein a "system development fee" is described as:

162A-201. Definitions.

(9) System development fee. – A charge or assessment for service imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs, as provided in this Article. The term includes amortized charges, lump-sum charges, and any other fee that functions as described by this definition regardless of terminology. The term does not include any of the following:

- a. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.
- b. Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.
- c. Availability charges.
- d. Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.
- e. Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c).

In addition, General Statute 162A; Article 8; System Development Fees provides that the SDF analysis meet the following conditions:

162A-205. Supporting analysis.

A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

- (1) Is prepared by a financial professional or a licensed professional engineer qualified by experience and training or education to employ generally accepted accounting, engineering, and planning methodologies to calculate system development fees for public water and sewer systems.
- (2) Documents in reasonable detail the facts and data used in the analysis and their sufficiency and reliability.
- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article.
- (4) Documents and demonstrates the reliable application of the methodologies to the facts and data, including all reasoning, analysis, and interim calculations underlying each identifiable component of the system development fee and the aggregate thereof.
- (5) Identifies all assumptions and limiting conditions affecting the analysis and demonstrates that they do not materially undermine the reliability of conclusions reached.
- (6) Calculates a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand.
- (7) Covers a planning horizon of not less than 10 years nor more than 20 years.
- (8) Is adopted by resolution or ordinance of the local governmental unit in accordance with G.S. 162A-209.

The "service unit of new development" is based on the following definition:

162A-201. Definitions.

- (8) Service unit. – A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards.

In addition, there are certain minimum requirements required by the statute.

162A-207. Minimum requirements.

- (a) Maximum. – A system development fee shall not exceed that calculated based on the system development fee analysis.
- (b) Revenue Credit. – In applying the incremental cost or marginal cost, or the combined cost, method to calculate a system development fee with respect to water or sewer capital improvements, the system development fee analysis must include as part of that methodology a credit against the projected aggregate cost of water or sewer capital improvements. That credit shall be determined based upon generally accepted calculations and shall reflect a deduction of either the outstanding debt principal or the present value of projected water and sewer revenues received by the local governmental unit for the capital improvements necessitated by and attributable to such new development, anticipated over the course of the planning horizon. In no case shall the credit be less than twenty-five percent (25%) of the aggregate cost of capital improvements.
- (c) Construction or Contributions Credit. – In calculating the system development fee with respect to new development, the local governmental unit shall credit the value of costs in excess of the development's proportionate share of connecting facilities required to be oversized for

use of others outside of the development. No credit shall be applied, however, for water or sewer capital improvements on-site or to connect new development to water or sewer facilities.

AUTHORIZATION AND IMPLEMENTATION

The SDF proposed by the Town is authorized by General Statute 162A; Article 8; System Development Fees:

162A-203. Authorization of system development fee.

(a) A local governmental unit may adopt a system development fee for water or sewer service only in accordance with the conditions and limitations of this Article.

(b) A system development fee adopted by a local governmental unit under any lawful authority other than this Article and in effect on October 1, 2017, shall be conformed to the requirements of this Article not later than July 1, 2018.

Town is required by General Statute 162A; Article 8; System Development Fees to implement and maintain the proposed SDF through the following process:

162A-209. Adoption and periodic review.

(a) For not less than 45 days prior to considering the adoption of a system development fee analysis, the local governmental unit shall post the analysis on its Web site and solicit and furnish a means to submit written comments, which shall be considered by the preparer of the analysis for possible modifications or revisions.

(b) After expiration of the period for posting, the governing body of the local governmental unit shall conduct a public hearing prior to considering adoption of the analysis with any modifications or revisions. (c) The local governmental unit shall publish the system development fee in its annual budget or rate plan or ordinance. The local governmental unit shall update the system development fee analysis at least every five years.

COLLECTION AND USE OF REVENUE FROM SDF

162A-211. Use and administration of revenue.

(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:

(1) Costs of constructing capital improvements including, and limited to, any of the following:

- a. Construction contract prices.
- b. Surveying and engineering fees.
- c. Land acquisition cost.
- d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.

(2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.

(3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.

(b) Revenue from system development fees calculated using the buy-in method may be expended for previously completed capital improvements for which capacity exists and for capital rehabilitation projects. The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments.

(c) A local governmental unit may pledge a system development fee as security for the payment of debt service on a bond, note, or other obligation subject to compliance with the foregoing limitations.

(d) System development fee revenues shall be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section.

The Town is allowed to collect the SDF in when the following conditions are met:

162A-213. Time for collection of system development fees.

For new development involving the subdivision of land, the system development fee shall be collected by a local governmental unit either at the time of plat recordation or when water or sewer service for the subdivision or other development is committed by the local governmental unit. For all other new development, the local governmental unit shall collect the system development fee at the time of application for connection of the individual unit of development to the service or facilities.

SYSTEM DEVELOPMENT FEE CALCULATION METHODOLOGY

The following methodology was used to calculate the System Development Fee Buy-In component for this analysis:

$$\frac{\text{SYSTEM CAPACITY (GPD)}}{\text{(GPD)/ EQUIVALENT RESIDENTIAL UNIT}} = \text{TOTAL EQUIVALENT RESIDENTIAL UNITS (SYSTEM)} \\ \text{(Based on Capacity of Each System)}$$

$$\frac{\text{SYSTEM VALUE (REPLACEMENT COST NEW LESS DEPRECIATION- ADJUSTED FOR DEBT, ETC.)}}{\text{TOTAL EQUIVALENT RESIDENTIAL UNITS (SYSTEM CAPACITY)}} = \\ = \text{SYSTEM DEVELOPMENT FEE (BUY-IN) / EQUIVALENT RESIDENTIAL UNIT}$$

The following methodology was used to calculate the System Development Fee Incremental component for this analysis:

$$\frac{[\text{TOTAL PROJECT COST (TO DATE) - INTEREST (TO DATE)] = \text{TOTAL PRINCIPAL (TO DATE)}}{\text{TOTAL EQUIVALENT RESIDENTIAL UNITS (SYSTEM CAPACITY)}} = \\ = \text{SYSTEM DEVELOPMENT FEE (INCREMENTAL) / EQUIVALENT RESIDENTIAL UNIT}$$

DEVELOPMENT FEE CALCULATION METHODOLOGY - BUY-IN ASSET VALUATION

In accordance with General Statute 162A; Article 8; System Development Fees; (162A-205. Supporting analysis)... "A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article."

The 7th edition of AWWA's "Principles of Water Rates, Fees, and Charges" documents methods used to calculate system value using descriptions similar to those in GS162A; Article 8. AWWA defines the most common options to determine the value for system development charges include the "buy-in method", "incremental cost method" and "combined approach". These terms are:

- " 1. The buy-in method is based on the value of the existing system's capacity. This method is typically used when the existing system has sufficient capacity to serve new development now and into the future.
2. The incremental cost method is based on the value or cost to expand the existing system's capacity. This method is typically used when the existing system has limited or

no capacity to serve new development and new or incremental facilities are needed to serve new development now and into the future.

3. The combined approach is based on a blended value of both the existing and expanded system's capacity. This method is typically used where some capacity is available in parts of the existing system (e.g., source of supply), but new or incremental capacity will need to be built in other parts (e.g., treatment plant) to serve new development at some point in the future."

AWWA's "Principles of Water Rates, Fees and Charges" documents several options to calculate the value of the existing system's capacity.

"Validation and system equity. There are different methods used to establish a value to the existing assets under the buy-in methodology. If the existing assets are valued at their original cost or depreciated original cost, this is often referred to as the original cost method. An alternative valuation approach is to value the existing assets at a replacement cost or a depreciated replacement cost. This is commonly referred to as the replacement cost method. According to the replacement cost method, the existing system components are valued at the current-day cost of replicating the existing assets. This is typically accomplished through the use of a construction cost index or other comparable valuation method to bring the historical costs up to current-day value. In summary form the four valuation approaches for system assets under the buy-in method are as follows:

1. Original cost (OC) is the cost of construction in the year of construction.
2. Original cost less accumulated depreciation (OCLD) is also known as the net book value of the system assets.
3. Replacement cost new (RCN) is the original cost escalated to current-day dollars, providing an estimate of the current-day cost of replicating the existing facilities.
4. Replacement cost new less depreciation (RCNLD) is the original cost escalated to current-day dollars, less accumulated replacement cost depreciation. This provides an estimate of the current-day cost of duplicating the existing facilities that is then adjusted by an estimate of the replacement cost depreciation, resulting in a replacement cost valuation that reflects the remaining depreciable life of the facility."

"A combination of the approaches may also be used. Using the OC and OCLD valuations, the SDC reflects the original investment in the existing capacity. The new customer "buys in" to the capacity at the OC or the net book value cost (OCLD) for the facilities and as a result pays an amount similar to what the existing customers paid for the capacity (OC) or the remaining value of the original investment (OCLD)."

"Using the RCN and the RCNLD valuations, the SDC [System Development Charge] reasonably reflects the cost of providing new expansion capacity to customers as if the capacity was added at the time the new customers connected to the water system. It may also be thought of as a valuation method to fairly compensate the existing customers for the carrying costs of the excess capacity built into the system in advance of when the new customers connect to the system. This is because, up to the point of the new customer connecting to the system, the existing customers have been financially responsible for the carrying costs of that excess capacity that is available for development.

System liabilities and equity. Balance-sheet liabilities and equity that are recognized in the valuation method should equitably address the issue of the outstanding principal portion of long-term debt. When debt is issued to finance a growth- or expansion-related project, the principal portion of the debt service will be repaid over time, possibly through a customer's rates after connection to the system and payment of an SDC. Given that, a debt credit may be applicable to avoid the potential double-charging of these debt costs through both the SDC and user rates. In a situation where the SDC is separated into functional components (source of supply, treatment, pumping, transmission, etc.), the analysis may provide these debt credits at the functional level or on a combined system level at the end of the analysis."

"Valuation adjustments may be necessary if grants or other contributions were used to develop the capacity-related facilities or if a facility is replaced and the resulting replacement provides additional capacity to accommodate future customers. This may be addressed within the valuation process by determining the percentage of the asset eligible for the SDC (i.e., percent SDC eligible). For example, if grants were provided specifically for the water treatment facilities, these grant contributions should be credited to the value (cost) of those specific facilities, and the grant-related portion of the water treatment plant's value should not be included in the SDC."

In addition, GS 162A-211 "Use and administration of revenue" paragraph (b) states "The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments." Therefore, the AWWA methodologies of OCLD or RCNLD meets the requirements of this section.

The "buy-in" methodology is used to value the existing infrastructure and the valuation of the complete infrastructure is based on Replacement Cost New Less Depreciation (RCNLD) to properly address the "carrying costs" of the existing system infrastructure borne by the existing customers.

Each system's value is then divided by the Town's total ERU for water or wastewater based on each system's capacity to determine the Buy -In SDF / ERU.

SYSTEM DEVELOPMENT FEE CALCULATION METHODOLOGY - INCREMENTAL ASSET VALUATION

The "incremental cost" methodology is used when additional facilities are needed to provide capacity due to additional growth or maintain service to ensure system reliability. During the development and construction of the additional facilities, these projects under construction would not be included as current capital assets of the Town. However, funds have been expended by the Town and revenues have been collected from the Town's existing customers for these facilities. These revenues have recouped costs to date for payments for actual equipment or facilities or the payment to date of principal and interest as part of the project financing. As a result, the existing customers, through the rates, have made a principal investment in the new projects which may not be included in the existing assets.

Therefore, it is appropriate to incorporate the valuation funds expended for these projects into the development of the SDF costs in order to adequately address principal investment made by the existing customers. The SDF analysis methodology used sums the principal paid to date for existing capital

expenditures that are not included in the Asset Inventory and excludes interest paid to date and other contributions for approved and implemented projects. This adequately addresses the requirements of Article 8 for the exclusion of interest and other contributions.

The "incremental cost" methodology described above is used to value facilities that are approved, for which funds have been expended and that are not included in the assets used by the "buy-in" methodology described in the preceding section.

Each system's value of principal payments for ongoing projects is then divided by the Town's total ERU for water or wastewater based on each system's capacity to determine the Incremental SDF / ERU. For the comparison of the credit related to the Incremental SDF, the total payments to date by the existing customers is divided by the Town's existing ERU for water or wastewater based on the Town's maximum usage to date. This provides a more accurate comparison to the costs incurred by the existing customer base for the ongoing projects compared to the calculated Incremental SDF / ERU for new customers.

EQUIVALENT RESIDENTIAL UNIT TOTAL

In accordance with GS 162A-205 (6); the analysis is required to calculate "... a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand." GS 162A-201(8) defines Service unit as "A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards."

For this analysis, the SDF per ERU is based on the Total Equivalent Residential Units by Capacity for the Town. The Equivalent Residential Unit (ERU) is based on a demand of 360 gallons per day (GPD) for Wastewater use. (*NC Administrative Code 15A NCAC02T.0114 for a three-bedroom home based on 120 GPD per bedroom). The Total ERUs for water or wastewater are determined by dividing the system capacity GPD by the single ERU demand of 360 GPD for wastewater or 400 GPD for water (assumes 90 percent pass through to wastewater). This determines the Total ERU capable of being served by each system.

Water	System Capacity MGD	8.300	MGD
	System Capacity GPD	8,300,000	GPD
	Equivalent Residential Unit GPD *	<u>400</u>	GPD / ERU
	Total Equivalent Residential Units by Capacity	20,750	ERU (Capacity Based)

* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom

Waste Water	System Capacity MGD	3.000	MGD
	System Capacity GPD	3,000,000	GPD
	Equivalent Residential Unit GPD	<u>360</u>	GPD / ERU
	Total Equivalent Residential Unit by Capacity	8,333	ERU (Capacity Based)
* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom			X 90%

CALCULATION FOR VARIOUS CATEGORIES OF DEMAND

The analysis is also required to provide an equivalency or conversion table for use in determining the fees applicable for various categories of demand. The SDF for larger meters is determined by the SDF per ERU times the Capacity Factor for larger meters. The Capacity Factor methodology is consistent with industry standards and represents a reflection of the possible demand, and therefore the capital cost of providing service for different meter sizes. The AWWA based Capacity Factor chart below is used to calculate SDF for "various categories of demand" which is based on the installed tap / meter size.

Meter Size	AWWA (capacity)	Capacity Factor
5/8 inch	20	1.00
3/4 inch	30	1.50
1 inch	50	2.50
1-1/2 inch	100	5.00
2 inch	160	8.00
3 inch	300	15.00
4 inch	500	25.00
6 inch	1,000	50.00
8 inch	1,600	80.00
10 inch	2,300	115.00
12 inch	4,300	215.00

SYSTEM DEVELOPMENT FEE and CALCULATED SYSTEM DEVELOPMENT FEE

The calculated SDF shown below for the Town was developed using the System Development Fee Methodology described previously for the Buy-In and Incremental portions and utilizes the utility asset and capacity information provided by the Town. An SDF can be implemented after completing the required posting, notice and public hearing requirements, which includes addressing any comments received during the posting period. The Town can choose to implement a SDF that is less than or equal to the calculated SDF (Buy-In, Incremental or Total) as determined by this analysis.

SYSTEM DEVELOPMENT FEE

Water System	Capital Assets = Equivalent residential Unit (ERU) SDF	(Buy in)	\$595
Water System	CIP = Incremental Cost/ERU/CIP Plan SDF		
Water System	System Development fee per ERU		\$595
Wastewater System	Capital Assets = Equivalent Residential Unit SDF	(Buy in)	\$763
Wastewater System	CIP = Incremental Cost/ERU/CIP Plan SDF		
Wastewater System	System Development Fee per ERU		\$763
Total System Development Fee per ERU			\$1,358

Meter Size	AWWA (GPM capacity)	Capacity Factor	Water SDF	Waste Water SDF	Total SDF
5/8 inch	20	1.00	\$ 595.00	\$ 763.00	\$ 1,358.00
3/4 inch	30	1.50	\$ 893.00	\$ 1,145.00	\$ 2,038.00
1 inch	50	2.50	\$ 1,480.00	\$ 1,908.00	\$ 3,388.00
1-1/2 inch	100	5.00	\$ 2,975.00	\$ 3,815.00	\$ 6,790.00
2 inch	160	8.00	\$ 4,760.00	\$ 6,104.00	\$ 10,864.00
3 inch	300	15.00	\$ 8,925.00	\$ 11,445.00	\$ 20,370.00
4 inch	500	25.00	\$ 14,875.00	\$ 19,075.00	\$ 33,950.00
6 inch	1,000	50.00	\$ 29,750.00	\$ 38,150.00	\$ 67,900.00

Residential Customers are to be under 5/8 inch meter size unless additional capacity is required for adequate service. Commercial, Industrial, Institutional, and Irrigation meters maximum should be based actual meter / tap size.

CALCULATED SYSTEM DEVELOPMENT FEE

System Development Fee Based on RCNLD and Capacity (Actual Calculation)

Water System	Capital Assets = Equivalent residential Unit (ERU) SDF	(Buy in)	\$594.62
Water System	CIP 0	(Incremental)	
Water System	System Development fee per ERU		\$594.62

Wastewater System	Capital Assets = Equivalent Residential Unit SDF	(Buy in)	\$763.27
Wastewater System	CIP	(Incremental)	0
Wastewater System	System Development Fee per ERU		\$763.27
Total System development Fee per ERU			\$1,357.89

SYSTEM ASSETS VALUE REPLACEMENT COST NEW LESS DEPRECIATION (BUY IN)

The following charts show the calculation of each system's (Water or Wastewater) Replacement Cost New Less Depreciation, adjusted for outstanding debt, and adjusted for any assets currently in service but not included in the most recent Audited assets to determine the system asset value. The asset value for each system is then divided by the total Equivalent Residential Units (ERU) of capacity for that system to determine the SDF per ERU.

WATER

Asset Line #	Water System Asset Description 2022 Asset List	[1] Original Cost	[2] Dep Yrs	[3] Accrued Depreciation	[4] Yr Install	[5] % Dep	[6] Ins Yr Index	[7] 2022 Index	[8] RCN Factor	[9] RCN	[10] RCNLD
	WATER PLANT - NOT INCLUDED	\$ 17,598,500		\$ 417,306	2022		236.8	236.8	1	\$ 17,598,500	\$ 17,181,194
38	ALLIN SLUDGE HANDLING FA (MOVED FROM WW)	\$ 2,987	50	\$ 2,987	2006	35.67%	112.1	236.8	2.112	\$ 17,688	\$ 11,379
213	HYDROGRITTER(MOVED FROM WW)	\$ 32,606	10	\$ 32,606	2018	60.00%	174.6	236.8	1.356	\$ 73,704	\$ 29,481
214	SLUDGE PRESS -(MOVED FROM WW)	\$ 83,000	10	\$ 46,342	2016	55.83%	174.6	236.8	1.356	\$ 112,568	\$ 49,717
215	SLUDGE PRESS PUMP - (MOVED FROM WW)	\$ 16,617	10	\$ 9,110	2018	58.33%	183.3	236.8	1.292	\$ 20,175	\$ 8,406
608	Sludge press/dewatering system(MOVED FROM WW)	\$ 269,928	10	\$ 107,922	2019	40.00%	186.8	236.8	1.268	\$ 342,179	\$ 205,308
650	200 amp panel & 112.5 kva transformer - (MOVED FROM WW)	\$ 17,969	10	\$ 55,411	2019	30.83%	186.8	236.8	1.268	\$ 22,779	\$ 15,756
665	2-WAY ELECTRONIC CONTROL VALVES-2 - (MOVED FROM WW)	\$ 35,640	10	\$ 14,256	2019	40.00%	186.8	236.8	1.268	\$ 45,180	\$ 27,108
710	SAND DIRT PUMP = (MOVED FROM WW)	\$ 30,851	20	\$ 3,342	2015	10.83%	167.6	236.8	1.413	\$ 43,589	\$ 38,867
327	LOH & ROF WATER FILTER CO - (MOVED FROM WW)	\$ 49,865	20	\$ 17,696	2016	35.42%	174.6	236.8	1.356	\$ 67,765	\$ 43,764
328	CHLORINE DIOXIDE SYSTEM - (MOVED FROM WW)	\$ 134,344	30	\$ 40,303	1999	30.00%	89.39	236.8	2.649	\$ 355,881	\$ 249,116
527	SLUDGE SYSTEM - (MOVED FROM WW)	\$ 1,249,804	60	\$ 966,964	1996	77.34%	81.79	236.8	2.895	\$ 3,618,620	\$ 819,954
194	DOUBLE WALL DAY TANK 26 - (MOVED FROM WW)	\$ 17,605	10	\$ 17,018	2014	96.67%	161.6	236.8	1.465	\$ 25,797	\$ 860
195	INSTAVALVE COMPLETE_ (MOVED FROM WW)	\$ 38,355	10	\$ 31,808	2014	82.50%	161.6	236.8	1.465	\$ 56,496	\$ 9,887
664	BOOKER DAIRY RD ENGR & CONST - (MOVED FROM WW)	\$ 1,588,586	20	\$ 284,618	2018	17.92%	183.8	236.8	1.292	\$ 2,052,222	\$ 1,684,533
00036	CONSTRUCTION OF NEW OFFICE	\$ 6,953.73	30	\$ 6,200.47	1999	89.17%	89.39	236.8	2.649	\$ 18,421	\$ 1,995
00047	IMPROVEMENTS TO WATER P	\$ 206,762.00	30	\$ 85,734.13	2020	41.67%	198	236.8	1.196	\$ 246,083	\$ 143,548
00687	Riverbank Const & Refurb	\$ 313,895.59	20	\$ 35,313.30	2020	11.25%	198	236.8	1.196	\$ 375,406	\$ 333,173
00711	Filter Rehab No. 1	\$ 82,250.00	10	\$ 7,196.91	2022	8.75%	236.8	236.8	1.000	\$ 82,250	\$ 75,053
00755	CLX Online Residual Cloring A	\$ 29,580.57	30	\$ 17,748.34	2005	60.00%	112.1	236.8	2.112	\$ 62,486	\$ 24,994
00177	DECHLORINATION SYSTEM	\$ 22,609.00	30	\$ 14,893.99	2011	65.88%	142.8	236.8	1.658	\$ 37,492	\$ 12,794
00190	ECLIPSE SAMPLING STATION	\$ 10,428.45	10	\$ 6,081.54	2014	58.33%	161.6	236.8	1.465	\$ 15,277	\$ 6,365
00196	NESHAP COMPLIANCE SERVIC	\$ 11,260.00	10	\$ 6,562.13	2014	58.33%	161.6	236.8	1.465	\$ 16,485	\$ 6,869
00197	NESHAP COMPLIANCE SERVIC	\$ 11,260.00	10	\$ 6,562.13	2014	58.33%	161.6	236.8	1.465	\$ 16,485	\$ 6,869
00198	TANK - 20,000 GAL FERRIC SUL	\$ 27,850.00	10	\$ 21,883.71	2015	77.50%	167.6	236.8	1.413	\$ 39,349	\$ 8,854
00200	SOLARBEE GS-12 MIXER	\$ 15,658.00	10	\$ 11,091.02	2015	70.83%	167.6	236.8	1.413	\$ 22,123	\$ 6,453
00204	TMH ANALYZER	\$ 32,500.00	10	\$ 22,749.94	2015	70.00%	167.6	236.8	1.413	\$ 45,919	\$ 13,776
00206	LAB TOC ANALYZER	\$ 23,500.00	10	\$ 16,449.94	2016	70.00%	174.6	236.8	1.356	\$ 31,872	\$ 9,562
00207	GENERATOR/VFDs	\$ 97,700.00	10	\$ 61,062.57	2017	62.50%	175.8	236.8	1.347	\$ 131,600	\$ 49,350
00208	STORAGE TANK 10,500 GAL (1	\$ 11,067.66	10	\$ 8,810.49	2017	52.50%	175.8	236.8	1.347	\$ 14,908	\$ 7,081
00209	STORAGE TANK 10,500 GAL (2	\$ 11,067.66	10	\$ 8,810.49	2016	52.50%	174.6	236.8	1.356	\$ 15,010	\$ 7,130
00212	MCC CABINET	\$ 25,000.00	10	\$ 14,999.92	2018	60.00%	174.6	236.8	1.356	\$ 33,906	\$ 13,563
00531	REPAIRS TO WATER PLANT FIL	\$ 322,450.25	50	\$ 94,688.61	1997	29.37%	85.74	236.8	2.762	\$ 890,525	\$ 629,019
00550	AMONIA TREAT SYSTEM	\$ 189,101.00	50	\$ 61,834.86	1999	38.68%	89.39	236.8	2.649	\$ 421,462	\$ 258,455
00551	AMMONIA STORAGE TANK	\$ 8,890.00	20	\$ 3,141.32	2018	35.34%	183.3	236.8	1.292	\$ 11,485	\$ 7,427
00688	WATER LINE INSTALL 16" FRANK JONES RD	\$ 198,629.90	40	\$ 23,173.40	2021	11.67%	200.9	236.8	1.179	\$ 234,124	\$ 206,810
00203	BACKHOE LOADER 420F	\$ 81,500.00	10	\$ 55,691.73	2015	68.33%	167.6	236.8	1.413	\$ 115,150	\$ 36,644
00210	GENERATOR ENGINE PUMP 5T	\$ 13,063.67	10	\$ 7,184.96	2017	55.00%	175.8	236.8	1.347	\$ 17,597	\$ 7,919
00657	SOFTWARE - TYLER FINANCIAL	\$ 40,750.69	20	\$ 27,846.37	2019	68.33%	186.8	236.8	1.268	\$ 51,658	\$ 16,358
00324	FIRE HYDRANT REPLACEMENT	\$ 49,781.52	20	\$ 22,401.62	2013	45.00%	157.5	236.8	1.503	\$ 74,846	\$ 41,166
00553	16" WATER LINE IN SERV 16825	\$ 142,425.00	50	\$ 93,826.34	1989	65.67%	73.74	236.8	3.211	\$ 457,376	\$ 157,030
00554	12" WATER LINE IN SERV 11,475	\$ 68,850.00	50	\$ 45,211.50	1999	65.67%	73.74	236.8	3.211	\$ 221,101	\$ 75,911
00555	8" WATER LINE IN SERVICE 22,	\$ 113,500.00	50	\$ 74,632.01	1987	65.67%	70.22	236.8	3.372	\$ 382,774	\$ 131,418
00556	6" WATER LINE IN SERVICE 20	\$ 352,459.95	50	\$ 247,776.36	1989	70.30%	73.74	236.8	3.211	\$ 1,131,870	\$ 336,175
00557	2 " WATER LINE IN SERVICE 29	\$ 69,000.00	50	\$ 38,644.66	1989	65.50%	73.74	236.8	3.211	\$ 189,469	\$ 65,368
00558	1 1/2 " WATER LINE IN SERV 5,	\$ 10,850.00	50	\$ 7,106.41	1989	65.50%	73.74	236.8	3.211	\$ 34,843	\$ 12,022
00559	10" WATER LINE IN SERV 1400	\$ 5,260.00	50	\$ 3,446.64	1991	65.51%	73.58	236.8	3.218	\$ 16,928	\$ 5,839
00560	ASSORTED W & S	\$ 66,167.88	50	\$ 40,397.54	1993	62.00%	77.31	236.8	3.063	\$ 199,589	\$ 75,845
00561	6" & 8" INSERT VALVES AND S	\$ 6,946.67	50	\$ 4,029.46	1994	58.01%	79.36	236.8	2.984	\$ 20,729	\$ 8,705
00562	WEST SMITHFIELD WATER SY	\$ 466,374.00	50	\$ 408,926.28	1997	87.68%	85.74	236.8	2.762	\$ 1,288,006	\$ 158,656
00563	RELOCATE WATER LINE ON M	\$ 23,192.00	50	\$ 11,834.17	1997	50.16%	85.74	236.8	2.762	\$ 64,050	\$ 31,920
00564	WATER TAP @WAL-MART	\$ 23,869.00	50	\$ 11,775.14	1998	49.33%	87.49	236.8	2.707	\$ 64,603	\$ 32,733
00565	WAL PAT RD WATER MAIN	\$ 61,563.20	50	\$ 26,266.10	2000	49.00%	91.9	236.8	2.577	\$ 132,864	\$ 67,760
00566	RPLCE WATERLINE BETWEEN	\$ 14,652.50	50	\$ 6,300.49	2000	43.00%	91.9	236.8	2.577	\$ 37,755	\$ 21,521
00567	WATER LINE HOLLAND DR	\$ 217,027.30	50	\$ 98,863.54	2000	44.17%	91.9	236.8	2.577	\$ 559,217	\$ 312,230
00571	METER BOX IN SERVICE 3,585	\$ 223,148.76	50	\$ 146,533.92	1999	65.67%	73.74	236.8	3.211	\$ 716,607	\$ 246,037
00572	6" FIRDIHYD	\$ 221,340.00	50	\$ 145,346.60	1999	65.67%	73.74	236.8	3.211	\$ 710,799	\$ 244,041
00609	BOOKER DAIRY RD EXT	\$ 123,120.00	20	\$ 24,624.00	2018	20.00%	183.3	236.8	1.292	\$ 159,055	\$ 127,244
00647	OLD GOLDSBORO RD TIE INTO WATER SERVICE	\$ 43,734.00	20	\$ 8,200.12	2018	18.75%	183.3	236.8	1.292	\$ 56,499	\$ 45,905
00648	SECOND STREET WATERLINE REPLACEMENT	\$ 56,785.00	20	\$ 9,994.92	2018	17.92%	183.3	236.8	1.292	\$ 72,067	\$ 59,155
00660	WATER AIA	\$ 163,902.60	20	\$ 30,048.92	2018	18.33%	183.3	236.8	1.292	\$ 211,741	\$ 172,922
	Water System			Value Replacement Cost New Less Depreciation							24,694,812
				Less Debt in original report							306,528
				Less water plant debt added in revision							12,050,000
				Less Grants, Contributions, Etc.							12,356,528
	Water System			Value for System Development Fee /							12,338,284
Appendix D	Water System			Total Equivalent Residential Units by Capacity							20,750
	Water System			= Equivalent Residential Unit (ERU) SDF							\$ 594.62

WASTEWATER	Asset Line #	Waste Water System Asset Description 2022 Asset List	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
			Original Cost	Dep Yrs	Accrued Depreciation	Yr Install	% Dep	Ins Yr Index	2022 RCN	RCN Factor	RCN	RCNLD
		211 DRI- PRIME DIESEL PUMP - MOVED FROM WATER	\$ 39,748	10	20205.11	2012	50.83%	175.8	236.8	1.347	\$ 53,540	\$ 26,324
		552 CUR OFF VALVE IN SERVICE - MOVED FROMWATER	\$ 44,325	50	29107.34	1999	66.67%	73.74	236.8	3.211	\$ 142,343	\$ 48,869
	00651	PUMP W/20HP MOTOR	\$ 26,871	10	8,285	2018	30.83%	183.3	236.8	1.292	\$ 34,714	\$ 24,010
	00681	REMOTE SITE PLC & RADIO SYSTEM	\$ 31,981	10	4,397	2021	13.75%	200.9	236.8	1.179	\$ 37,695	\$ 32,512
	00528	UPGRADING OF INSTRUMENT	\$ 27,920	50	14,894	1997	53.35%	85.743	236.8	2.762	\$ 77,108	\$ 35,975
	00666	60x60 CONCRETE VAULTS W/12" BYPASS LINES	\$ 38,500	20	7,700	2019	20.00%	186.8	236.8	1.268	\$ 48,805	\$ 39,044
	00694	2022 FORD TRANSIT CONNECT	\$ 23,920	5	5,118	2021	21.67%	200.9	236.8	1.179	\$ 27,841	\$ 21,809
	00682	SEWER LINE REPLACEMENT - 104 CRESTVIEW ST	\$ 41,436	20	5,697	2020	13.75%	198	236.8	1.196	\$ 49,556	\$ 42,742
	00686	SEWER REPLACEMENT - DURHAM ST & FUTRELL ST	\$ 106,940	20	15,595	2020	14.58%	198	236.8	1.196	\$ 127,896	\$ 109,245
	00709	WATER SEWER LINE REPAIR - HWY 301 ACROSS FROM HOSPITAL	\$ 21,940	40	9,325	2021	42.50%	200.9	236.8	1.179	\$ 25,861	\$ 14,870
	00735	WATER/SEWER LINE REPLACEMENT	\$ 28,155	40	6,335	2022	22.50%	236.8	236.8	1.000	\$ 28,155	\$ 21,820
	00736	CLAYTON PUMP STATION REPLACE VALVE IN EXIST. VAULT	\$ 40,500	40	5,063	2022	12.50%	236.8	236.8	1.000	\$ 40,500	\$ 35,438
	00741	BY-PASS PUMPING & HOSES	\$ 65,230	50	6,523	1999	10.00%	73.739	236.8	3.211	\$ 209,476	\$ 188,528
	00149	MOTOR J. CO PUMP STATION	\$ 5,000	10	3,264	2012	65.29%	155.4	236.8	1.524	\$ 7,619	\$ 2,645
	00199	MINI EXCAVATOR - CATERPIL	\$ 60,879	10	47,181	2014	77.50%	161.6	236.8	1.465	\$ 89,209	\$ 20,072
	00201	SCADA - 9 STATIONS/FLOWER	\$ 51,753	10	40,109	2015	77.50%	167.6	236.8	1.413	\$ 73,121	\$ 16,452
	00202	GRINDER - LIFT STATION #3	\$ 29,688	10	21,029	2016	70.83%	167.6	236.8	1.413	\$ 41,946	\$ 12,234
	00205	AIR COMPRESSOR DOOSAN PO	\$ 21,924	10	14,799	2017	67.50%	175.8	236.8	1.347	\$ 29,531	\$ 9,598
	00216	PUMP 50 HP FAIRNLI PUMP STA	\$ 14,900	10	7,823	2017	52.50%	175.8	236.8	1.347	\$ 20,070	\$ 9,533
	00217	PUMP 50 HP FAIRNLI PUMP STA	\$ 14,900	10	7,823	2017	52.50%	175.8	236.8	1.347	\$ 20,070	\$ 9,533
	00218	CONTROL PANEL PUMP STATI	\$ 45,840	10	24,066	2018	52.50%	183.3	236.8	1.292	\$ 59,219	\$ 28,129
	00646	2019 RAMPANT TRAILER	\$ 8,090	10	3,169	2018	39.17%	183.3	236.8	1.292	\$ 10,451	\$ 6,358
	00652	PUMP	\$ 29,920	5	10,971	2019	36.67%	186.8	236.8	1.268	\$ 37,929	\$ 24,022
	00683	US JETTING TRAILER JETTER	\$ 49,500	30	6,188	2004	12.50%	100.3	236.8	2.361	\$ 116,865	\$ 102,257
	00313	12 INCH LINE BUFFALO RD	\$ 165,005	30	97,062	2004	58.82%	100.3	236.8	2.361	\$ 389,563	\$ 160,407
	00314	FLANDERS FILTER PROJECT	\$ 154,902	30	92,941	2008	60.00%	124.2	236.8	1.907	\$ 295,337	\$ 118,135
	00318	IMPROVEMENTS TO LIFT STAT	\$ 932,026	30	497,080	2011	53.33%	142.8	236.8	1.658	\$ 1,545,545	\$ 721,254
	00319	BOOKER DAIRY SEWER LINE	\$ 110,000	20	40,333	2011	36.67%	142.8	236.8	1.658	\$ 182,409	\$ 115,525
	00320	BUFFALO ROAD METER POINT	\$ 135,988	30	74,793	2011	55.00%	142.8	236.8	1.658	\$ 225,503	\$ 101,476
	00321	WALMART/BAYHILL LINE LOO	\$ 51,261	30	18,796	2011	36.67%	142.8	236.8	1.658	\$ 85,004	\$ 53,836
	00322	HOSPITAL ROAD W/S LINE	\$ 350,811	20	128,631	2013	36.67%	157.5	236.8	1.503	\$ 527,442	\$ 334,046
	00323	WEST SMITHFIELD I&I	\$ 49,848	20	22,432	2013	45.00%	157.5	236.8	1.503	\$ 74,946	\$ 41,220
	00325	SEWER LINE REHAB I-95	\$ 176,518	20	79,433	2014	45.00%	161.6	236.8	1.465	\$ 258,659	\$ 142,263
	00326	HWY 70 BRIDGE REPLACEMENT	\$ 372,810	50	149,124	1999	40.00%	73.739	236.8	3.211	\$ 1,197,220	\$ 718,332
	00560	ASSORTED W&S	\$ 65,158	50	40,398	1993	62.00%	77.305	236.8	3.063	\$ 199,589	\$ 75,845
	00569	WEST SMITHFIELD WASTEWATER	\$ 7,957	50	3,448	1989	43.33%	73.739	236.8	3.211	\$ 25,553	\$ 14,481
	00573	MAMHOLE IN SERV 1032	\$ 33,930	50	22,281	1990	65.67%	75.5	236.8	3.136	\$ 106,419	\$ 36,537
	00574	6" SEWER LINE 15,775 FT	\$ 31,550	50	20,349	1990	64.50%	75.5	236.8	3.136	\$ 98,954	\$ 35,130
	00575	8" SEWER LINE 170,797 FT	\$ 170,797	50	110,164	1990	64.50%	75.5	236.8	3.136	\$ 535,692	\$ 190,172
	00576	10" SEWER LINE 13,875 FT	\$ 41,625	50	26,849	1990	64.50%	75.5	236.8	3.136	\$ 130,554	\$ 46,945
	00577	12" SEWER LINE 22,300 FT	\$ 66,900	50	43,151	1994	64.50%	79.358	236.8	2.984	\$ 199,626	\$ 70,867
	00578	WEST SMITHFIELD SEWER SYS	\$ 1,969,668	50	1,361,082	1996	69.10%	83.767	236.8	2.827	\$ 5,568,059	\$ 1,720,414
	00579	INSTALL MANHOLE 120 SEW	\$ 8,500	50	4,350	1997	51.17%	85.743	236.8	2.762	\$ 23,475	\$ 11,462
	00580	REPAIR TO 12" SEWER 2ND ST	\$ 7,298	50	3,709	1997	50.83%	85.743	236.8	2.762	\$ 20,154	\$ 9,910
	00581	12" SEWERLINE REPLACEMENT	\$ 31,890	50	15,945	1998	50.00%	87.491	236.8	2.707	\$ 86,312	\$ 43,156
	00582	SEWERLINE CONSTRUCTION	\$ 44,406	50	21,167	2001	47.67%	93.3	236.8	2.538	\$ 112,705	\$ 58,982
	00583	REPLACE SEWER LINE	\$ 42,227	50	17,704	1989	41.93%	73.739	236.8	3.211	\$ 135,605	\$ 78,751
	00584	PUMP	\$ 18,000	20	11,820	2014	65.67%	161.6	236.8	1.465	\$ 26,376	\$ 9,056
	00595	PUMP STATION #1 TOP REPLA	\$ 52,760	20	21,543	2015	40.83%	167.6	236.8	1.413	\$ 74,544	\$ 44,105
	00596	WILSON ST LINE REPLACEMENT	\$ 30,520	20	10,937	2019	35.83%	167.6	236.8	1.413	\$ 43,121	\$ 27,669
	00597	SEWER LINE REPLACEMENT R	\$ 25,589	20	8,956	2017	35.00%	175.8	236.8	1.347	\$ 34,468	\$ 22,404
	00598	PUMPSTATION #7 RENO	\$ 116,821	20	30,665	2018	26.25%	183.3	236.8	1.292	\$ 150,918	\$ 111,302
	00602	NC 210 SEWER LINE & PS3 UPGD	\$ 309,155	20	61,831	2018	20.00%	183.3	236.8	1.292	\$ 399,389	\$ 319,511
	00661	LIFT STATION #12 UPGRADE & 4" MAIN REPLACE	\$ 209,902	20	41,980	2018	20.00%	183.3	236.8	1.292	\$ 271,167	\$ 216,934
	00662	SEWER AIA	\$ 155,101	20	27,789	2018	17.92%	183.3	236.8	1.292	\$ 200,370	\$ 164,471
	00663	SANITARY SEWER REPLACEMENT DURHAM ST	\$ 179,778	20	35,956	2017	20.00%	175.8	236.8	1.347	\$ 242,159	\$ 193,727
	00649	2019 FORD F250 2WD REG CAB	\$ 29,051	5	20,820	2018	71.67%	183.3	236.8	1.292	\$ 37,530	\$ 10,634
	00718	2022 FORD RANGER SUPERCAP 4WD 2.3L ECOBOOST	\$ 25,648	5	427	2022	1.67%	236.8	236.8	1.000	\$ 25,648	\$ 25,221
		Waste Water System	Value Replacement Cost New Less Depreciation									\$ 6,925,598.09
Append			Less Debt									\$ 565,273.00
			Less Grants, Contributions, Etc.									\$ -
												\$ 565,273.00
		Waste Water System	Value for System Development Fee									\$ 6,360,325.09
Append		Waste Water System	Total Equivalent Residential Unit by Capacity									8,333
		Waste Water System	= Equivalent Residential Unit (ERU) SDF									\$ 763.27

[1] June 30, 2022 Financial Data
[2] June 30, 2022 Financial Data
[3] June 30, 2022 Financial Data
[4] June 30, 2022 Financial Data
[5] Percent of Asset Depreciation [(3)/(1)]
[6] RSMean Index - Annual 2022 for Installed Date Appendix C
[7] RSMean Index - Annual 2022 Appendix C
[8] Replacement Cost New Factor [(7)/(6)]
[9] Replacement Cost New [(1)*(8)]
[10] Replacement Cost New Less Depreciation [(1)-(5)] * [9]
[11] Email ad discussions with Town Staff 10/21-25/2023

CALCULATION OF SYSTEM DEVELOPMENT FEES (Incremental)

The following chart shows the calculation of each system's (Water or Wastewater) SDF / ERU for Incremental costs, considering each project in progress which is not in the current asset inventory, for which debt has been incurred, and payments (principal and interest) that have been made through July 1, 2023.

Also shown is a comparison of the Incremental SDF / ERU based on the respective system capacity versus the total cost per existing ERU based on the system peak capacity to date to illustrate the credit (reduction of cost per ERU) for incremental customers versus the existing customer peak capacity.

For each project, the SDF cost to date versus the total cost per existing ERU must be greater than 25% for the project to be used as an incremental cost

Revision 1, November 5, 2023, adds the water plant to the list of assets

Asset	Year install	Accrued depreciation	Total Debt	RCNLD
Water Plant	2022	\$417,306	\$12,050,000	\$171,81,194

Calculation of Incremental / Marginal cost based on the total principal paid to date which equates to the value of the asset to be applied on a per ERU basis for the SDF. SDF vs Total Cost must be >25%
 Incremental / Marginal cost method is used for each project until such time as the assets are recognized in the financials.
 At that time, the buy in methodology will take over since the remaining debt is deducted from the asset value.
 Calculation use projected end of year ERU Total to appropriately reflect projected growth.

Incremental Cost Calculation Use Only For Approved Capital Improvement Projects (Under Construction, Debt or Obligation Issued and Not in Assets)

Project Description	CIP Projects	CIP Project Cost Net Grants and Contributions	Working Projects in CIP (10 Yr. Plan Capital Cost)	Working Projects (Total Including Interest)	Plan Cost (Interest)	To Date (Outstanding Debt Principal)	To Date Asset for SDF (Principal To Date)	To Date Cost & Debt Svc Existing Customers	To Date Debt Svc / ERU* (Principal to Date)	SDF / ERU* (Principal to Date)	Credit % Inc SDF vs Project
Water/Water System											
D1E	ISB Sand removal	VVV \$1,430,000	\$1,430,000	\$1,661,061	\$231,061	\$473,978	\$866,082	\$1,162,797	\$139,54	\$114.73	18%
D1E	VMR Projects	VVV \$466,200	\$466,200	\$611,360	\$65,600	\$159,686	\$336,544	\$366,146	\$46.34	\$40.39	13%
Water System											
D1E	VMR Projects (New VMR Proj) **	VV \$665,270	\$665,270	\$761,766	\$76,516	\$184,700	\$600,570	\$571,339	\$27.53	\$24.12	12%
D17	Barker Dairy Road Re-allocation	VV \$203,728	\$203,728	\$2,156,726	\$163,477	\$303,664	\$1,726,286	\$1,889,061	\$60.70	\$63.29	8%

APPENDICES AND ADDITIONAL INFORMATION

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2017 SESSION LAW 2017-138

HOUSE BILL 436

H436-v-6

AN ACT TO PROVIDE FOR UNIFORM AUTHORITY TO IMPLEMENT SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEMS IN NORTH CAROLINA AND TO CLARIFY THE APPLICABLE STATUTE OF LIMITATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 162A of the General Statutes is amended by adding a new Article to read:

"Article 8.

"System Development Fees.

"§ 162A-200. Short title.

This Article shall be known and may be cited as the "Public Water and Sewer System Development Fee Act."

"§ 162A-201. Definitions.

The following definitions apply in this Article:

(1) Capital improvement. – A planned facility or expansion of capacity of an existing facility other than a capital rehabilitation project necessitated by and attributable to new development.

(2) Capital rehabilitation project. – Any repair, maintenance, modernization, upgrade, update, replacement, or correction of deficiencies of a facility, including any expansion or other undertaking to increase the preexisting level of service for existing development.

(3) Existing development. – Land subdivisions, structures, and land uses in existence at the start of the written analysis process required by G.S. 162A-205, no more than one year prior to the adoption of a system development fee.

(4) Facility. – A water supply, treatment, storage, or distribution facility, or a wastewater collection, treatment, or disposal facility, including for reuse or reclamation of water, owned or operated, or to be owned or operated, by a local governmental unit and land associated with such facility.

(5) Local governmental unit. – Any political subdivision of the State that owns or operates a facility, including those owned or operated pursuant to local act of the General Assembly or pursuant to Part 2 of Article 2 of Chapter 130A, Article 15 of Chapter 153A, Article 16 of Chapter 160A, or Articles 1, 4, 5, 5A, or 6 of Chapter 162A of the General Statutes.

(6) New development. – Any of the following occurring after the date a local government begins the written analysis process required by G.S. 162A-205, no more than one year prior to the adoption of a system development fee, which increases the capacity necessary to serve that development:

a. The subdivision of land.

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b. The construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which increases the number of service units.

c. Any use or extension of the use of land which increases the number of service units.

(7) Service. – Water or sewer service, or water and sewer service, provided by a local governmental unit.

(8) Service unit. – A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards.

(9) System development fee. – A charge or assessment for service imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new

development, to recoup costs of existing facilities which serve such new development, or a combination of those costs, as provided in this Article. The term includes amortized charges, lump-sum charges, and any other fee that functions as described by this definition regardless of terminology. The term does not include any of the following:

- a. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.
- b. Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.
- c. Availability charges.
- d. Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.
- e. Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c).

(10) System development fee analysis. – An analysis meeting the requirements of G.S. 162A-205.

"§ 162A-202. Reserved.

"§ 162A-203. Authorization of system development fee.

- (a) A local governmental unit may adopt a system development fee for water or sewer service only in accordance with the conditions and limitations of this Article.
- (b) A system development fee adopted by a local governmental unit under any lawful authority other than this Article and in effect on October 1, 2017, shall be conformed to the requirements of this Article not later than July 1, 2018.

"§ 162A-204. Reserved.

"§ 162A-205. Supporting analysis.

A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

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- (1) Is prepared by a financial professional or a licensed professional engineer qualified by experience and training or education to employ generally accepted accounting, engineering, and planning methodologies to calculate system development fees for public water and sewer systems.
- (2) Documents in reasonable detail the facts and data used in the analysis and their sufficiency and reliability.
- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article.
- (4) Documents and demonstrates the reliable application of the methodologies to the facts and data, including all reasoning, analysis, and interim calculations underlying each identifiable component of the system development fee and the aggregate thereof.
- (5) Identifies all assumptions and limiting conditions affecting the analysis and demonstrates that they do not materially undermine the reliability of conclusions reached.
- (6) Calculates a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand.

(7) Covers a planning horizon of not less than 10 years nor more than 20 years.

(8) Is adopted by resolution or ordinance of the local governmental unit in accordance with G.S. 162A-209.

"§ 162A-206. Reserved.

"§ 162A-207. Minimum requirements.

(a) Maximum. – A system development fee shall not exceed that calculated based on the system development fee analysis.

(b) Revenue Credit. – In applying the incremental cost or marginal cost, or the combined cost, method to calculate a system development fee with respect to water or sewer capital improvements, the system development fee analysis must include as part of that methodology a credit against the projected aggregate cost of water or sewer capital improvements. That credit shall be determined based upon generally accepted calculations and shall reflect a deduction of either the outstanding debt principal or the present value of projected water and sewer revenues received by the local governmental unit for the capital improvements necessitated by and attributable to such new development, anticipated over the course of the planning horizon. In no case shall the credit be less than twenty-five percent (25%) of the aggregate cost of capital improvements.

(c) Construction or Contributions Credit. – In calculating the system development fee with respect to new development, the local governmental unit shall credit the value of costs in excess of the development's proportionate share of connecting facilities required to be oversized for use of others outside of the development. No credit shall be applied, however, for water or sewer capital improvements on-site or to connect new development to water or sewer facilities.

"§ 162A-208. Reserved.

"§ 162A-209. Adoption and periodic review.

(a) For not less than 45 days prior to considering the adoption of a system development fee analysis, the local governmental unit shall post the analysis on its Web site and solicit and furnish a means to submit written comments, which shall be considered by the preparer of the analysis for possible modifications or revisions.

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(b) After expiration of the period for posting, the governing body of the local governmental unit shall conduct a public hearing prior to considering adoption of the analysis with any modifications or revisions.

(c) The local governmental unit shall publish the system development fee in its annual budget or rate plan or ordinance. The local governmental unit shall update the system development fee analysis at least every five years.

"§ 162A-210. Reserved.

"§ 162A-211. Use and administration of revenue.

(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:

(1) Costs of constructing capital improvements including, and limited to, any of the following:

a. Construction contract prices.

b. Surveying and engineering fees.

c. Land acquisition cost.

d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.

(2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.

(3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.

(b) Revenue from system development fees calculated using the buy-in method may be expended for previously completed capital improvements for which capacity exists and for capital rehabilitation projects. The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments.

(c) A local governmental unit may pledge a system development fee as security for the payment of debt service on a bond, note, or other obligation subject to compliance with the foregoing limitations.

(d) System development fee revenues shall be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section.

"§ 162A-212. Reserved.

"§ 162A-213. Time for collection of system development fees.

For new development involving the subdivision of land, the system development fee shall be collected by a local governmental unit either at the time of plat recordation or when water or sewer service for the subdivision or other development is committed by the local governmental unit. For all other new development, the local governmental unit shall collect the system development fee at the time of application for connection of the individual unit of development to the service or facilities.

"§ 162A-214. Reserved.

"§ 162A-215. Narrow construction.

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Notwithstanding G.S. 153A-4 and G.S. 160A-4, in any judicial action interpreting this Article, all powers conferred by this Article shall be narrowly construed to ensure that system development fees do not unduly burden new development."

SECTION 2. G.S. 130A-64 reads as rewritten:

"§ 130A-64. Service charges and rates.

(a) A sanitary district board shall apply service charges and rates based upon the exact benefits derived. These service charges and rates shall be sufficient to provide funds for the maintenance, adequate depreciation and operation of the work of the district. If reasonable, the service charges and rates may include an amount sufficient to pay the principal and interest maturing on the outstanding bonds and, to the extent not otherwise provided for, bond anticipation notes of the district. Any surplus from operating revenues shall be set aside as a separate fund to be applied to the payment of interest on or to the retirement of bonds or bond anticipation notes. The sanitary district board may modify and adjust these service charges and rates.

(b) The district board may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 3. G.S. 153A-277 reads as rewritten:

"§ 153A-277. Authority to fix and enforce rates.

(a) A county may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by a public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary for the same class of service in different areas of the county and may vary according to classes of service, and different schedules may be adopted for services provided outside of the county. A county may include a fee relating

to subsurface discharge wastewater management systems and services on the property tax bill for the real property where the system for which the fee is imposed is located.

...

(a2) A county may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes.

...."

SECTION 4.(a) G.S. 160A-314 reads as rewritten:

"§ 160A-314. Authority to fix and enforce rates.

(a) A city may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by any public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary according to classes of service, and different schedules may be adopted for services provided outside the corporate limits of the city.

...

(e) A city may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 4.(b) G.S. 160A-317 is amended by adding a new subsection to read:

"(a4) System Development Fees. – A city may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 5.(a) G.S. 162A-6(a) is amended by adding a new subdivision to read:

"(9a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 5.(b) G.S. 162A-9 is amended by adding a new subsection to read:

"(a5) An authority may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 6.(a) G.S. 162A-36(a) is amended by adding a new subdivision to read:

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"(8a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 6.(b) G.S. 162A-49 reads as rewritten:

"§ 162A-49. Rates and charges for services.

(a) The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of land for the services furnished or to be furnished by any water system or sewerage system or both. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the water system or sewerage system or both, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the water system or the sewerage system or both, the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 7.(a) G.S. 162A-69 is amended by adding a new subdivision to read:

"(8a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 7.(b) G.S. 162A-72 reads as rewritten:

"§ 162A-72. Rates and charges for services.

(a) The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of and for the services furnished or to be furnished by any sewerage system. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the sewerage system, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the sewerage system the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 8. G.S. 162A-85.13 is amended by adding a new subsection to read:

"(a1) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 9. G.S. 162A-88 reads as rewritten:

"§ 162A-88. District is a municipal corporation.

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(a) The inhabitants of a county water and sewer district created pursuant to this Article are a body corporate and politic by the name specified by the board of commissioners. Under that name they are vested with all the property and rights of property belonging to the corporation; have perpetual succession; may sue and be sued; may contract and be contracted with; may acquire and hold any property, real and personal, devised, sold, or in any manner conveyed, dedicated to, or otherwise acquired by them, and from time to time may hold, invest, sell, or dispose of the same; may have a common seal and alter and renew it at will; may establish, revise and collect rates, fees or other charges and penalties for the use of or the services furnished or to be furnished by any sanitary sewer system, water system or sanitary sewer and water system of the district; and may exercise those powers conferred on them by this Article.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 10.(a) G.S. 1-52(15) reads as rewritten:

"(15) For the recovery of taxes paid as provided in G.S. 105-381.G.S. 105-381 or for the recovery of an unlawful fee, charge, or exaction collected by a county, municipality, or other unit of local government for water or sewer service or water and sewer service."

SECTION 10.(b) This section is to clarify and not alter G.S. 1-52.

SECTION 11. Sections 1 through 9 of this act become effective October 1, 2017, and apply to system development fees imposed on or after that date. Section 10 of this act, being a clarifying amendment, has retroactive effect and applies to claims accrued or pending prior to and after the date that section becomes law. Nothing in this act provides retroactive authority for any system development fee, or any similar fee

for water or sewer services to be furnished, collected by a local governmental unit prior to October 1, 2017. The remainder of this act is effective when it becomes law and applies to claims accrued or pending prior to and after that date.

In the General Assembly read three times and ratified this the 29th day of June 2017.

s/ Daniel J. Forest

President of the Senate

s/ Tim Moore

Speaker of the House of Representatives

s/ Roy Cooper

Governor Approved 4:13 p.m. this 20th day of July, 2017

Appendix B

Revision 1, November 5, 2023, adds the water plant debt to the total debt.
 Water Plant Debt - \$12,050,000

Debt related to Assets included in Water and Waste Water				
WW	I&I Sand Removal			\$250,428
WW	W&S Proj			\$159,224
WW	Booker Dairy			\$155,621
TOTAL				\$565,273
W	I&I Sand Removal			\$147,304
W	W&S Proj			\$159,224
TOTAL				\$306,528
				\$871,801

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Appendix C

RMeans Index January 2023 for
Calendar Year 2022 Raleigh NC Base

Year	Index		Year	Index	
2022	236.8	1.00	1999	89.4	0.38
2021	200.9	0.85	1998	87.5	0.37
2020	198.0	0.84	1997	85.7	0.36
2019	186.8	0.79	1996	83.8	0.35
2018	183.3	0.77	1995	81.8	0.35
2017	175.8	0.74	1994	79.4	0.34
2016	174.6	0.74	1993	77.3	0.33
2015	167.6	0.71	1992	75.6	0.32
2014	161.6	0.68	1991	73.6	0.31
2013	157.5	0.67	1990	75.5	0.32
2012	155.4	0.66	1989	73.7	0.31
2011	142.8	0.60	1988	72.0	0.30
2010	140.6	0.59	1987	70.2	0.30
2009	145.1	0.61	1986	67.4	0.28
2008	135.3	0.57	1985	67.6	0.29
2007	132.1	0.56	1984	67.1	0.28
2006	124.2	0.52	1983	65.6	0.28
2005	112.1	0.47	1982	62.3	0.26
2004	100.3	0.42			
2003	97.8	0.41			
2002	96.3	0.41			
2001	93.3	0.39			
2000	91.9	0.39			

Appendix D

CALCULATION OF SYSTEM EQUIVALENT RESIDENTIAL UNITS BY CAPACITY

Year 2023

Projected Growth Rate	3.0%
Miles of Line	63
Average Daily Use Water	2.12 MGD
Water System Capacity	8.30 MGD
Average Daily Use Waste Water	2.15
Waste Water System Capacity	3.00 MGD

ERU By Capacity			
ERU GPD Water use	20,750	400 GPD	
ERU GPD Waste Water Use	8,333	360 GPD	0.9 X Water GPD

Water System Capacity	8,300,000 GPD /	400	GPD / ERU =	20,750 ERU TOTAL WATER SYSTEM CAPACITY
Waste Water System Capacity	3,000,000 GPD /	360	GPD / ERU =	8,333 ERU TOTAL WASTE WATER SYSTEM CAPACITY

* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom

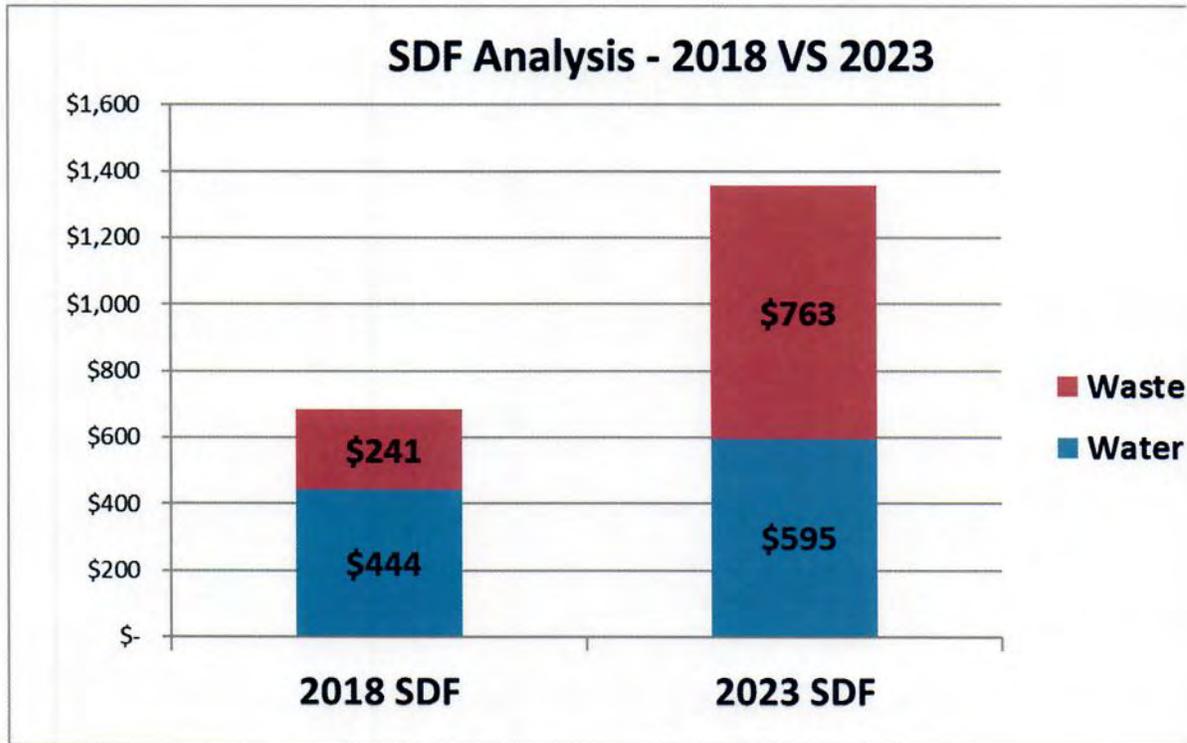
Water	System Capacity MGD	8.300	MGD
	System Capacity GPD	8,300,000	GPD
	Equivalent Residential Unit GPD *	<u>400</u>	GPD / ERU
	Total Equivalent Residential Units by Capacity	20,750	ERU (Capacity Based)
* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom			
Waste Water	System Capacity MGD	3.000	MGD
	System Capacity GPD	3,000,000	GPD
	Equivalent Residential Unit GPD	<u>360</u>	GPD / ERU
	Total Equivalent Residential Unit by Capacity	8,333	ERU (Capacity Based)
* NC Administrative Code 15A NCAC02T.0114 for a three bedroom home based on 120 GPD per bedroom X 90%			

Appendix F
 INCREMENTAL SDF CALCULATION

I&I SAND REMOVAL							
Loan		\$1,430,000.00					
Interest				2.90%			
Year				10			
Payment		\$83,056.94					
Period	Beginning Balance	Payment	Principal	Interest	Cummulative Principal	Cummulative Interest	Ending Balance
9/1/2016	\$1,430,000.00	\$83,056.94	\$61,861.17	\$21,195.77	\$61,861.17	\$21,195.77	\$1,368,138.83
3/1/2017	\$1,368,138.83	\$83,056.94	\$63,000.20	\$20,056.74	\$124,861.37	\$41,252.51	\$1,305,138.63
9/1/2017	\$1,305,138.63	\$83,056.94	\$62,886.21	\$20,170.73	\$187,747.58	\$61,423.24	\$1,242,252.42
3/1/2018	\$1,242,252.42	\$83,056.94	\$63,876.72	\$19,180.22	\$251,624.30	\$80,603.46	\$1,178,375.70
9/1/2018	\$1,178,375.70	\$83,056.94	\$65,970.49	\$17,086.45	\$317,594.79	\$97,689.91	\$1,112,405.21
3/1/2019	\$1,112,405.21	\$83,056.94	\$66,927.06	\$16,129.88	\$384,521.85	\$113,819.79	\$1,045,478.15
9/1/2019	\$1,045,478.15	\$83,056.94	\$67,897.51	\$15,159.43	\$452,419.36	\$128,979.22	\$977,580.64
3/1/2020	\$977,580.64	\$83,056.94	\$68,882.02	\$14,174.92	\$521,301.38	\$143,154.14	\$908,698.62
9/1/2020	\$908,698.62	\$83,056.94	\$69,880.81	\$13,176.13	\$591,182.19	\$156,330.27	\$838,817.81
3/1/2021	\$838,817.81	\$83,056.94	\$70,894.08	\$12,162.86	\$662,076.27	\$168,493.13	\$767,923.73
9/1/2021	\$767,923.73	\$83,056.94	\$71,922.05	\$11,134.89	\$733,998.32	\$179,628.02	\$696,001.68
3/1/2022	\$696,001.68	\$83,056.94	\$72,964.92	\$10,092.02	\$806,963.24	\$189,720.04	\$623,036.76
9/1/2022	\$623,036.76	\$83,056.94	\$74,022.91	\$9,034.03	\$880,986.15	\$198,754.07	\$549,013.85
3/1/2023	\$549,013.85	\$83,056.94	\$75,096.24	\$7,960.70	\$956,082.39	\$206,714.77	\$473,917.61
9/1/2023	\$473,917.61	\$83,056.94	\$76,185.13	\$6,871.81	\$1,032,267.52	\$213,586.58	\$397,732.48
3/1/2024	\$397,732.48	\$83,056.94	\$77,289.82	\$5,767.12	\$1,109,557.34	\$219,353.70	\$320,442.66
9/1/2024	\$320,442.66	\$83,056.94	\$78,410.52	\$4,646.42	\$1,187,967.86	\$224,000.12	\$242,032.14
3/1/2025	\$242,032.14	\$83,056.94	\$79,547.47	\$3,509.47	\$1,267,515.33	\$227,509.59	\$162,484.67
9/1/2025	\$162,484.67	\$83,056.94	\$80,700.91	\$2,356.03	\$1,348,216.24	\$229,865.62	\$81,783.76
3/1/2026	\$81,783.76	\$82,969.62	\$81,783.76	\$1,185.86	\$1,430,000.00	\$231,051.48	\$0.00
		\$415,284.70			\$1,661,051.48		Total Principal & Interest
					\$473,917.61		Outstanding Debt Principal
					\$1,162,797.16		Cost to existing Customers

W&S PROJECTS							
Loan		\$1,181,500.00					
Interest		1.03%					
Year		10					
Payment		\$65,671.14					
Period	Beginning Balance	Payment	Principal	Interest	Cummulative Principal	Cummulative Interest	Ending Balance
9/1/2016	\$1,181,500.00	\$65,671.14	\$53,501.69	\$12,169.45	\$53,501.69	\$12,169.45	\$1,127,998.31
3/1/2017	\$1,127,998.31	\$65,671.14	\$54,052.76	\$11,618.38	\$107,554.45	\$23,787.83	\$1,073,945.55
9/1/2017	\$1,073,945.55	\$65,671.14	\$54,609.50	\$11,061.64	\$162,163.95	\$34,849.47	\$1,019,336.05
3/1/2018	\$1,019,336.05	\$65,671.14	\$55,171.98	\$10,499.16	\$217,335.93	\$45,348.63	\$964,164.07
9/1/2018	\$964,164.07	\$65,671.14	\$55,740.25	\$9,930.89	\$273,076.18	\$55,279.52	\$908,423.82
3/1/2019	\$908,423.82	\$65,671.14	\$56,314.37	\$9,356.77	\$329,390.55	\$64,636.29	\$852,109.45
9/1/2019	\$852,109.45	\$65,671.14	\$56,894.41	\$8,776.73	\$386,284.96	\$73,413.02	\$795,215.04
3/1/2020	\$795,215.04	\$65,671.14	\$57,480.43	\$8,190.71	\$443,765.39	\$81,603.73	\$737,734.61
9/1/2020	\$737,734.61	\$65,671.14	\$58,072.47	\$7,598.67	\$501,837.86	\$89,202.40	\$679,662.14
3/1/2021	\$679,662.14	\$65,671.14	\$58,670.62	\$7,000.52	\$560,508.48	\$96,202.92	\$620,991.52
9/1/2021	\$620,991.52	\$65,671.14	\$59,274.93	\$6,396.21	\$619,783.41	\$102,599.13	\$561,716.59
3/1/2022	\$561,716.59	\$65,671.14	\$59,885.46	\$5,785.68	\$679,668.87	\$108,384.81	\$501,831.13
9/1/2022	\$501,831.13	\$65,671.14	\$60,502.28	\$5,168.86	\$740,171.15	\$113,553.67	\$441,328.85
3/1/2023	\$441,328.85	\$65,671.14	\$61,125.45	\$4,545.69	\$801,296.60	\$118,099.36	\$380,203.40
9/1/2023	\$380,203.40	\$65,671.14	\$61,755.04	\$3,916.10	\$863,051.64	\$122,015.46	\$318,448.36
3/1/2024	\$318,448.36	\$65,671.14	\$62,391.12	\$3,280.02	\$925,442.76	\$125,295.48	\$256,057.24
9/1/2024	\$256,057.24	\$65,671.14	\$63,033.75	\$2,637.39	\$988,476.51	\$127,932.87	\$193,023.49
3/1/2025	\$193,023.49	\$65,671.14	\$63,683.00	\$1,988.14	\$1,052,159.51	\$129,921.01	\$129,340.49
9/1/2025	\$129,340.49	\$65,671.14	\$64,338.93	\$1,332.21	\$1,116,498.44	\$131,253.22	\$65,001.56
3/1/2026	\$65,001.56	\$65,671.08	\$65,001.56	\$669.52	\$1,181,500.00	\$131,922.74	\$0.00
				\$131,922.74	\$1,313,422.74	Total Principal & Interest	
Total WW	\$496,230	\$551,638	42.00%	WW	\$555,550.58		
Total W	\$685,270		58.00%	W	\$757,872.16		
Water Project Total		\$761,785			\$1,313,422.74		
Total	\$1,181,500	\$685,270					
Interest	\$131,923	\$76,515					
W To Date	\$863,052	9/1/2023				Principal	Interest to Date
						\$863,052	\$122,015
					Total		\$985,067
	0.58	Ratio of water projects to total					
						Princ & Interest Water Project	
Project Cost	\$1,181,500.00					To Date Paid	\$571,339
Prin to Date	\$863,051.64	\$500,570	Water Proj				
Prin Total	\$988,476.51	\$573,316	Water Proj				
Outstanding debt Principal		\$184,700					

Booker Dairy Relocation							
Loan		\$2,037,249.00					
Interest				1.02%			
Year				7			
Payment		\$156,837.63					
Period	Beginning Balance	Payment	Principal	Interest	Cummulative Principal	Cummulative Interest	Ending Balance
9/23/2017	\$2,037,249.00	\$156,837.63	\$136,159.55	\$20,678.08	\$136,159.55	\$20,678.08	\$1,901,089.45
3/23/2018	\$1,901,089.45	\$156,837.63	\$137,541.57	\$19,296.06	\$273,701.12	\$39,974.14	\$1,763,547.88
9/23/2018	\$1,763,547.88	\$156,837.63	\$138,937.62	\$17,900.01	\$412,638.74	\$57,874.15	\$1,624,610.26
3/23/2019	\$1,624,610.26	\$156,837.63	\$140,347.83	\$16,489.80	\$552,986.57	\$74,363.95	\$1,484,262.43
9/23/2019	\$1,484,262.43	\$156,837.63	\$141,772.36	\$15,065.27	\$694,758.93	\$89,429.22	\$1,342,490.07
3/23/2020	\$1,342,490.07	\$156,837.63	\$143,211.35	\$13,626.28	\$837,970.28	\$103,055.50	\$1,199,278.72
9/23/2020	\$1,199,278.72	\$156,837.63	\$144,664.95	\$12,172.68	\$982,635.23	\$115,228.18	\$1,054,613.77
3/23/2021	\$1,054,613.77	\$156,837.63	\$146,133.30	\$10,704.33	\$1,128,768.53	\$125,932.51	\$908,480.47
9/23/2021	\$908,480.47	\$156,837.63	\$147,616.55	\$9,221.08	\$1,276,385.08	\$135,153.59	\$760,863.92
3/23/2022	\$760,863.92	\$156,837.63	\$149,114.86	\$7,722.77	\$1,425,499.94	\$142,876.36	\$611,749.06
9/23/2022	\$611,749.06	\$156,837.63	\$150,628.38	\$6,209.25	\$1,576,128.32	\$149,085.61	\$461,120.68
3/23/2023	\$461,120.68	\$156,837.63	\$152,157.25	\$4,680.38	\$1,728,285.57	\$153,765.99	\$308,963.43
9/23/2023	\$308,963.43	\$156,837.63	\$153,701.65	\$3,135.98	\$1,881,987.22	\$156,901.97	\$155,261.78
3/23/2024	\$155,261.78	\$156,837.69	\$155,261.78	\$1,575.91	\$2,037,249.00	\$158,477.88	(\$0.00)
			\$308,963.43		\$2,195,726.88	Total Principal & Interest	





Request for Town Council Action

Business CDBG
Item: Update
Date: 11/14/2023

Subject: CDBG Update
Department: General Government
Presented by: Town Manager – Michael Scott
Presentation: Business Item

Issue Statement

The CDBG Grant was a \$750,000 grant to rehabilitate (rehab) owner occupied homes in a target area in District 1. The grant was approved on December 20th, 2019. Staff are preparing to close out the grant prior to the end of the calendar year. This update is intended to be a summary of the homes that were positively impacted by this program.

Financial Impact

The total grant from REDD, The Rural Economic Development Division of the Community Development Block Grant Program was \$750,000. This grant did not require a match.

Action Needed

Accept the report.

Recommendation

Accept the report.

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. CDBG Contract



Staff Report

Business CDBG
Item: Update

Following the grant award in December of 2019, the Town held public meetings to explain the process of the CDBG Program and seek interested homeowners in the target area to participate. The target area was somewhat of a triangle with MLK Jr. Drive, Rand Street and Brogden Road making up the three sides. This area was selected primarily due to it being low to moderate income homes, as required by the Rural Economic Development Division (REDD) and it being higher than median crime in the Town. Twenty-two applications were originally received. When the loan applications were processed, two homeowners were deceased and eight homeowners elected not to participate. One homeowner had moved from their home. This left eleven homes for application reviews. Of these eleven, ten homes were either rehabilitated or are in the process of being rehabilitated and one home could not become part of the program due to lack of funding. One home caught fire following the completion of its rehabilitation and was declared a total loss. This update will therefore focus on the nine remaining homes.

During this time frame from December 20, 2019 to present, the program overcame many obstacles. The most prevalent revolved around dealing with the heart of COVID-19 restrictions, supply chain issues and cost increases, construction contractor issues and the Johnston, Lee, Harnett Community Action group not being able to fulfill their obligations to the program.

Most recently REDD has been on sight multiple times inspecting completed work and completing file reviews to examine finances spent and the back-up documentation needed to support all expenditures.

Of the nine homes that remained in the project, seven have been completed. The last two homes are complete reconstructions, meaning the entire existing home and foundations were demolished and removed and the homes rebuilt from the ground up, including new kitchens, bathrooms, and HVAC systems. These final two homes are expected to be completed before the end of the calendar year, closing out this program for Smithfield.



**North Carolina Department of Commerce
Rural Economic Development Division
Community Development Block Grant Program**

**Grant Agreement
Neighborhood Revitalization Program**

Upon execution of this grant agreement, the North Carolina Department of Commerce (DOC) agrees to provide to the **Town of Smithfield**, (the “Recipient” and collectively with DOC, the “Parties”), Community Development Block Grant (CDBG) assistance under Title I of the Housing and Community Development Act of 1974, (P.L. 93-383), as amended, authorized (and subject to Recipient’s compliance with) the DOC funding approval, the North Carolina Community Development Block Grant administrative rules, other applicable laws, rules, regulations, and all other requirements of DOC now or hereafter in effect. The grant agreement is effective on the date the grant agreement and funding approval are signed by the Recipient. The grant agreement consists of the program guidelines and the approved application, including the certifications, maps, schedules and other submissions in the application, any subsequent amendments to this document or the approved application and funding approval and the following general terms and conditions:

1. Definitions. Except to the extent modified or supplemented by the agreement, any term defined in the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L, shall have the same meaning when used herein.
 - (a) Agreement means this grant agreement, as described above and any amendments or supplements thereto.
 - (b) Recipient means the **Town of Smithfield**, the entity designated as a recipient for grant assistance in the grant agreement and funding approval.
 - (c) Certifications mean the certifications submitted with the grant application pursuant to the requirements of Paragraph (e) of Rule .0407 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L.
 - (d) “Assistance” or “Grant” means the grant funds provided under this Agreement from funds allocated to the State of North Carolina from the Federal Treasury through the CDBG and supporting laws, rules, requirements and regulations, in the amount of **\$750,000** except as modified.
 - (e) Program means the community development program, project, or other activities, including the administration thereof, for which assistance is being provided under this Agreement and which is

described in the Recipient's approved application, as may be modified.

- (f) The date for receiving the grant means the date of the REDD Director's signature on the Grant Agreement and Funding Approval.

2. Timely Execution. Due to the need to expedite the use and expenditure of CDBG funds, Recipient's failure to execute and return a copy of the Agreement within 60 days of the date of the Rural Economic Development Division (REDD) Director's signature on the Grant Agreement and Funding Approval may be deemed by DOC to determine the funds are available for reallocation to other subrecipients.

3. Obligations of the Recipient. The recipient shall perform the Program as specified in the application approved by DOC as may be amended with DOC approval. The Recipient hereby certifies that it will comply with all applicable federal and state laws, regulations, rules and Executive Orders, pursuant to Paragraph (e) of Rule .0407 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L. The Recipient shall also comply with all other lawful requirements of DOC, all applicable requirements of the General Statutes of the State of North Carolina specifically N. C. G. S. 87-1-87-15.9 and any other applicable laws, rules, regulations, requirements, and Executive Orders currently or hereafter in force. Recipient is prohibited from any fraud, waste and abuse of CDBG funds by any person or entity. The rules contained in 4 N.C.A.C. 19L (as well as applicable federal rules and regulations) are part of the Agreement, except where specifically modified by applicable law, rule, regulation, DOC, the CDBG HUD Program Requirements and any subsequent amendments, regulations or clarifications to any of the foregoing.

Additionally, Recipient agrees to ensure compliance with respect to the Program and the Grant (and any of its proceeds) with all applicable federal and state laws, rules, regulations and requirements, including but not limited to the following (as each may be modified or amended): (1) the CDBG HUD Program Requirements; (2) Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et seq*), (3) existing CDBG laws, rules, regulations and requirements, as may be amended, including those set forth in 24 C.F.R., Part 570; (4) North Carolina laws, rules, regulations and requirements; (5) DOC guidance and requirements regarding CDBG now or hereafter in effect, including but not limited to: DOC's CDBG Guidelines and Application Instructions, and DOC bulletins or other guidance documents; and (6) Recipient's own approved CDBG application to DOC, as may be amended with DOC approval.

4. Obligations of Recipient with Respect to Certain Third Party Relationships. Recipient is responsible to **DOC** for ensuring compliance with the provisions of this Agreement and all applicable laws, rules, regulations and requirements, even when the recipient designates a third party or parties to undertake all or any part of the Program. The Recipient shall comply with all lawful requirements of DOC necessary to ensure that the program is carried out in accordance with the Recipient's certifications including but not limited to the certification of assumption of environmental responsibilities under Rule .1004 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L. If the Recipient contracts with or designates a third party to undertake all or part of the Program, the Recipient's contract with the third party must require the third party to comply with this Agreement, all applicable laws, rules, regulations and requirements, including but not limited

to the procurement standards set forth in 4 N.C. Administrative Code 19L .0908 as may be applicable.

Recipient shall likewise ensure that all subrecipient contracts regarding Grant funds or relating to the Program include all required contractual elements in order to be in compliance with all Federal, State and local laws, including but not limited to the provisions contained in 24 C.F.R. § 570.503, 24 C.F.R. § 85.37, and other provisions described throughout this Agreement, where applicable. In any event, the Recipient is liable to DOC and HUD for any improper expenditures, damage, loss or harm resulting from the failure of any person or entity to comply with any applicable law, rule, regulation or requirement regarding the Grant funds and/or the Program, including but not limited to an act or omission by a subrecipient or other third party. The Recipient agrees to periodically and rigorously monitor and audit its subrecipients and other third parties to ensure compliance with all applicable requirements.

Any subcontracts or subrecipient agreements entered into by the Recipient with Grant funds shall be subject to all terms and conditions of this Agreement. Payment of all subcontractors and subrecipients shall be the sole responsibility of the Recipient, and DOC shall not be obligated to pay for any work performed by any subcontractor or subrecipient. The Recipient shall be responsible for the performance of all subcontractors and subrecipients and shall not be relieved of any of the duties and responsibilities of this Agreement as a result of entering into subcontracts or subrecipient agreements.

5. Changes to Agreement. Recipient agrees that DOC may supplement or modify this Agreement as may be necessary to implement additional or modified Federal or State guidance regarding implementation of the CDBG program.
6. Conflict of Interest. Recipient agrees to comply with all applicable conflict of interest provisions, including but not limited to those found at 4 N.C.A.C. 19 L .0908 and .0914, N.C. Gen. Stat. § 14-234, 24 C.F.R. § 85.36, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 570.611, where applicable, copies of which may be obtained from DOC.

Except for eligible administrative or personnel costs, the general rule is that no persons described in the following sentence who exercise or have exercised any functions or responsibilities with respect to grant activities assisted under this Agreement or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a Grant-assisted activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The conflict of interest summary in the sentence above generally applies to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or Recipient or applicable third parties which are receiving CDBG grant funds.

Recipient agrees to include these same prohibitions in all such contracts or subcontracts with any subrecipients or other third parties relating to the Program.

In any event, the Assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining DOC approval of the application for such assistance, or DOC approval of applications for additional assistance, or any other approval or concurrence of DOC required under this Agreement, or the North Carolina Community Development Block Grant Administrative Rules, with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not prohibited if otherwise eligible as program costs and allowed by applicable law.

Additionally, certain limited exceptions to the conflict of interest rules listed in 24 C.F.R. § 570.489 may be granted in writing by HUD and/or DOC upon written request and the provision of information specified in 24 C.F.R. § 570.489(h)(ii)(4).

7. Reimbursement to DOC for Improper Expenditures. The Recipient will reimburse DOC for any amount of Grant assistance improperly expended, either deliberately or non-deliberately, by any person or entity. Additionally, a contract for administrative services shall include a clause holding the administrator organization responsible for reimbursement to the Recipient for any improperly expended grant funds that had to be returned to DOC.
8. Recordkeeping Requirements. Recipient will maintain any and all records and comply with all responsibilities as may be required under typical CDBG recordkeeping (for example, records and responsibilities set forth in 4 N.C.A.C. 19L.0911 (“Recordkeeping”), 24 C.F.R. 570.490 (“Recordkeeping Requirements”), 24 C.F.R. § 570.506 (“Records to be maintained”) and 24 C.F.R. § 85.42 (“Retention and Access Requirements for Records”) as each may be modified by HUD or DOC) as well as records and responsibilities related to CDBG or specifically to CDBG funds. Recipient agrees to comply with any additional record-keeping requirements now or hereinafter set forth by DOC, HUD or any other federal or state entity.
9. Access to Records. The Recipient shall provide any duly authorized representative of DOC, the State of North Carolina, the federal Department of Housing and Urban Development (HUD), and the Comptroller General, the Inspector General and other authorized parties at all reasonable times access to and the right to inspect, copy, monitor, and examine all of the books, papers, records, and other documents relating to the grant for a period of five years following the completion of all close-out procedures. All original files shall be maintained at the Local Government offices for access purposes.
10. Release of Personal, Financial and Identifying Information. To ensure and document compliance with CDBG income requirements as well as other matters, Recipient shall obtain and retain personal, income-related, financial, tax and/or related information from individuals and families that are benefitting from Grant or Program funds. Additionally, Recipient is obligated to provide access to any and all information relating to the Program to DOC, HUD or some other appropriate federal or state monitoring entity, upon DOC’s

request. This obligation includes, but is not limited to, the personal, financial and identifying information of individuals assisted by the Program. As such, Recipient shall obtain any releases or waivers from all individuals or entities necessary to ensure that this information can be properly and legally provided to appropriate federal and state entities, including DOC and HUD, without issue or objection by the individual or entity.

11. Project Savings. The Recipient is obligated to contribute 100 percent of its pledged **cash** contribution to the CDBG project even if the project experiences a savings after authorized activities are completed. Any project savings accrue to the CDBG program. **Substitution of in-kind contributions for cash is not allowed.**
12. Expenditure of Non-CDBG Funds. The recipient must ensure that non-CDBG funds are expended along with CDBG funds, following the implementation schedule described in the approved application and modified by the Performance Contract (or otherwise with DOC approval), and shall report on non-CDBG expenditures with each Annual Performance Report, consistent with Section .1100 PERFORMANCE of the program regulations (4NCAC 19L) as well as any other applicable reporting requirements.
13. Method of Payment. The Department of Commerce uses the Office of State Controller (OSC) to make CDBG payments to units of local government. The Electronic Payment Form from OSC must be completed for funds to be electronically transferred.
14. Fair Housing. Recipients of CDBG funds are required to comply with fair housing and non-discrimination laws and regulations. Recipients should consult Section .1001 of the CDBG administrative rules for further information on equal opportunity requirements. Recipients are required to submit a fair housing plan for its jurisdiction. Recipients with 10,000 persons or more will be required to complete an Analysis to Impediments to Fair Housing Choice Study. For each grant year that a CDBG project is active, a Recipient must describe the actions it will take in the areas of enforcement, education and removal of barriers and impediments to affirmatively further fair housing. Guidance for developing a Fair Housing Plan can be found in REDD Bulletin 93-4 and the CDBG Implementation Notebook.
15. Equal Employment and Procurement Opportunity. A Recipient must describe the actions it will take annually while the grant is open in the areas of enforcement, education and removal of barriers and impediments that affirmatively further equal access in employment and procurement. This includes a description of steps to be taken in the areas of advertisement, compliance and complaint tracking.
16. Local Economic Benefit (Section 3 Regulation). For each year that a CDBG is active, the Recipient must describe a strategy whereby opportunities in employment and procurement arising out of a CDBG assisted project are identified and made available to low-income residents within the CDBG assisted area to the greatest extent feasible. This strategy must include (1) identification of training and technical assistance resources to prepare low-income residents for employment and procurement opportunities, (2) attempts to reach the numerical targets for new hires set forth in the Section 3 regulation, which applies to Recipients receiving \$200,000 or more in non-administrative line items expended for construction contracts and (3) education of low-income residents within the CDBG assisted area about the components and opportunities of the program.

In addition, Recipients will be required to coordinate additional activities as it relates to Section 3 with the DOC CDBG Compliance Office.

17. Section 504 and ADA. Recipients must complete the Section 504 Survey and Transition Plan. This plan will not satisfy all the requirements of the Americans with Disabilities Act, but it will meet the minimum requirements for a CDBG assisted project.
18. Environmental Review. Recipients of CDBG funds are required to complete the document entitled "Environmental Review Procedures for the CDBG Program." Once the Environmental Review Record (ERR) is received, REDD will review for completeness and submit selected CDBG ERRs if required to the State Clearinghouse for other State agencies to review and comment. Recipients cannot conduct any program activities until REDD issues an environmental clearance.
19. Language Access Plan (LAP). Recipients of Federal financial assistance have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important government programs, services, and activities. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and its implementing regulations require that Recipients take responsible steps to ensure meaningful access by LEP persons. Recipients will be required to submit a language access plan using the approved template from REDD. The plan will address the LAP policy, translation of required vital documents, and requirements for citizen participation.
20. Procurement Standards. Where applicable, Recipient shall follow the procurement standards established in the "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" (24 C.F.R., Part 85) and HUD implementing regulations contained in 24 C.F.R. § 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. 4 N.C.A.C. 19L.0908.
21.
 - a. Any Recipient or Subrecipient shall follow other applicable procurement standards set forth in 4 N.C.A.C. 19L.0908, and the relevant laws cited therein, including but not limited to, laws related to conflicts of interest (N.C.G.S. §14-234), public building contracts (N.C.G.S. § 148-128 to 135), and payment and performance bonds (N.C.G.S. § 44A-25 through 35); acquisition and relocation (4 N.C.A.C. 19L.1003); property management standards (4 N.C.A.C. 19L.0909); equal opportunity (4 N.C.A.C. 19L.1001); and labor standards (4 N.C.A.C. 19L.1006).
 - b. Recipient shall likewise follow all other applicable federal and state procurement rules, guidelines and procedures, including those set forth in Office of Management and 2 C.F.R. Part 225 ("Cost Principles for State and Local Governments").

In any event, per 24 C.F.R. 570.489(g), all purchase orders and contracts shall include any clauses required by Federal statutes, executive orders and implementing regulations.

Additionally, Recipient acknowledges and agrees that, in its conduct under this Agreement and in connection with any and all expenditures of Grant funds made by it, Recipient, its officers, agents and employees shall be and are subject to the provisions of the North Carolina General Statutes and the North Carolina Administrative Code relating to and governing procurement, public contracts, suspension and debarment. Recipient further

acknowledges and agrees that, in the event that it grants any of the Grant funds awarded hereunder to one or more subrecipients or other applicable entities, Recipient shall, by contract, ensure that the provisions of all applicable laws relating to and governing procurement, public contracts, suspension and debarment are made applicable to and binding upon any and all subrecipients and/or other applicable entities.

22. Labor Standards. Recipient shall follow all applicable laws, rules and regulations concerning the payment of wages, contract work hours, safety, health standards, and equal opportunity for CDBG-R programs, including but not limited to the rules set forth in 4 N.C.A.C. 19L.1006, 24 C.F.R. § 570.603 and the following (as may be applicable to CDBG-projects):
- a. Davis-Bacon Act (40 U.S.C.A. 276a). Among other provisions, this act requires that prevailing local wage levels be paid to laborers and mechanics employed on certain construction work assisted with CDBG funds.
 - b. Contract Work Hours and Safety Standards Act (40 U.S.C.A. 327 through 333). Under this act, among other provisions, laborers and mechanics employed by contractors and subcontractors on construction work assisted with CDBG funds must receive overtime compensation at a rate not less than one and one-half the basic rate of pay for all hours worked in excess of forty hours in any workweek. Violators shall be liable for the unpaid wages and in addition for liquidated damages computed in respect to each laborer or mechanic employed in violation of the act.
 - c. Fair Labor Standards Act (29 U.S.C. 201 et seq.), requiring among other things that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week.
 - d. Federal anti-kickback laws (18 U.S.C. 874 and 40 U.S.C. 276), which, among other things, outlaws and prescribes criminal penalties for "kickbacks" of wages in federally financed or assisted construction activities. Weekly statements of compliance and weekly payrolls must be provided by all contractors and subcontractors.

Recipient agrees to maintain records regarding compliance with the laws and regulations cited in 4 N.C.A.C. 19L.1006 (including the citations listed above) in accordance with 4 N.C.A.C. 19L.0911.

All contracts between Recipient and third parties shall contain labor standards provisions as required in 4 N.C.A.C. 19L.1006.

23. Architectural Barriers. Per 4 N.C.A.C.19L.1007, 24 C.F.R. §§ 570.487 and 570.614 and other applicable law, all applicable buildings or facilities designed, constructed or altered with CDBG Grant funds shall be made accessible and useable to the physically handicapped as may be required by applicable laws, rules, regulations or requirements. Additionally, Recipient must comply with the following (as may be applicable to CDBG projects):
- a. Architectural Barriers Act of 1968 (P.L. 90-480). This act requires Recipient to ensure that certain buildings constructed or altered with CDBG funds are readily accessible to the physically handicapped.
 - b. Minimum Guidelines and Requirements for Accessible Design 36 C.F.R. Part 1190. These regulations establish guidelines for implementing the federal acts described in 4 N.C.A.C.19L.1007(1)(a). The regulations provide technical standards which must be met by Recipient.

- c. Americans with Disabilities Act [“ADA”] and the ADA Accessibility Guidelines for Buildings and Facilities or the Uniform Federal Accessibility Standards.
 - d. North Carolina Building Code, Volume I, Chapter 11-X. These provisions describe minimum standards Recipient must meet in constructing or altering building and facilities, to make them accessible to and useable by the physically handicapped.
24. Change of Use of Real Property. Recipient agrees not to change the use or planned use of any property acquired with CDBG funds from that for which the acquisition or improvement was made, in accordance with this Agreement and applicable law, rule, regulation or requirement, unless (i) the DOC grants explicit written approval and (ii) the requirements of 24 C.F.R. § 570.489(j), 24 C.F.R. § 570.505 and other applicable requirements are followed, as modified (or as may be modified) by HUD or DOC.
24. Obligation of Recipient With Regard to Vacant Units. The recipient shall ensure that all vacant units being rehabilitated will be occupied by a low or moderate income person by the time close-out occurs.
25. Utility Assessments or Fees: Assessments or fees to recover the CDBG funded portion of a utility project may be charged to properties not owned and occupied by low and moderate income persons. Such assessments are program income and, as such, must be used for eligible CDBG activities that meet a CDBG national objective.
26. False or Misleading Information. Recipient is advised that providing false, fictitious or misleading information with respect to CDBG funds may result in criminal, civil, or administrative prosecution under 18 U.S.C. § 1001, 18 U.S.C. § 1343, 31 U.S.C. § 3729, 31 U.S.C. § 3801, or another applicable statute. Recipient shall promptly refer to DOC and HUD’s Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CDBG funds.
27. Disputes with DOC. If Recipient has any disagreement or dispute with any action or inaction by DOC, Recipient shall inform DOC by letter addressed to Iris Payne, Director, Department of Commerce – Rural Economic Development Division, 4346 Mail Service Center, Raleigh, NC 27699-4346. The Rural Economic Development Division [“REDD”] will endeavor to respond in writing to said letter within 30 days from receipt. Recipient shall not be entitled to a hearing under Chapter 150B for matters described in N.C. Gen. Stat. § 150B(c)(8), added by N.C. Senate Bill 960, including matters related to “contracts, disputes, protests, and/or claims arising out of or relating to the implementation of the [CDBG].” This includes actions arising out of or related to this Agreement or the Program.
28. Disputes or Complaints by Subrecipients or Other Entities. Recipient is responsible for developing, implementing and utilizing its own dispute resolution procedures with respect to disputes and/or complaints between and among Recipient, a Subrecipient, a contractor and/or any other person or entity (other than DOC). This includes (but is not limited to) procedures relating to procurement disputes or protests discussed in 24 C.F.R. 85.36. In the event of a dispute between and among Recipient, any Subrecipient, contractor and/or any other persons or entities (not including DOC), Recipient shall make every effort to resolve the dispute pursuant to its own dispute resolution procedures and shall issue a final decision on the matter as soon as is reasonably practicable. Recipient’s dispute resolution procedure shall

provide that, in the event that any party to such a dispute or complaint is dissatisfied with the final decision or other resolution provided by Recipient, the dissatisfied party shall appeal to the North Carolina Superior Court in an appropriate County for a trial de novo, to the extent that jurisdiction is proper pursuant to N.C. Gen. Stat. § 7A-240 and other applicable law.

29. Schedules

(a) Schedule for Release of Conditions and Completion Activities. **The Recipient must satisfy all Funding Approval Conditions to release CDBG funds within 3 months (3/20/20 from the date the Grant Agreement and Funding Approval were signed by the REDD Director.** The recipient must draw down all CDBG funds, expend all local non-CDBG funds and complete all project activities in conformance with the activities implementation schedule in the application as modified by the Performance Based Contract.

(b) **The Recipient must obligate all funds within 27 months (3/20/2022 from the date the Grant Agreement and Funding Approval are signed by REDD Director.**

(c) **All funds are to be expended within 30 months (6/20/2022) from the date the Grant Agreement and Funding Approval are signed by REDD Director. Any remaining funds will be de-obligated.**

(d) **All closeout documents must be returned to REDD by (9/20/2022)**

(e) Schedule for Submission of Compliance Documents. The Recipient must submit the following compliance documents within the specified number of months from the date the Grant Agreement and the Funding Approval were signed by the REDD Director:

- **Environmental – 4 months (4/20/20)**
- **Equal Employment and Procurement Plan – 4 months (4/20/20)**
- **Fair Housing Plan – 4 months (4/20/20)**
- **Section 3 Plan – 4 months (4/20/20)**
- **Section 504 Plan – 4 months (4/20/20)**
- **Language Access Plan – 4 months (4/20/20)**
- **Analysis of Impediments- 4 months (4/20/20)**
- **Request for Release of Funds – 5 months (5/20/20)**

(f) Timely Draw down of Funds. Recipient is expected make timely drawdowns so that funds are expended in a timely manner.

30. Quarterly Progress Report. Per Bulletin 09-1, Recipient shall ensure that a quarterly progress report that reflects approved CDBG program activity progress and CDBG financial status is presented to Recipient's elected board and a copy of that report, endorsed by the Chief Elected Official or the county/city/town manager will be provided to DOC not later than the tenth (10th) day of the month following the ending month of the reporting period.

31. Performance Measures

The CPD Performance Measurement System is HUD's response to the standards set by the Government Performance and Results Act (GPRA) of 1993. This act holds all Federal agencies accountable for establishing goals and objectives and measuring achievements.

- (a) The recipient must ensure that all activities in the funded project(s) meet the appropriate objectives, outcomes, and indicators established by HUD and selected by DOC. CDBG funds cannot be used to pay for any activity that does not meet the above requirement.
- (b) The recipient must also assist DOC, when requested, in collecting indicators and any other data necessary to fulfill the requirements of the CPD Performance Measures System, which includes data for the Integrated Disbursement and Information System (IDIS).

Upon execution of this agreement by DOC and the Recipient, the Recipient hereby accepts the assistance on the terms of this grant agreement effective on the date indicated below, and further certifies that the official signing this document has been duly authorized by the recipient's governing body to execute this Grant Agreement.

Secretary of the Department of Commerce

Date: 12/20/2019

By: 
 Kenny Flowers
 Assistant Secretary
 Rural Economic Development Division

Date: 12/27/2019

Town of Smithfield
 Name of Recipient

By: 
 Signature of Authorized Official
Mayor
 (Title)



Request for Town Council Action

Business
Agenda
Item: NCDOT
Agreement
Date: 11/14/2023

Subject: CMAQ/CRP Agreement with NCDOT
Department: Planning Department
Presented by: Planning Director – Stephen Wensman
Presentation: Business Agenda Item

Issue Statement

The Town Council is asked to approve the Town entering into an agreement with NCDOT for the CMAQ/CRP funding of the West Market Street trail project.

Financial Impact

The estimated project budget is \$2,344,400.
The CMAQ/CRP funds \$1,875,520.
The Local Match amount \$468,880.

Action Needed

To determine whether to enter into an agreement with NCDOT for the CMAQ/CRP funding of the West Market Street multi-purpose trail to go from the Neuse River **Bridge to Wilson's Mills** Road.

Recommendation

Staff recommends the Town Council approve Staff entering into an agreement with NCDOT for the CMAQ/CRP funding of the West Market Street trail project

Approved: Town Manager Town Attorney

Attachments:

1. Staff Report
2. CMAQ/CRP Agreement with NCDOT



Staff Report

Business
Agenda
Item: NCDOT
Agreement

Overview:

The Town Staff has worked with James Salmons of the Upper Coastal Plain Rural Planning Organization to apply for Congestion Mitigation & Air Quality (CMAQ) and Carbon Reduction Program (CRP) funds to construct a multi-purposed trail along West Market Street from the Neuse River Bridge to Wilsons Mills Road. The Town was awarded the funding for the project in the amount of \$1,875,520 with a local match of \$468,880, totaling \$2,344,400 for the project. The Agreement with NCDOT (attached) stipulates the terms for acceptance of the funds. Prior to entering into the Agreement, Staff is requesting Council approval.

Project Summary:

The West Market Street Multi-purpose trail is proposed to be constructed on the north side of West Market Street from the Neuse River Bridge to Wilson's Mills Road. The project elements include pre-engineering (design/environmental), right-of-way acquisition, utility relocation, and construction.

The NCDOT Agreement:

The Agreement for acceptance of CMAQ/CRP funds in the amount of \$1,875,520 requires a local match of \$468,880 (future budget amendment needed). The terms of the Agreement include:

- The Town assumes all responsibility for administrating the project as stipulated in the agreement.
- The Town and its subcontractors, etc., are responsible for all applicable Federal and State policies and procedures.
- Eligible expenses will be reimbursed up to \$1,875,520.
- NCDOT will set aside 10% of the funds (\$234,440) for project review and oversight.
- The Town has 5 years to complete all work unless a supplemental agreement is entered into.
- The Town will be responsible for future maintenance of the multi-purpose trail.

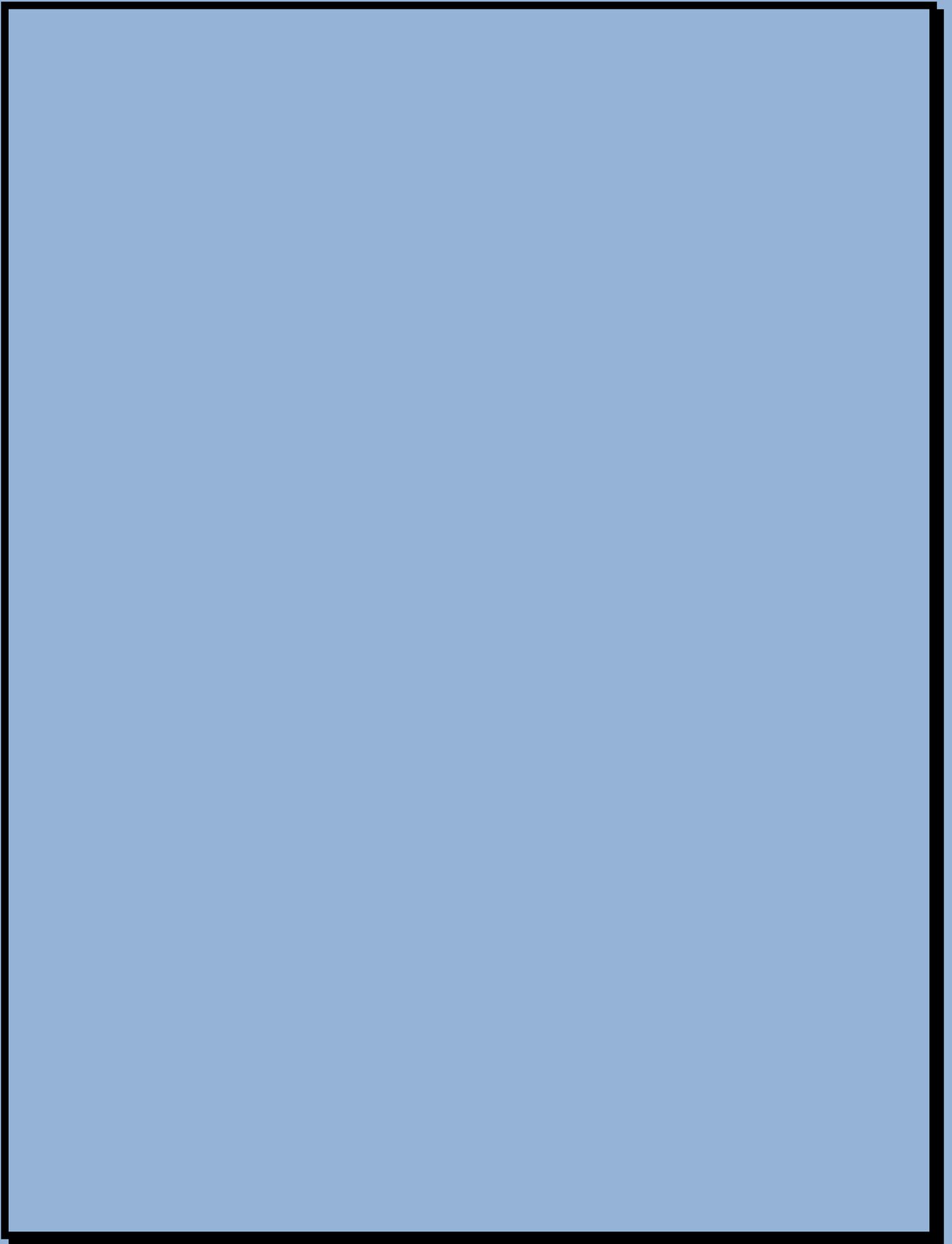
Project Design and Management:

The Town is required to advertise a Request for Letters of Interest (RFLOI) for the engineering and environmental work. The engineering firm will have to be pre-qualified with NCDOT for the work codes that will be listed in the RFLOI. The RFLOI must be approved by NCDOT prior to advertising.

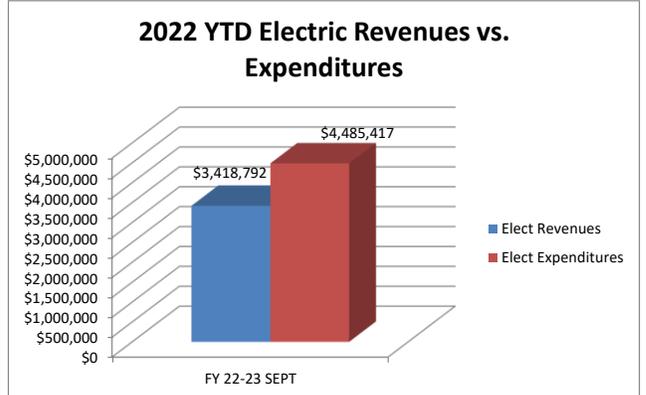
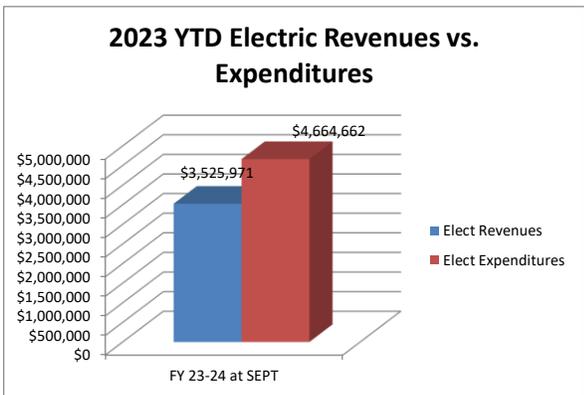
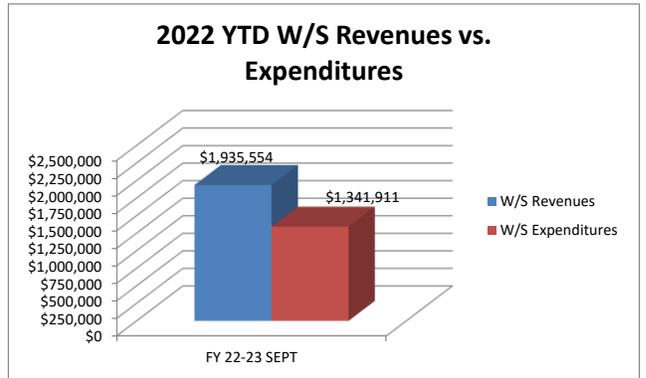
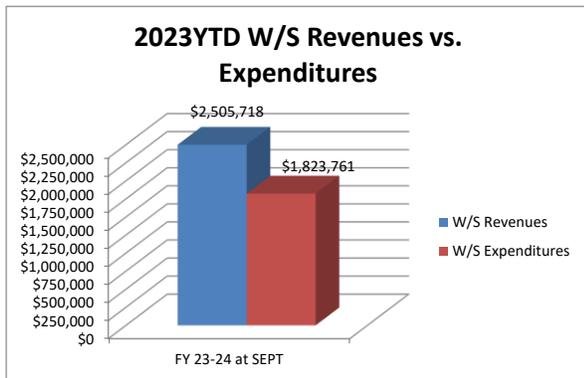
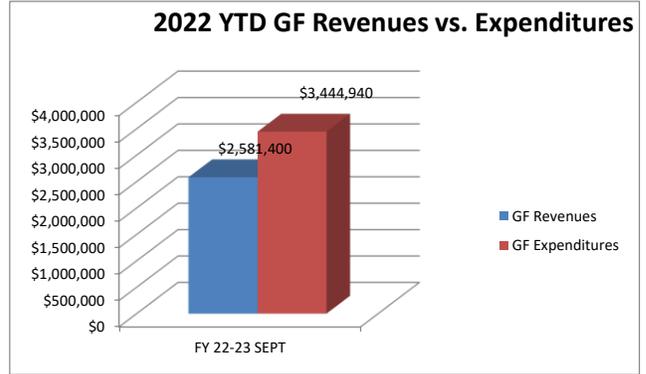
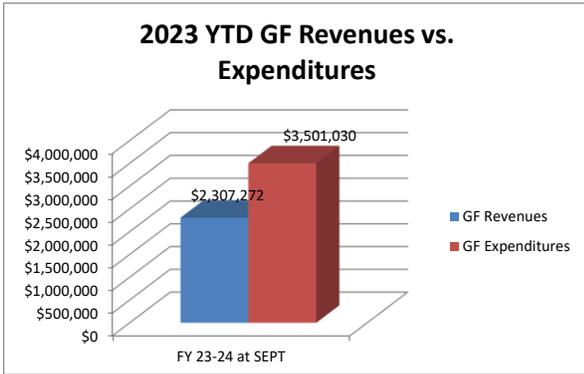
The Town will also need to contract with a general contractor for the actual trail construction, as well as an engineering firm to assist with right-of-way acquisition. This may come as an additional cost to the Town. This is unknown until bids are received for these services.

The grant also requires a match amount of \$468,880. Using the Town's restricted fund balance for Bingham Park revenue, a total of \$350,000 and Park in Lieu funds (\$118,880) for the remainder, the Town can meet the match amount with park designated funds. The Park in Lieu restricted balance is currently \$234,000. The Town still has American Rescue Funds in the amount of \$1,330,988. However, this money must be spent by December 31, 2026 and the CMAQ project is likely a five-year project making the project complete approximately January 1, 2029, which is outside the ARPA window for expenditures.

Financial Report



Town of Smithfield Revenues vs. Expenditures



TOWN OF SMITHFIELD
MAJOR FUNDS FINANCIAL SUMMARY REPORT
September 30, 2023
Gauge: 3/12 or 25 Percent

25.00%

GENERAL FUND

	Frequency	Actual to Date		Budget		Actual to Date		YTD %
		FY '22-23	FY '23-24	FY '23-24	FY '23-24	Collected		
Revenues								
Current & Prior Year Property Taxes	Monthly	\$ 739,429	\$ 7,436,900	\$ 990,632				13.32%
Motor Vehicle Taxes	Monthly	201,819	775,000	242,127				31.24%
Utility Franchise Taxes	Quarterly	227,683	965,000	-				0.00%
Local Option Sales Taxes	Monthly	332,614	3,100,000	-				0.00%
Aquatic and Other Recreation	Monthly	242,993	714,500	247,997				34.71%
Sanitation (Includes Penalties)	Monthly	286,738	1,519,310	163,666				10.77%
Grants		-	21,630	3,085				14.26%
All Other Revenues		550,126	1,784,484	659,765				36.97%
Loan Proceeds			-					#DIV/0!
Transfers (Electric and Fire Dist.)		-	334,150	-				0.00%
Fund Balance Appropriated		-	1,146,657	-				0.00%
Total		\$ 2,581,400	\$ 17,797,631	\$ 2,307,272				12.96%

	Actual to Date		Budget		Actual to Date		YTD %
	FY '22-23	FY '23-24	FY '23-24	FY '23-24	Collected		
Expenditures							
General Gov.-Governing Body	\$ 131,199	\$ 488,076	\$ 201,284				41.24%
Non Departmental	259,434	1,240,026	296,296				23.89%
Debt Service	211,469	438,296	211,469				48.25%
Finance	33,719	162,590	35,062				21.56%
IT	8,821	303,162	53,174				17.54%
Planning	82,110	408,658	88,746				21.72%
Police	922,598	4,636,274	821,829				17.73%
Fire	571,752	3,042,526	651,977				21.43%
EMS	-	-					#DIV/0!
General Services/Public Works	152,984	706,233	180,528				25.56%
Streets	126,963	746,065	74,862				10.03%
Motor Pool/Garage	27,805	198,685	50,467				25.40%
Powell Bill	29,288	475,548	22,310				4.69%
Sanitation	341,204	1,936,360	299,197				15.45%
Stormwater	8,113	216,225	12,625				5.84%
Parks and Rec	234,871	1,223,107	223,991				18.31%
SRAC	273,405	1,275,305	269,101				21.10%
Sarah Yard Center	29,204	58,696	8,112				13.82%
Contingency	-	241,799	-				0.00%
Appropriations/Contributions	-	-	-				0.00%
Total	\$ 3,444,940	\$ 17,797,631	\$ 3,501,030				19.67%

YTD Fund Balance Increase (Decrease)

- (0)

25.00%

WATER AND SEWER FUND

	Actual to Date		Budget	Actual to Date		YTD %
	FY '22-23		FY '23-24	FY '23-24		Collected
Revenues						
Water Charges	\$ 564,258	\$	2,912,000	\$	643,654	22.10%
Water Sales (Wholesale)	381,618	\$	2,080,380		590,065	28.36%
Sewer Charges	931,627		4,800,000		1,027,640	21.41%
Penalties	13,947		60,000		16,926	28.21%
Tap Fees	815		3,000		12,505	416.83%
Other Revenues	43,288		184,000		214,928	116.81%
Grants	-		-			#DIV/0!
Loan Proceeds	-		-			#DIV/0!
Fund Balance Appropriated	-		318,291		-	0.00%
Total	\$ 1,935,554	\$	10,357,671	\$	2,505,718	24.19%

	Actual to Date		Budget	Actual to Date		YTD %
	FY '22-23		FY '23-24	FY '23-24		Collected
Expenditures						
Water Plant (Less Transfers)	\$ 419,384	\$	2,479,704	\$	541,686	21.84%
Water Distribution/Sewer Coll (Less Transfers)	839,470		5,222,563		1,199,018	22.96%
Transfer to General Fund	-		-			#DIV/0!
Transfer to W/S Capital Proj. Fund	-		1,350,000		-	0.00%
Debt Service	83,057		1,030,957		83,057	8.06%
Contingency	-		274,447		-	0.00%
Total	\$ 1,341,911	\$	10,357,671	\$	1,823,761	17.61%

ELECTRIC FUND

Revenues	Actual to Date	Budget	Actual to Date	YTD %
	FY '22-23	FY '23-24	FY '23-24	Collected
Electric Sales	\$ 3,337,164	\$ 16,320,000	\$ 3,381,736	20.72%
Penalties	19,030	80,000	22,329	27.91%
All Other Revenues	62,598	252,000	121,906	48.38%
Grants	-			
Loan Proceeds	-			
Fund Balance Appropriated	-	226,133	-	
Total	\$ 3,418,792	\$ 16,878,133	\$ 4,485,417	26.58%

Expenditures	Actual to Date	Budget	Actual to Date	YTD %
	FY '22-23	FY '23-24	FY '23-24	Collected
Administration/Operations	\$ 720,867	\$ 3,121,377	\$ 866,626	27.76%
Purchased Power - Non Demand	1,315,986	12,450,000	1,274,993	10.24%
Purchased Power - Demand	1,816,935		1,891,413	#DIV/0!
Purchased Power - Debt	289,044		289,044	#DIV/0!
Debt Service	342,585	342,586	342,586	100.00%
Capital Outlay	-	16,700		0.00%
Contingency		220,000	-	0.00%
Transfers to Electric Capital Proj Fund	-	632,320	-	0.00%
Transfer to Electric Capital Reserve	-	-		
Transfers to General Fund	-	95,150		0.00%
Total	\$ 4,485,417	\$ 16,878,133	\$ 4,664,662	27.64%

CASH AND INVESTMENTS FOR AUGUST

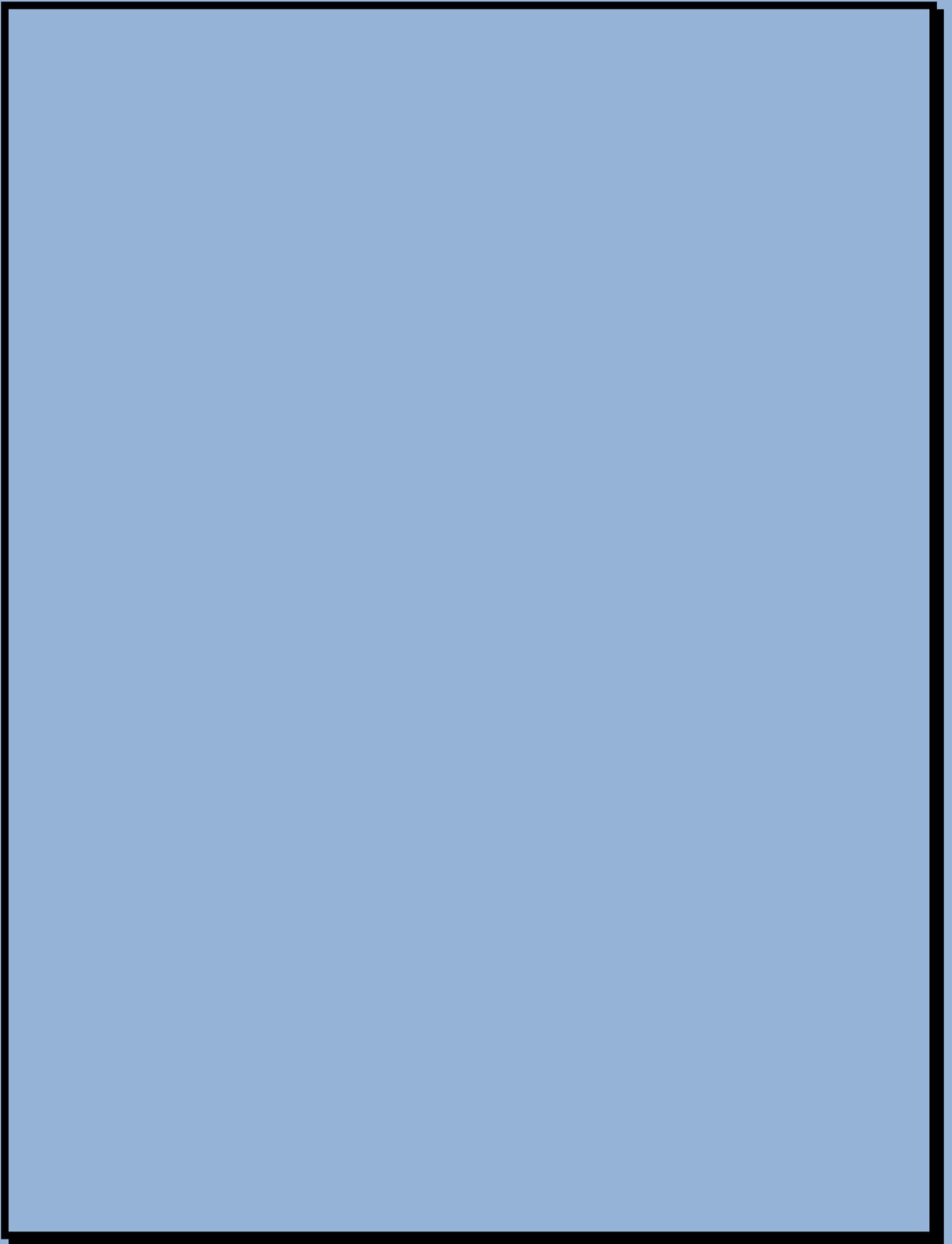
General Fund (Includes P. Bill)	16,524,530			
Water and Sewer Fund	12,328,043			
Electric Fund*	10,575,402			
ARPA (20)	2,687,893			
SCIF (21)	1			
JB George Endowment (40)	133,595			
Water Plant Expansion (43)	844,437			
Booker Dairy Road Fund (44)	457,896			
Capital Project Fund: Wtr/Sewer (45)	1,996,330			
Capital Project Fund: General (46)	969,771			
Capital Project Fund: Electric (47)	424,577			
FEMA Acquisitions and Elevations (48)	550			
CDBG Neighborhood Revitalization (49)	(43,506)	1st CITIZENS	28,896,209	1.25%
Firemen Relief Fund (50)	108,056	NCCMT	5,191,233	5.000%
Fire District Fund (51)	171,710	KS BANK	2,400,963	3.00%
General Capital Reserve Fund (72)	6,327	TRUIST	10,012,289	3.25%
Total	\$ 47,185,611		\$ 46,500,694	

*Plug

Account Balances Confirmed By Finance Director on

10/17/2023

Department Reports





FINANCE DEPARTMENTAL REPORT FOR SEPTEMBER, 2023

SUMMARY OF ACTIVITIES FOR MAJOR FUNDS (10,30,31):

Daily Collections/Property Taxes/Other.....	\$4,236,298
Franchise Tax.....	-
Sales & Use Tax.....	-
Powel Bill.....	<u>178,517</u>
Total Revenue	\$4,414,815
Expenditures: General, Water, and Electric.....	\$3,477,359

FINANCE:

- Compiled and submitted monthly retirement report for September on 9/30/2023.
- Issued 68 purchase orders
- Processed 866 vendor invoices for payment and issued 435 accounts payable checks
- Prepared and processed 3 regular payrolls and remitted federal and state payroll taxes on September 1, 15 and 29, 2023.
- Issued total of 0 renewal privilege licenses for beer and wine sales with 9 outstanding
- Sent 0 past due notices for delinquent privilege license
- Issued 0 peddler license
- Sent 0 notices for grass cutting
- Collected \$0 in grass cutting invoices. Total collected to date is \$9,496.
- Processed 18 NSF Checks/Fraudulent Cards (Utility and SRAC)
- Debt Setoff - Bad Debt Collection calendar year-to-date total \$33,011.73 (EMS: \$6,982.75; SRAC: \$3,160.23; Utility: \$22,868.75; and Other: \$0)
- Penn Credit - Bad Debt Collections received in August \$0; Total collections calendar year-to-date \$23,185.67
- Invoiced 1 grave opening (10-40-3400-3403-0003) for a total of \$725.
- Invoiced Johnston Community College for Police Security on September 4th.
- Earned \$43,242 in interest from FCB and paid \$3025 in fees on the central depository account.
- Paid \$14,024 in credit/debit/Tyler card fees, but received \$9,611 (31-72-3550-3520-0002) in convenience fees

FINANCE DIRECTOR

- Attended Town Council Meeting on Sept 5, 2023
- Prepared for and responded to Auditor's third visit on September 6 & 7, 2023
- Renewed certificate of deposit with KS Bank for 10 months at 4.69 percent
- Prepared for and responded to Worker's Comp Audit on September 27, 2023
- Performed Annual Performance Reviews on six employees under the Finance Dept. Supervision



Town of Smithfield
Planning Department
350 E. Market St Smithfield, NC 27577
P.O. Box 761, Smithfield, NC 27577
Phone: 919-934-2116
Fax: 919-934-1134

Permit Issued for October 2023

Zoning	Land Use	Permit Fees	Permits Issued
		1,150.00	12
Site Plan	Site Plan	\$900.00	18
Zoning	Sign	\$100.00	2
	Land Use	\$1150.00	13
Report Period Total:		\$3,300.00	45
Fiscal YTD Total:		\$20950.00	396

PERMIT TYPE	SUB TYPE	PERMIT#	ADDRESS	ISSUE DATE
Site Plan	Major Site	SP23-000247	Galilee Road	10/03/2023
Site Plan	Major Site	SP23-000007	938 North Brightleaf	10/24/2023
Site Plan	Minor Site	SP23-000255	101A Pace Street	10/31/2023
Site Plan	Minor Site	SP23-000256	101A Pace Street	10/31/2023
Site Plan	Minor Site	SP23-000257	500 Glenn Street	10/24/2023
Site Plan	Minor Site	SP23-000254	209 Galilee Branch Drive	10/17/2023
Site Plan	Minor Site	SP23-000248	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000249	298 Westerman Place	10/03/2023
Site Plan	Minor Site	SP23-000250	46 Bradford Court	10/03/2023
Site Plan	Minor Site	SP23-000241	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000242	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000243	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000244	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000245	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000246	Galilee Road	10/03/2023
Site Plan	Minor Site	SP23-000251	1240 East Market Street	10/05/2023
Site Plan	Minor Site	SP23-000252	101 Annie Parker Circle	10/09/2023
Site Plan	Minor Site	SP23-000253	1025 Outlet Center Drive	10/12/2023
Zoning	Building	Z23-000144	801 Berkshire Road	10/24/2023
Zoning	Land Use	Z23-000136	214 Wilson's Mills Road	10/04/2023
Zoning	Land Use	Z23-000146	325B Pace Street	10/24/2023
Zoning	Land Use	Z23-000140	1073 West Market Street	10/17/2023



Planning Department Development Report

Wednesday, November 1, 2023

Project Name: **96 Gulf Stream Court Industrial**

Request:

Location 96 Gulfstream Court

Tax ID#: 15079005D PIN#: 168510-47-8027

Project Status In First Review

Notes:

Site Plan 2023-10

Submittal Date: 10/25/2023

Planning Board Review:

Board of Adjustment Review:

Town Council Hearing Date:

Approval Date:

Project Name: **Rapid Response Electric**

Request:

Location 228 Tyler Drive

Tax ID#: 15J11023N PIN#: 168206-38-3045

Project Status In First Review

Notes:

Site Plan 2023-09

Submittal Date: 10/19/2023

Planning Board Review:

Board of Adjustment Review:

Town Council Hearing Date:

Approval Date:

Project Name: **JCC Greenhouses**

Request:

Location 1240 East Market Street

Tax ID#: 15L11005N PIN#: 169308-89-4088

Project Status Approved

Notes:

Site Plan 2023-08

Submittal Date: 10/5/2023

Planning Board Review:

Board of Adjustment Review:

Town Council Hearing Date:

Approval Date: 10/6/2023

Project Name: **Bufflo Road Subdivision**

Request: 217 unit subdivision

Location Buffalo Road

Tax ID#: 14A03005 PIN#: 260412-06-3802

Project Status In First Review

Notes:

Conditional Zoning 2023-01

Submittal Date: 6/30/2023

Planning Board Review: 11/2/2023

Board of Adjustment Review:

Town Council Hearing Date: 11/14/2023

Approval Date:

Project Name: **Sidewalk Fee in lieu of**
Request: Amend Article 2 to create a sidewalk fee in lieu of option
Location
Tax ID#: PIN#:
Project Status In First Review
Notes: **Town Council tabled discussion to future workshop**

Text Amendment 2023-07	
Submittal Date:	6/2/2023
Planning Board Review:	7/13/2023
Board of Adjustment Review:	
Town Council Hearing Date:	8/1/2023
Approval Date:	

Project Name: **General Design Standards**
Request: Article 2,10 and Appendix A
Location
Tax ID#: PIN#:
Project Status In First Review
Notes: **Town Council tabled discussion to future workshop**

Text Amendment 2023-06	
Submittal Date:	5/1/2023
Planning Board Review:	5/4/2023
Board of Adjustment Review:	
Town Council Hearing Date:	7/4/2023
Approval Date:	

Project Name: **Twin Creeks Phs 1**
Request: 28 Lot Subdivision
Location Gailee Road
Tax ID#: 15I09011B PIN#: 167300-56-5565
Project Status
Notes: **Under Construction**

Subdivision 2019-01	
Submittal Date:	4/5/2019
Planning Board Review:	
Board of Adjustment Review:	
Town Council Hearing Date:	
Approval Date:	

Project Name: **Kamdon Ranch**
Request: 110 Lot Division
Location Swift Creek Road
Tax ID#: 15I08020 PIN#: 167400-55-9495
Project Status Approved
Notes: **Under Construction**

Subdivision 2019-02	
Submittal Date:	4/5/2019
Planning Board Review:	
Board of Adjustment Review:	
Town Council Hearing Date:	
Approval Date:	6/27/2019



**TOWN OF SMITHFIELD
POLICE DEPARTMENT
MONTHLY REPORT
MONTH ENDING September 30, 2023**

I. STATISTICAL SECTION

Month Ending September 30, 2023	September 2023	September 2022	Total 2023	Total 2022	YTD Difference
Calls for Service	1485	1829	14663	15375	-712
Incident Reports Completed	122	122	1057	1197	-140
Cases Closed	81	37	684	683	+1
Accident Reports	67	86	673	812	-139
Arrest Reports	45	75	549	742	-193
Burglaries Reported	2	7	37	66	-29
Drug Charges	7	9	95	146	-51
DWI Charges	2	4	40	65	-25
Citations Issued	82	246	1057	2201	-1144
Speeding	6	140	246	1030	-784
No Operator License	32	36	289	445	-156
Registration Violations	8	14	119	207	-88

II. PERSONNEL UPDATE

Two candidates have cleared background investigations and are awaiting approval from the State to begin Field Training. Training for the PSA position has begun, we are looking for a four-week time period before it is operational. November and December will be a main recruiting time frame as we plan on filling our remaining vacancies with BLET cadets that start in January.

III. MISCELLANEOUS

Arrested two suspects in numerous B&E's to motor vehicles. Increased patrols number of tickets and warnings. Department conducted in service training of firearms and use of force related topics.

REPORTED UCR OFFENSES FOR THE MONTH OF SEPTEMBER 2023

PART I CRIMES	September		+/-	Percent Changed	Year-To-Date		+/-	Percent Changed
	2022	2023			2022	2023		
MURDER	0	0	0	N.C.	0	1	1	N.C.
RAPE	0	0	0	N.C.	3	3	0	0%
ROBBERY	1	1	0	0%	5	5	0	0%
Commercial	0	0	0	N.C.	2	1	-1	-50%
Individual	1	1	0	0%	3	4	1	33%
ASSAULT	3	2	-1	-33%	48	33	-15	-31%
* VIOLENT *	4	3	-1	-25%	56	42	-14	-25%
BURGLARY	6	3	-3	-50%	62	34	-28	-45%
Residential	4	0	-4	-100%	33	15	-18	-55%
Non-Resident.	2	3	1	50%	29	19	-10	-34%
LARCENY	45	40	-5	-11%	356	295	-61	-17%
AUTO THEFT	2	4	2	100%	28	19	-9	-32%
ARSON	0	0	0	N.C.	2	1	-1	-50%
* PROPERTY *	53	47	-6	-11%	448	349	-99	-22%
PART I TOTAL:	57	50	-7	-12%	504	391	-113	-22%
PART II CRIMES								
Drug	10	7	-3	-30%	155	116	-39	-25%
Assault Simple	6	17	11	183%	80	93	13	16%
Forgery/Counterfeit	3	1	-2	-67%	11	13	2	18%
Fraud	5	7	2	40%	70	76	6	9%
Embezzlement	0	1	1	N.C.	4	7	3	75%
Stolen Property	0	0	0	N.C.	6	3	-3	-50%
Vandalism	3	7	4	133%	50	36	-14	-28%
Weapons	1	1	0	0%	4	5	1	25%
Prostitution	0	0	0	N.C.	0	0	0	N.C.
All Other Sex Offens	1	0	-1	-100%	4	1	-3	-75%
Gambling	0	0	0	N.C.	0	0	0	N.C.
Offn Agnst Faml/Chld	0	0	0	N.C.	4	1	-3	-75%
D. W. I.	4	2	-2	-50%	62	34	-28	-45%
Liquor Law Violation	0	0	0	N.C.	11	2	-9	-82%
Disorderly Conduct	1	0	-1	-100%	8	6	-2	-25%
Obscenity	0	0	0	N.C.	0	0	0	N.C.
Kidnap	0	0	0	N.C.	0	2	2	N.C.
Human Trafficking	0	0	0	N.C.	0	0	0	N.C.
All Other Offenses	24	22	-2	-8%	195	226	31	16%
PART II TOTAL:	58	65	7	12%	664	621	-43	-6%
GRAND TOTAL:	115	115	0	0%	1168	1012	-156	-13%

N.C. = Not Calculable



**Town of Smithfield
Fire Department
September 2023**

I. Statistical Section

	Sep.
Confirmed Structure Fires	2
EMS Responses	172
Misc./Other Calls	34
Mutual Aid Calls	2
TOTAL EMERGENCY RESPONSES	252

	Sep.	YTD
Fire Inspections	72	799
Public Fire Education Programs	0	19
# Of Children Educated	0	1,226
# Of Adults Educated	0	637
Plans Review Construction/Renovation Projects	11	201
Fire Department Permits reviewed / Issued	23	338
Business Preplans	0	1
Fire Related Injuries & Deaths	0	0
# Of Civilian Deaths	0	0
# Of Civilian Injuries	0	1

II. Major Revenues

	Sep.	YTD
Inspections	\$650.00	\$7,575.00
Fire Recovery USA	\$2,269.60	\$9,932.82

III. Personnel Update:

1 vacant Full-time position (Assistant Fire Chief), Continuous Part-time positions available, 11 p/t positions current including the p/t fire inspector.

IV. Narrative of monthly departmental activities:

- Squad was in-service 0 of 21 days
- Total Training Hours for August = 162 hours
- Discussion/ Planning for Fire Watch at JCC Events
- Pyrotechnics Class at SMFD
- Steve & Blake-High-Piled Storage Class in Chatham County
- Mapping of Inspection Zones (Ashley & Blake)
- Prepare/schedule Fire Prevention Month
- Sep. 11 – Memorial Service – SSS
- Sep. 12 – LEPC Meeting – Station 1

- Sep. 15 – Pyrotechnician Operator Course Completion – Station 1
- Sep. 21 – Kindergarten Community Helpers Day – Neuse Charter School
- Sep. 29 – Fire Prevention Display preparation – Station 1 and Station 2

V. Upcoming Plans

- Fire Prevention Month with numerous programs
- Fire Prevention Program Survey Sheet Revision
- Engine Company Inspections Development/Preparation
- McDonald's Fire Renovation inspections

**Town of Smithfield
Public Works Department
September 30, 2023**



157 Total Work Orders completed by the Public Works Department
4 Burials, at \$700.00 each = \$4,775.00
1 Cremation Burial, \$425.00 each = \$425.00
\$1,000.00 Sunset Cemetery Lot Sales
\$0 Riverside Extension Cemetery Lot Sales
429.66 tons of household waste collected
130.00 tons of yard waste collected
3.31 tons of recycling plastic only collected
0 gallons of used motor oil were recycled
250 scrap tires were recycled

Town of Smithfield
Public Works Appearance Division
Cemetery, Landscapes, and Grounds Maintenance
Buildings, Facilities, and Sign Division
Monthly Report
September 30, 2023



I. Statistical Section

- 7 Burials
- 6 Works Orders – Buildings & Facilities Division
- 8 Work Orders – Grounds Division
- 3 Work Orders – Sign Division

II. Major Revenues

Sunset Cemetery Lot Sales:	\$ 1,000.00
Riverside Ext Cemetery Lot Sales:	\$ 0
Grave Opening Fees:	\$ 4,775.00
Total Revenue:	\$ 5,775.00

III. Major Expenses for the Month:

The Appearance Division paid \$3,355.00 to Clean Turf for spraying all cemeteries for fire ants.

IV. Personnel Update:

No one hired for the month of September 2023.

V. Narrative of monthly departmental activities:

The overall duties include daily maintenance on cemeteries, landscapes, right-of-ways, buildings and facilities. The Public Works safety meeting was on "Immunization Awareness" with Jaime Pearce with Wellness Works. Annual Fire Extinguisher

Appearance Commission Sept. 2023 Monthly Report:

No Quorum for meeting

Next Appearance Commission meeting will be on Oct.19, 2021 at 5:00 pm in Town Hall.

Smithfield Appearance Commission

Agenda

Tuesday, October 17, 2023

5:00 PM

**Town of Smithfield
Public Works Fleet Maintenance Division
Monthly Report
Sept. 30, 2023**



I. Statistical Section

 5 Preventive Maintenances / In house

 0 North Carolina Inspections / Outsourced

 10 Work Orders

II. Major Revenues

None for the month

III. Major Expenses for the Month:

None for the month

IV. Personnel Update:

none.

V. Narrative of monthly departmental activities:

The shop employee performed preventive maintenances on all Town owned generators. The Public Works safety meeting was on "Immunization Awareness" with Jaime Pearce with Wellness Works. Annual Fire Extinguisher " with Jaime Pearce with Wellness Works.

Town of Smithfield
Public Works Drainage/Street Division
Monthly Report
Sept. 30, 2023



I. Statistical Section

- a. All catch basins in problem areas were cleaned on a weekly basis
- b. Work Orders – 0 Tons of Asphalt was placed in 0 utility cuts, 0 gator areas and 0 overlay.
- c. 0 Work Order – 0 Linear Feet Drainage Pipe installed.
- d. 0 Work Orders - 0 Linear Feet of ditches were cleaned
- e. 9 Work Orders – 450lbs. of Cold Patch was used for 11 Potholes.

II. Major Revenues

None

III. Major Expenses for the Month:

Barbour Beaver Control was paid \$3,250.00 for the first quarter for beaver control services.

IV. Personnel Update:

No one hired for the month of September 2021.

V. Narrative of monthly departmental activities:

The Public Works safety meeting was on "Immune Awareness" with Jaime Pearce with Wellness Works. Annual Fire Extinguisher



Reporting

Monthly Reports ▼ Sep 1 - Sep 30

Summary

Reporting Details

Recent Activity

Export Data

Custom Dashboards

Work Orders 13

Purchase Orders

Reporting

Requests

Assets

Messages 1

Categories

Parts Inventory ▼

Library

Meters

Locations

Teams / Users

...

Contact MaintainX

Lawrence Davis

Assigned To

Due Date

Priority

Category

+ Add Filter

My Filters

Work Orders

Created vs. Completed ▶

157

Created

156

Completed

99.4%

Percent Completed



Work Orders List for 08/31/2023 - 09/30/2023



WORK ORDER INFO	LOCATION & ASSET	DUE & STATUS	TIME & COST	PROCEDURE ANSWERS
#1893 A chunk of the roadside asphalt was taken with the load of yard debris. LOW Streets Division Ethan Bryant	Drainage Division Street Division	09/11/2023 ✓ Done Completed by Ethan Bryant on 09/12/2023	Total Time Costs Total Time \$19.99 58m 3s Total Costs \$19.99	
#1947 Pothole Potholes and street repairs Ethan Bryant	Drainage Division	✓ Done Completed by Ethan Bryant on 09/15/2023	Total Time Costs Total Time \$2.69 7m 49s Total Costs \$2.69	
#1951 Pothole Potholes and street repairs Ethan Bryant	Drainage Division	✓ Done Completed by Ethan Bryant on 09/15/2023	Total Time Costs Total Time \$7.28 21m 9s Total Costs \$7.28	

PROCEDURE ANSWERS

TIME & COST

DUE & STATUS

LOCATION & ASSET

WORK ORDER INFO

#1962
Fill pothole
 Potholes and street repairs
 Drainage Division
 ✓ Done
 Completed by Ethan Bryant on 09/19/2023
 Total Time Costs
 Total Time 11m 42s
Total Costs \$4.03

Ethan Bryant

#1963
Fill pothole
 Potholes and street repairs
 Drainage Division
 ✓ Done
 Completed by Ethan Bryant on 09/19/2023
 Total Time Costs
 Total Time 7m 16s
Total Costs \$2.50

Ethan Bryant

#1969
Fix sink hole
 Potholes and street repairs
 Drainage Division
 ✓ Done
 Completed by Ethan Bryant on 09/20/2023
 Total Time Costs
 Total Time 4h 13m 22s
Total Costs \$87.24

Ethan Bryant

#1981
Fill pothole
 Potholes and street repairs
 Drainage Division
 ✓ Done
 Completed by Ethan Bryant on 09/22/2023
 Total Time Costs
 Total Time 13m 49s
Total Costs \$4.76

Ethan Bryant

WORK ORDER INFO **LOCATION & ASSET** **DUE & STATUS** **TIME & COST** **PROCEDURE ANSWERS**

#1777 Drainage Division ✓ Done Total Time Costs Square Feet of repair : 3x3
 Pothole Parent: Drainage Division Completed by Lawrence Davis on 09/25/2023 Total Time Bags of Perma Patch used.: 1 1/2
 High Truck #412 Total Costs Material used : 1 rake
 Potholes and street repairs Truck(s) #: 412
 Lawrence Davis Names of worker(s): Ethan&Jb
 Ethan Bryant

#2009 Drainage Division ✓ Done Total Time Costs \$4.97
 Check catchbasins on east st Completed by Ethan Bryant on 09/26/2023 Total Time 14m 26s
 Potholes and street repairs Total Costs \$4.97
 Ethan Bryant

Signed off by

Date

Utility Cuts - Sept.2023

Date of Cut	Address	Size	Date of Repair
08/23/23	301 Smith St.	35x8	09/27/23
08/24/23	211 Maple Circle	8x26	09/27/23
09/13/23	515 S. 4th St. / corner of S. 4th & Lee St.	(2) cuts: 6x13 & 6x8 on Lee St.	9/27/2023 & 9/28/23
09/18/23	303 E. Lee St.	3x6	09/27/23
09/19/23	217 Raindrop Circle	6x10	09/28/23
09/20/23	49 White Oak Dr.	(2) cuts: 6x7 & 19x7	09/28/23
09/22/23	410 N. 5th St.	6x10	09/27/23

**Town of Smithfield
Public Works Sanitation Division
Monthly Report
September 30, 2023**



I. Statistical Section

The Division collected from approximately 4,199 homes, 4 times during the month

- a. Sanitation forces completed 66 work orders
- b. Sanitation forces collected tons 429.66 of household waste
- c. Sanitation forces disposed of 65 loads of yard waste and debris at Spain Farms Nursery
- d. Recycled 0 tons of clean wood waste (pallets) at Convenient Site Center
- e. Town's forces collected 0 tons of construction debris (C&D)
- f. Town disposed of 250 scrap tires that was collected at Convenient Site Center
- g. Recycling forces collected 3.31 tons of recyclable plastic
- h. Recycled 0 lbs. of cardboard material from the Convenient Site Center
- i. A total of 0 gals of Anti-freeze was collected at the Convenient Site Center
- j. Recycled 0 lbs. of plastics & glass (co-mingle) from the Convenient Site Center

II. Major Revenues

- a. Received \$0 from Sonoco Products for cardboard material
- b. Sold 0 lbs. of aluminum cans for
- c. Sold 1,940 lbs. of shredder steel for \$77.60 to Renew.

III. Major Expenses for the Month:

Spain Farms Nursery was paid \$ 2,340 for disposal of yard waste and debris.

IV. Personnel Update:

The Department worked with Mitchells Temporary for 4 vacant positions.

V. Narrative of monthly departmental activities:

The department worked closely with Downtown Development control devices and event containers for their events. safety meeting was on "Immunization Awareness" with Jaime Pearce from Wellness Works.

Community Service Workers worked 8 Hrs.



MONTHLY REPORT FOR SEPTEMBER, 2023

PROGRAMS STATISTICS	SEPTEMBER, 2023	23/24 FY YTD	SEPTEMBER, 2022	22/23 FY YTD
NUMBER OF PROGRAMS	9	32	8	29
TOTAL ATHLETICS PARTICIPANTS	367	1070	357	1336
TOTAL NON/ATHLETIC PARTICIPANTS	290	1244	163	2048
NUMBER OF GAMES PLAYED	75	109	64	64
TOTAL NUMBER OF PLAYERS (GAMES)	1938	2686	701	701
NUMBER OF PRACTICES	91	292	46	134
TOTAL NUMBER OF PLAYER(S) PRACTICES	1085	3779	635	2151
SARAH YARD COMMUNITY CENTER VISITS	133	353	63	202
	SEPTEMBER, 2023	23/24 FY YTD	SEPTEMBER, 2022	22/23 FY YTD
PARKS RENTALS	69	133	81	192
USERS (PARKS RENTALS)	2320	7951	2268	5442
TOTAL UNIQUE CONTACTS	5,766	16,013	3,830	10,544
	SEPTEMBER, 2023	23/24 FY YTD	SEPTEMBER, 2022	22/23 FY YTD
FINANCIAL STATISTICS				
PARKS AND RECREATION REVENUES	\$ 6,026.00	\$ 31,133.00	\$ 5,019.00	\$ 34,966.00
PARKS AND RECREATION EXPENDITURES (OPERATIONS)	\$ 94,874.00	\$ 215,902.00	\$ 90,809.00	\$ 209,753.00
PARKS AND RECREATION EXPENDITURE (CAPITAL OUTLAY EQUIP)	\$ 8,088.00	\$ 8,088.00	\$ 12,075.00	\$ 25,117.00
SARAH YARD COMMUNITY CENTER (OPERATIONS)	\$ 3,683.00	\$ 8,112.00	\$ 3,234.00	\$ 7,703.00
SARAH YARD COMMUNITY CENTER (CAPITAL OUTLAY EQUIP)	\$ -	\$ -	\$ -	\$ 21,500.00

HIGHLIGHTS: Youth Soccer, Fall Baseball, Red Devils Football, Fall Fun and Fellowship Softball
 Movie in the Park at the Neuse River Amphitheater



SRAC MONTHLY REPORT FOR SEPTEMBER, 2023

PROGRAMS SATISTICS	SEPTEMBER, 2023	23/24 FY YTD	SEPTEMBER, 2022	22/23 FY YTD
NUMBER OF PROGRAMS	16	47	18	54
TOTAL CONTACT WITH PROGRAM PARTICIPANTS	3934	7707	5059	14928
SRAC STATISTICS	SEPTEMBER, 2023	23/24 FY YTD	SEPTEMBER, 2022	22/23 FY YTD
SRAC MEMBER VISITS	3584	11568	2943	10144
DAY PASSES	783	6369	548	5900
RENTALS (SRAC)	44	204	36	205
USERS (SRAC RENTALS)	1702	6580	1302	6410
TOTAL UNIQUE CONTACTS	10,003	32,224	9,852	37,382
FINANCIAL STATISTICS	SEPTEMBER, 2023	23/24 FY YTD	SEPTEMBER, 2023	23/24 FY YTD
SRAC REVENUES	\$ 57,103.00	\$ 216,865.00	\$ 56,196.00	\$ 203,023.00
SRAC EXPENDITURES (OPERATIONS)	\$ 112,501.00	\$ 277,800.00	\$ 106,088.00	\$ 273,300.00
SRAC EXPENDITURES (CAPITAL OUTLAY)	\$ -	\$ -	\$ 2,403.00	\$ 105.00
SRAC MEMBERSHIPS	3533		2919	

Highlights

Sharks Fall Swim Program
Alligator Steps Swim Lessons



- **Statistical Section**

- Electric CP Demand 26,606 Kw relative to August's demand of 35,794 Kw.
- Electric System Reliability was 99.9728%, with four (4) recorded main line outages; relative to August's 99.8406%.
- Raw water treated on a daily average was 4.959 MG relative to 5.654 MG for August; with maximum demand of 6.023 MG relative to August's 6.154 MG.
- Total finished water to the system was 142.607 MG relative to August's 162.674 MG. Average daily for the month was 4.754 MG relative to August's 5.248 MG. Daily maximum was 5.821 MG (September 6th) relative to August's 5.808 MG. Daily minimum was 3.711 MG (September 23rd), relative to August's 3.977 MG.

- **Miscellaneous Revenues**

- Water sales were \$293,830 relative to August's \$284,058
- Sewer sales were \$465,539 relative to July's \$450,462
- Electrical sales were \$1,523,006 relative to July's sales of \$1,493,727
- Johnston County Water purchases were \$177,320 for 69.811 MG relative to August's \$277,071 for 109.083 MG.

- **Major Expenses for the Month**

- Electricity purchases were \$1,052,995 relative to August's \$1,238,600.
- Johnston County sewer charge was \$198,451 for 45.552 MG relative to August's \$152,561 for 39.182 MG.

- **Personnel Changes**

- Josh Willis began work as a Utility Line Mechanic on September 5, 2023



**Town of Smithfield
Electric Department
Monthly Report
September, 2023**

I. Statistical Section

- Street Lights repaired –19
- Area Lights repaired-10
- Service calls – 40
- Underground Electric Locates -220
- Poles changed out/removed or installed -19
- Underground Services Installed -16

II. Major Revenues

- N/A

III. Major Expenses for the Month:

- N/A

IV. Personnel Update:

- The Utility Dept. had a Blood Pressure Screening evaluation done on its employee's.

V. Miscellaneous Activities:

- The Electrical Dept. has only house services & street lights to install at East River Phases 3,4,5,6 & 7 as houses are completed.
- The Electrical Dept. is working on replacing old poles and upgrading lines in the Pine Acres area.
- JOCO Lineworker Pre-apprenticeship high school program started Saturday, Sept. 30th.



WATER & SEWER

September 2023 Monthly Report

● DISCONNECT WATER	1
● RECONNECT WATER	1
● TEST METER	5
● TEMPORARY METER SET	2
● DISCOLORED WATER CALLS	4
● LOW PRESSURE CALLS	1
● NEW/RENEW SERVICE INSTALLS	14
● LEAK DETECTION	23
● METER CHECKS	38
● METER REPAIRS	26
● WATER MAIN/SERVICE REPAIRS	14
● STREET CUTS	15
● REPLACE EXISTING METERS	19
● INSTALL NEW METERS	8
● FIRE HYDRANTS REPAIRED	1
● FIRE HYDRANTS REPLACED	0
● SEWER REPAIRS/SINK HOLES	1
● CLEANOUTS INSTALLED	12
● INSPECTIONS	4
● CAMERA SEWER	3

- SEWER MAIN CLEANED 200 LF
- SERVICE LATERALS CLEANED 380 LF
- SERVICE CALLS 94
- LOCATES 173
- SERVICED AND MAINTAINED ALL 21 LIFT STATIONS 2 TIMES PER WEEK
- INSPECTED ALL AERIAL SEWERS ONE TIME
- INSPECTED HIGH PRIORITY MANHOLES WEEKLY
- HELPED PUBLIC WORKS CLEAN STORM DRAIN ISSUES DURING EVERY RAIN FALL EVENT.

Major Expenses for the Month of September

1. Flashing lights added to new dump truck.
2. Numerous repairs done to Vac Truck.
3. All of the equipment serviced.
4. Major repairs expected for the excavator and backhoe in October.

Personnel Updates: None

Upcoming Projects for the Month of October

1. Donald will be replacing more fire hydrants.
2. Will begin getting quotes for replacing pump station #8 to submersible.
3. Getting quotes for Alleyways on Wilson and Holding streets.



MONTHLY WATER LOSS REPORT

September 2023

(6) - Meters with slow washer leaks

2" Meter with a slow leak

(5) – ¾" Line, 1/8" hole, 1day

1 ½" Line, 1/8" hole, 2day

(1) 2" Line, 1/8" hole, 1day

(2) FH slow leak

Smithfield Water Plant
Distribution Sampling Site Plan

Hydrant Flushing

Street Name	Date	Chlorine	Time	Gallons	Psi	Street Name	Date	Chlorine	Time	Gallons	PSI
Stephson Drive	09/25/23	3	15	7965	10	North Street	09/29/23	3	15	17820	40
Computer Drive	09/25/23	3	15	31860	10	West Street	09/29/23	2.4	15	78030	50
Castle Drive	09/25/23	3	15	7965	10	Regency Drive	09/29/23	3	15	63720	60
Parkway Drive	09/25/23	3	15	63720	40	Randers Court	09/29/23	3	15	15930	40
Garner Drive	09/25/23	3	15	63723	40	Noble Street	09/29/23	2.4	15	15930	40
Hwy 210 LIFT ST.	09/25/23	2.8	15	15930	40	Fieldale Dr#1(L)	09/29/23	2.8	15	63720	40
Skyland Drive	09/25/23	3	15	7965	10	Fieldale Dr#2(R)	09/29/23	2	15	63720	40
Bradford Street	09/25/23	3	15	15930	10	Heather Court	09/29/23	2	15	15930	40
Kellie Drive	09/25/23	3	15	7965	10	Reeding Place	09/29/23	3	15	15930	40
Edgewater	09/26/23	3	15	7965	10	East Street	09/29/23	3	15	63720	40
Edgecombe	09/26/23	2.8	15	15930	40	Smith Street	09/29/23	3	15	63720	40
Valley Wood	09/26/23	3	15	63720	40	Wellons Street	09/29/23	3	15	63720	40
Creek Wood	09/26/23	3	15	63720	40	Kay Drive	09/29/23	3	15	38985	15
White Oak Drive	09/26/23	3	15	7965	10	Huntington Place	09/29/23	2.5	15	38985	15
Brookwood Drive	09/26/23	3	15	22515	5	N. Lakeside Drive	09/29/23	3	15	9750	15
Runnymede Place	09/26/23	3	15	31860	10	Cypress Point	09/29/23	2.5	15	34890	12
Nottingham Place	09/26/23	3	15	38985	10	Quail Run	09/29/23	3	15	8715	12
Heritage Drive	09/26/23	3	15	38985	10	British Court	09/29/23	2.5	15	8715	12
Noble Plaza #1	09/27/23	2.8	15	9750	10	Tyler Street	09/29/23	2.5	15	78030	60
Noble Plaza #2	09/27/23	2.8	15	9750	10	Yelverton Road	09/29/23	2.5	15	63720	40
Pinecrest Street	09/27/23	3	15	19500	10	Ava Gardner	09/29/23	3	15	63720	40
S. Sussex Drive	09/27/23	3	15	31860	10	Waddell Drive	09/29/23	2.5	15	7965	10
Elm Drive	09/27/23	3	15	9750	10	Henly Place	09/29/23	2.5	15	8715	12
						Birch Street	09/29/23	2.5	15	34890	12
						Pine Street	09/29/23	2.5	15	38985	15
Coor Farm Supply	09/27/23	2	15	7965	10	Oak Drive	09/29/23	3	15	37695	14
Old Goldsboro Rd.	09/27/23	3	15	7965	10	Cedar Drive	09/29/23	2	15	31860	10
Hillcrest Drive	09/25/23	3	15	31860	10	Aspen Drive	09/29/23	2	15	34890	12
Eason Street	09/25/23	2	15	38985	40	Furlonge Street	09/29/23	3	15	34890	12
Magnolia circle	09/25/23	3	15	78030	40	Golden Corral	09/29/23	3	15	40290	16
Rainbow Drive	09/25/23	3	15	19500	60	Holland Drive	09/29/23	3	15	9750	15
Rainbow Circle	09/25/23	2	15	19500	60	Davis Street	09/29/23	2	15	34890	12
Moonbeam Circle	09/25/23	3	15	19500	60	Caroline Ave.	09/29/23	3	15	31860	10
Ray Drive	09/25/23	3	15	15930	40	Johnston Street	09/29/23	3	15	38985	15
Will Drive	09/25/23	2.4	15	63720	40	Ryans	09/29/23	3	15	9750	15
Michael Lane	09/25/23	2	15	63721	40						
Ward Street	09/25/23	3	15	15930	40						

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