

The Smithfield Town Council met in regular session on Tuesday, October 6, 2015 at 7:00 p.m. in the Council Chambers of the Smithfield Town Hall. Mayor John H. Lampe II. presided.

Councilmen Present:

M. Andy Moore, Mayor Pro-Tem
Marlon Lee, District 1
J. Perry Harris, District 2
Travis Scott, District 3
Emery D. Ashley, At-Large
Charles A. Williams, At-Large

Councilmen Absent

Roger A. Wood, District 4

Administrative Staff Present

Michael Scott, Chief of Police
John Blanton, Interim Fire Chief
Lenny Branch, Public Works Director
Pete Connet, Interim Public Utilities Director
Paul Embler, Planning Director
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
Greg Siler, Finance Director
Shannan Williams, Town Clerk

Present:

Bob Spence, Town Attorney

Staff Absent:

Jim Freeman, Interim Town Manager

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

APPROVAL OF AGENDA:

Councilman Ashley made a motion, seconded by Councilman Williams, to approve the agenda with the following amendments:

- Add to the Presentations
 - *Proclamation: Proclaiming the last Wednesday of October as a day in honor of survivors of domestic violence and in memory of those that lost their lives due to domestic violence.*
- Add to the Consent Agenda:
 - *Consideration and approval to temporarily increase the salaries of two employees that will assume additional duties due to the departure of the HR Director/ PIO*
- Add to the Business Items:
 - *Consideration and approval of an alternate date to conduct the November 2015 Regular Meeting.*
- Add to the Closed Session NCGS 143-318.11(a) (6) to discuss a personnel matter

Unanimously approved.

PRESENTATIONS:

1. **Approved Resolution # 567 (17-2015) endorsing the naming of the US Highway 70 West, Neuse River Bridge in memory of fallen Johnston County Sheriff Deputy Clendon Paul West, Sr.**

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore to approve Resolution #567. Unanimously approved.

Mayor Lampe presented to Sheriff Deputy Clendon Paul West, Sr.'s family a copy of Resolution #567.

TOWN OF SMITHFIELD
RESOLUTION #567 (17-2015)

**SUPPORTING THE U.S. HIGHWAY 70 BUSINESSES/ WEST MARKET STREET NEUSE RIVER
BRIDGE IN SMITHFIELD, NORTH CAROLINA BE NAMED IN MEMORY OF DEPUTY CLENDON
PAUL WEST, SR.**

WHEREAS, Deputy Clendon Paul West, Sr. was born in Smithfield, North Carolina on February 2, 1968; and

WHEREAS, Deputy Clendon Paul West, Sr. was a Johnston County Deputy Sheriff from 1992 until September 11, 1995; and

WHEREAS, on September 11, 1995 Deputy Clendon Paul West, Sr. was killed while engaging in the performance of his official duties at the age of 27 years old; and

WHEREAS, Deputy Clendon Paul West, Sr. gave the ultimate sacrifice for his service to the Town of Smithfield and Johnston County; and

WHEREAS, the West family has requested that the U.S. Highway 70 / West Market Street Neuse River Bridge in the Town of Smithfield be named in memory of Deputy Clendon Paul West, Sr.; and

WHEREAS, the North Carolina Department of Transportation does consider bridges in the State to be named in memory of Police Officers that have been killed in the line of duty; and

WHEREAS, the Town of Smithfield's Town Council desires to show its respect for Deputy Clendon Paul West, Sr. in a lasting and meaningful way.

NOW, THEREFORE, BE IT RESOLVED that the Smithfield Town Council respectfully requests that the U.S. Highway 70 Business/ Market Street Neuse River Bridge # 40 in Smithfield, North Carolina be named in memory of Deputy Clendon Paul West, Sr.

Adopted this the 6th day of October, 2015.

2. Proclamation: Proclaiming the last Wednesday of October as a day in honor of survivors of domestic violence and in memory of those that lost their lives due to domestic violence.

Mayor Lampe presented to Cynthia Seale-Rivera, Executive Director of Harbor Johnston County, and Suefan Wellons Johnson, Board of Director Chairperson for Harbor Johnston County, with the Proclamation.

Town Of Smithfield

**Proclaiming the Last Wednesday of October as a Day In Honor of Survivors of Domestic
Violence and In Memory of Those That Lost Their Lives Due to Domestic Violence**

WHEREAS, domestic violence is a serious crime that affects people of all races, ages, gender, and income levels; and

WHEREAS, Domestic violence is widespread and affects over four million Americans each year; and

WHEREAS, one in three Americans have witnessed an incident of domestic violence; and

WHEREAS, children that grow up in violent homes are believed to be abused and neglected at a rate higher than the national average; and

WHEREAS, domestic violence costs the nation billions of dollars annually in medical expenses, police and court costs, shelters, foster care, sick leave, absenteeism, and non-productivity; and

WHEREAS, only a coordinated community effort will put a stop to this heinous crime; and

WHEREAS, The Town of Smithfield commends Harbor, Inc. of Johnston County, InterAct and the Wake County Task Force, Wesley Shelter of Wilson County, My Sister's House of Nash County and My Sister's House of Edgecombe County for working together for such a worthy cause and for sponsoring the Domestic Violence Rally and Silent March to increase awareness regarding the dangers of domestic violence and the importance of preventing domestic violence.

NOW, THEREFORE, I, John H. Lampe II, Mayor of the Town of Smithfield along with the members of the Town Council, proclaims the last Wednesday of October as a day in honor of survivors of domestic violence and in memory of those that lost their lives due to domestic violence and urge the citizens of Smithfield to work together to eliminate domestic violence from our community.

PUBLIC HEARING:

1. Rezoning Request by McFayden and Company, LLC (RZ-15-03)

Councilman Harris made a motion, seconded by Mayor Pro-Tem Moore, to open the public hearing. Unanimously approved.

Planning Director Paul Embler addressed the Council on a rezoning request by McFayden and Company, LLC. The applicant is requesting to rezone approximately .113 acres of land from the R-6 (Residential) zoning district to the B-3 (Business) zoning district. The property considered for rezoning is located on the east side of the intersection of Brogden Road, South Fifth Street and Crump Street. The property is further identified as Johnston County Tax ID# 15052031. The property is currently split zoned with the largest portion being zoned B-3 (Business) and the remainder being zoned R-6 (Residential). The property contains 3 nonconforming uses on one tract of land to include Crazy Taco Restaurant, Jesus Automotive Repair and LaBamba Nightclub. The applicant is proposing to divide out a .113 portion of the R-6 (Residential) zoned area to create a buildable residential lot fronting on Crump Street. The .113 acre remainder of the R-6 (Residential) zoned area is the portion considered for rezoning and will added to a proposed .275 acre lot in which Crazy Taco Restaurant is located. The proposed rezoning in combination with the land division will create a more conforming situation in terms of multiple uses on a single lot while creating a more viable lot in terms of redevelopment.

The proposed rezoning to the B-3 (Business) zoning district is consistent with the Future Land Use Plan which recommends the property be zoned for commercial uses. The rezoning will be consistent with the Town of Smithfield Unified Development Ordinance provided that all proposed future land uses construct the minimum required parking and meet ADA accessibility standards. Any use requiring outdoor storage will require conditional use permit approval by Town Council. The property considered for a rezoning is an existing commercial node. Rezoning this property from residential to commercial district will not create compatibility issues with the adjacent residential uses providing that buffers are installed as part of any redevelopment plan in the area.

Planning Director Paul Embler has incorporated his entire record and provided it to Council in written form in the October 6, 2015 agenda packet.

The Planning Board, at its September 3, 2015 meeting, voted to recommend approval of the petition to rezone a .133 acre portion of a 1.69 acre tract of land from the R-6 (Residential) zoning district to the B-3 (Business) zoning district. Opposed; Teresa Daughtry, Daniel Sanders. Abstained; Ashley Spain, Mark Lane. Motion passed 4-2-2.

The Planning Department recommends approval of the request to rezone approximately .113 acres of land from the R-6 (Residential) zoning district to the B-3 (Business) zoning district.

Mayor Lampe asked if there were any questions/from those in the audience that had been duly sworn to testify. There were none.

Mayor Lampe asked if there were any questions from Council.

Councilman Harris questioned if approved could another business be built. Mr. Embler responded that for another business could not be built on the property because the minimum size for B-3 lot is 125 feet of frontage and 12,000 square feet in area.

Councilman Ashley stated it was his understanding that the .113 acre was being recombined with the remaining acreage to create the .275 acre lot. Mr. Ashley questioned if the owner wanted to do something differently, they would have to come back to ask for subdivision. Mr. Embler responded that Mr. Ashley was correct and it would be permitted administrative because it is only 2 lots.

Councilman Williams questioned if there were any problems with the setback requirements. Mr. Embler responded that any new structures would have adequate room for setback. Existing structures may encroach and as new structures are constructed, setbacks would have to be met or a variance obtained.

Mayor Pro-Tem Moore questioned if the remaining portion of the R-6 zoned lot is a conforming lot. Mr. Embler responded in the affirmative. Mayor Pro-Tem Moore further questioned if there were any other structures on this side of Crump Street. Mr. Embler responded that they were all vacant lots.

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

The Written Finding of Facts

Article 13 Section 13-17 of the Town of Smithfield Unified Development Ordinance requires all applications for a zoning map amendment to address the following eight findings. At its October 6, 2015 regular meeting, the Town Council determined that the zoning map amendment is warranted.

Finding One of Eight:

The zoning petition is in compliance with all applicable plans and policies of the Town of Smithfield.

Agree: The rezoning request from the Residential to the Business zoning district meets all the Town's plans and policies and will blend in well with the adjacent land uses. The Comprehensive Land Use Plan directly indicates the subject property is best suited for commercial land uses. The rezoning will create a more conforming situation by not creating a split zoned lot.

Finding Two of Eight

The rezoning petition is compatible with established neighborhood patterns of the surrounding area.

Agree: The rezoning request is compatible with established neighborhood patterns which includes an existing commercial zoning district immediately west and south of the

subject property. The rezoning will allow for the creation of a conforming lot that will not be split zoned.

Finding Three of Eight

The rezoning petition is compatible with the changing neighborhood conditions that might warrant a rezoning.

Agree: The rezoning petition is compatible with the changing neighborhood conditions that might warrant a rezoning because the rezoning will allow for the creation of a conforming lot with a single zoning classification. Redevelopment or expansion of the exiting use of the property will be much easier with a single zoning classification.

Finding Four of Eight

The rezoning request is in the community interest.

Agree: The rezoning request is in the community interest because a nonconformity will be eliminated and the rezoning will allow for redevelopment opportunities that currently do not exist.

Finding Five of Eight

The request does not constitute “Spot Zoning”

Agree: Since adjacent nearby properties are presently zoned B-3 (Business) then it is unlikely an argument could be made for “spot zoning” or “small scale” zoning.

Finding Six of Eight

Present regulations deny or restrict the economic use of the property.

Agree: The property is currently zoned R-6 (Residential). Redevelopment of the property or improvements to the existing use cannot occur unless the property is rezoned.

Finding Seven of Eight

The availability of public services allows consideration of this rezoning request.

Agree: In addition to public water and sewer being available to the site, the property is served by the Town of Smithfield with electricity. CenturyLink and Time Warner also serve the area with phone and cable respectively.

Finding Eight of Eight

Physical characteristics of the site prohibit development under present regulations.

Agree: The property is not affected by physical restraints such as wetlands, stream buffers, potential flood hazard areas and storm water. There is no limiting geological and hydrological formation that would prohibit development (rock outcrops, lakes, etc.

Rezoning Permit Approval

Councilman Ashley made a motion, seconded by Councilman Williams, based upon satisfactory compliance with the above stated eight findings and fully contingent upon full incorporation of all statements entered into the record by the testimony of the applicant and applicant’s representative, move to approve the Rezoning Petition RZ-15-03. Councilman Ashley, Councilman Williams, Mayor

Lampe and Mayor Pro-Tem Moore voted in favor of the motion. Councilman Harris, Councilman Lee and Councilman Scott voted against the motion. Motion carried 4-3.

2. Rezoning Request by Atlantic Resources Incorporated (RZ-15-04)

Councilman Harris made a motion, seconded by Councilman Scott, to open the Public Hearing. Unanimously approved.

Planning Director Paul Emblar addressed the Council on a rezoning request by Atlantic Resources Inc. The applicant is requesting to rezone approximately 6.521 acres of land from the B-3 (Business) zoning district to the HI (Heavy Industrial) zoning district. The property considered for rezoning is located on the southeast side of South Brightleaf Boulevard approximately 185 feet north of its intersection with Huntly Drive. The property is further identified as Johnston County Tax ID# 15060031.

Planning Director Paul Emblar has incorporated his entire record and provided it to Council in written form in the October 6, 2015 agenda packet.

The Planning Board, at its September 3, 2015 meeting, voted to recommend approval of the petition to rezone a 6.52 acre tract of land from the B-3 (Business) zoning district to the HI (Heavy Industrial) zoning district. Unanimous

The Planning Department recommends approval of the request to rezone approximately 6.52 acres of land from the B-3 (Business) zoning district to the HI (Heavy Industrial) zoning district.

Mayor Lampe asked if there were any questions/from those in the audience that had been duly sworn to testify. There were none.

Mayor Lampe asked if there were any questions from Council.

Councilman Scott questioned how the business would be affected by the noise ordinance. Mr. Emblar responded that there are no plans to operate the business during the hours of 11 pm to 6 am so it should not be affected. Noise complaints would be handled on case by case basis and would be addressed administratively.

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

The Written Finding of Facts

Article 13 Section 13-17 of the Town of Smithfield Unified Development Ordinance requires all applications for a zoning map amendment to address the following eight findings. At its October 6, 2015 regular meeting, the Town Council determined that the zoning map amendment is warranted.

Finding One of Eight:

The zoning petition is in compliance with all applicable plans and policies of the Town of Smithfield.

Agree: The rezoning request from the B-3 (Highway Entrance Business) to the HI (Heavy Industrial) zoning district generally meets all the Town's plans and policies and will blend in well with the adjacent land uses provided that required buffering is installed on the north side of property adjacent to the residential project.

Finding Two of Eight

The rezoning petition is compatible with established neighborhood patterns of the surrounding area.

Agree: The rezoning request is compatible with established neighborhood patterns which includes a commercial zoning district to the south and to the west of the subject property. An existing light industrial zoning district is directly to the east of the subject property.

Finding Three of Eight

The rezoning petition is compatible with the changing neighborhood conditions that might warrant a rezoning.

Agree: The rezoning petition is compatible with the changing neighborhood conditions that might warrant a rezoning because a demand for manufacturing facilities is creating a need for additional zoning districts that can support such uses.

Finding Four of Eight

The rezoning request is in the community interest.

Agree: The rezoning will allow for an additional industrial zoning district that can support manufacturing jobs while rehabilitating and underdeveloped and underutilized property located on a major commercial corridor. The redevelopment that will occur from the rezoning will increase the tax base as an additional benefit.

Finding Five of Eight

The request does not constitute “Spot Zoning”

Agree: Since adjacent nearby properties are presently zoned Heavy Industrial (Heavy Industrial) then it is unlikely an argument could be made for “spot zoning” or “small scale” zoning.

Finding Six of Eight

Present regulations deny or restrict the economic use of the property.

Agree: The property is currently zoned B-3 (Highway Entrance Business). Manufacturing uses and the jobs they may bring cannot occur unless the property is rezoned to the HI (Heavy Industrial) zoning district.

Finding Seven of Eight

The availability of public services allows consideration of this rezoning request.

Agree: In addition to public water and sewer being available to the site, the property is served by Duke Progress with electricity. CenturyLink and Time Warner also serve the area with phone and cable respectively.

Finding Eight of Eight

Physical characteristics of the site prohibit development under present regulations.

Agree: Much of the property is not affected by physical restraints such as wetlands, stream buffers, potential flood hazard areas and storm water. There is no limiting geological and hydrological formation that would prohibit development (rock outcrops, lakes, etc.).

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore to vote in the affirmative to all of the above Findings. Unanimously approved.

Rezoning Permit Approval

Councilman Harris made a motion, seconded by Mayor Pro-Tem Moore, based upon satisfactory compliance with the above stated eight findings and fully contingent upon full incorporation of all statements entered into the record by the testimony of the applicant and applicant's representative, move to approve the Rezoning Petition RZ-15-04. Unanimously approved.

3. FFAH Johnson Court, LLC – Approved Resolution # 563 (13-2015)

This item was tabled by the Council at the September 1, 2015 meeting.

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

Kristen Kirby with the Law Firm of Hunting and Williams addressed the Council on the proposed issuance by the Public Finance Authority ("PFA") of not to exceed \$75,500,000 Multifamily Housing Revenue Bonds, Series 2015 (Foundation for Affordable Housing North Carolina and Missouri Portfolio) (the "Bonds"), a portion of which in an amount not expected to exceed \$5,500,000 will be loaned to FFAH Johnson Court, LLC, a North Carolina limited liability company, an affiliate of the Foundation for Affordable Housing, Inc. (the "Borrower"), to finance the acquisition and renovation of an existing affordable multifamily rental housing development located in Smithfield. Ms. Kirby explained that PFA is a political subdivision of the State of Wisconsin created for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities nationwide. PFA is sponsored by the National Association of Counties, the National League of Cities, the Wisconsin Counties Association and the League of Wisconsin Municipalities. The Borrower has requested that PFA act as the issuer of the Bonds in order to achieve cost efficiencies by using a single bond issue to finance projects located in more than one state. The Bonds are not debt of the Town of Smithfield or PFA, but rather are payable solely from debt service payments received from the Borrower. Federal tax law requires that tax-exempt bonds issued to finance affordable housing be approved by the elected legislative body of the governmental unit that has jurisdiction over the area in which the facility is to be located after holding a public hearing (Internal Revenue Code Section 147(f)). The proposed facilities are within the jurisdiction of the Town. A portion of the proceeds of the Bonds will be loaned to the Borrower and used to finance and/or refinance the acquisition, rehabilitation, equipping and/or improvement of Johnson Court Apartments, a 70-unit multifamily rental housing development located at 2228 Kay Drive, Smithfield, North Carolina (the "Development"); to pay interest on the Bonds, to pay costs of issuance of the Bonds, and/or to fund a debt service reserve fund for the Bonds. PFA and the Borrower have requested the Town to approve the issuance of the Bonds solely for purposes of Section 147(f) of the Code. The Bonds will be sold in a public offering with Stifel, Nicolaus & Company, Incorporated as the underwriter, and are expected to be issued in early September, 2015. The Borrower will agree to repay the principal, premium, if any, and interest on the Bonds. Neither the Town nor PFA will have any liability whatsoever for the payment of principal or interest on the Bonds. Because no taxes or other revenues of the Town are pledged to pay these Bonds, the staff of the Town has made no financial analysis of the Bonds, the Borrower or the Development. The Bonds do not constitute a debt of the State of North Carolina or any political subdivision or any agency thereof, including the Town, or a pledge of the faith and credit of the State of North Carolina or any political subdivision or any such agency, including the Town, but are payable solely from the revenues and other funds provided for in a loan agreement between PFA and the Borrower. Accordingly the Town pledges neither its taxing power nor revenues for these Bonds, and the Bonds will not affect the Town's debt ratios or legal debt limit.

Ms. Kirby explained that at the last meeting, the Council had some concerns over safety issues at the apartment complex. Smithfield Police Captain R. Keith Powell explained that all security and safety issues have been addressed and corrected at the property. Captain Powell further explained that the Police Department went door to door with the new property manager and explained the types of activities that would no longer be tolerated.

Ms. Kirby explained that the security cameras have been installed and will be monitored by ADT. Ms. Kirby explained that the property owners were willing to do whatever was necessary to be good neighbors of the community.

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

Councilman Ashley, made a motion, seconded by Councilman Harris, to approve Resolution # 563 (13-2015). Unanimously approved.

**RESOLUTION # 563 (13-2015) OF THE TOWN COUNCIL
OF THE TOWN OF SMITHFIELD, NORTH CAROLINA
APPROVING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY
OF BONDS ON BEHALF OF
FOUNDATION FOR AFFORDABLE HOUSING INC.**

WHEREAS, the Town of Smithfield, North Carolina (the "Town") is a political subdivision of the State of North Carolina and the Town Council (the "Governing Body") is the elected governing body of the Town; and

WHEREAS, the Public Finance Authority (the "Authority") has advised the Town that it is a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, is authorized to issue tax-exempt, taxable, and tax credit conduit bonds for public and private entities throughout all 50 states and is jointly sponsored by the National Association of Counties, National League of Cities, Wisconsin Counties Association and League of Wisconsin Municipalities (the "Sponsors"); and

WHEREAS, FFAH Johnson Court, LLC, a North Carolina limited liability company (the "Borrower") the sole member of which is FFAH NC 9, LLC, a North Carolina limited liability company, of which Foundation for Affordable Housing Inc., a Delaware nonprofit corporation, is the sole member, has requested that the Authority adopt a plan of financing providing for the issuance of its Public Finance Authority Multifamily Housing Revenue Bonds, Series 2015 (Foundation For Affordable Housing North Carolina and Missouri Portfolio) (the "Bonds"), in one or more series from time to time, in an amount not to exceed \$75,500,000, and a portion of the proceeds from the sale of the Bonds, not expected to exceed \$5,500,000, will be used to finance and/or refinance the acquisition, rehabilitation, equipping and/or improvement of Johnson Court Apartments, a 70-unit multifamily rental housing development located at 2228 Kay Drive, Smithfield, North Carolina, and initially operated by PK Management, LLC, to pay interest on the Bonds, to pay costs of issuance of the Bonds, and/or to fund a debt service reserve fund for the Bonds (collectively, the "Project"); and

WHEREAS, the Authority has informed the Town that the remainder of the Bonds will be issued primarily to finance and/or refinance the acquisition and rehabilitation of certain other affordable housing developments elsewhere in the state of North Carolina, and in the state of Missouri; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"), and pursuant to Section 147(f) of the Code, prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of a governmental unit having jurisdiction over the entire area in which the Project is located, after a public hearing held following reasonable public notice; and

WHEREAS, pursuant to Section 147(f) of the Code, the Governing Body, following notice duly given in the form attached hereto as Exhibit A (the "TEFRA Notice"), held a public hearing regarding the

financing of the Project and the issuance of the Bonds at its regularly scheduled meeting on September 1, 2015, and now desires to approve the financing and the issuance of the Bonds; and

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, prior to their issuance, bonds issued by the Public Finance Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries the project is to be located; and

WHEREAS, the Borrower has requested that the Town approve the financing of the Project and the issuance of the Bonds in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010 (the "Joint Exercise Agreement") and Section 66.0304(11)(a) of the Wisconsin Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF Smithfield, North Carolina:

1. For purposes of the requirements of Section 147(f) of the Internal Revenue Code of 1986, the Governing Body hereby approves the issuance of the Bonds by the Authority, a portion of which will be used to finance the Project, in an aggregate principal amount not to exceed the amount set forth in the TEFRA Notice attached hereto as EXHIBIT A. In no event shall the Town, the State of North Carolina (the "State") or any political subdivision thereof be liable for such Bonds nor shall the Bonds constitute a debt of the Town, the State or any political subdivision thereof.
 2. It is the purpose and intent of the Governing Body that this Resolution constitute approval of the issuance of the Bonds by the Project Jurisdiction, which is the (or one of the) governmental unit(s) having jurisdiction over the area in which the Project is located, in accordance with Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Joint Exercise Agreement.
 3. The officers of the Governing Body are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.
4. **Local Government Commission Financing of the Inflow and Infiltration and Raw Water Intake Project and approval of Resolution # 568 (18-2015)**

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

Finance Director Greg Siler explained that in accordance with North Carolina General Statute 160A-20, it required a unit of local government to hold a public hearing before entering into a contract involving the purchase or improvement of real estate. The purpose of the public hearing was to allow citizen input on an application to the Local Government Commission for the financing of Closed Circuit TV inspection and cleaning of approximately 39,250 linear feet of sewer line and rehabilitation of approximately 10,000 linear feet of sewer lines, and replacement/ rehabilitation of approximately 36 manholes in East, South and West Smithfield; and to install a sand removal system and related equipment at the raw water intake at the Neuse River. The loan amount is approximately \$1,430,000. Interest is fixed at an indicative rate of 3 % for 10 years. Payments would be made twice a year, estimated at \$83,301 or \$166,602 annually. A maximum water/sewer increase of .43 cents per 1000 gallons of usage is needed to meet the annual loan payment of \$166,602 which will not come due until sometime after July, 2016. The town is required by the LGC to estimate the impact on the water rate, so the finance director decided to be as conservative as possible by using the largest increase that could likely occur. This estimate is for informational and reference purposes in evaluating the potential impact of these projects on the town's budget and financial condition.

Mayor Lampe asked if there were any questions/from those in the audience. There were none.

Councilman Ashley made a motion, seconded by Mayor Pro-Tem Moore, to close the Public Hearing. Unanimously approved.

Councilman Harris made a motion, seconded by Councilman Williams to approved Resolution # 568 (18-2015). Unanimously approved.

RESOLUTION # 568 (18-2015)

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

WHEREAS, the Town of Smithfield, North Carolina, desires to secure financing for the correction of sewer inflow and infiltration (I & I) problems in East and Southwest Smithfield to better serve the citizens of Smithfield; and make Improvements to the Raw Water Intake System; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Smithfield, North Carolina, meeting in regular session on the 6 day of October, 2015, make the following findings of fact:

1. The proposed contract is expedient because the correction of inflow and infiltration (I & I) and improvements to the raw water intake system is needed to significantly reduce sewage treatment cost and water pumps repair/replacement cost, and the proposed contract would make the project feasible while ensuring proper debt management.
2. The proposed contract is preferable to a bond issue for the same purpose because the Town can correct the I & I and Raw Water Intake problems in a more timely manner while taking advantage of current purchase cost and practicing proper debt management. The Town can also service the debt on this project, fund other projects, and keep a healthy fund balance without significantly increasing the tax burden on the residents of the Town. The proposed amount of up to \$1,430,000 could not be prudently raised with current appropriations, unappropriated fund balance and non-voted bonds that could be raised in a timely manner.
3. The cost of financing under the proposed contract is expected to be approximately the same as the costs of issuing general obligation bonds.
4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose. The Town will carefully review proposed financing rates with the help of the LGC and will closely monitor proposed construction costs to ensure sums are not excessive.
5. The Town of Smithfield debt management procedures and policies are good, as verified by the Town's Finance Director and through annual audits. The Town is in compliance with all applicable laws and will continue to manage its debt in such a manner.

6. The maximum increase in taxes necessary to meet the sums to fall due under the proposed contract will be no greater than 0 cents per \$100 valuation and is not deemed to be excessive.
7. The Town of Smithfield, North Carolina, is not in default in any of its debt service obligations.
8. The attorney for the Town of Smithfield has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

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

This resolution is effective upon its adoption this 6 day of October, 2015.

The motion to adopt this resolution was made by Councilman Perry Harris, seconded by Councilman Charles Williams and passed by a vote of 6 to 0.

CITIZENS' COMMENTS: None

CONSENT AGENDA:

Mayor Pro-Tem Moore made a motion, seconded by Councilman Harris, to approve the following items as listed on the Consent Agenda:

1. Approval of Minutes:
 - September 1, 2015– Regular Meeting
 - September 1, 2015 – Closed Session
2. Special Event – Alive after 5: The applicant, Millard Stallings, gained approval to conduct an outdoor concert event with amplified sound on October 15, 2015 from the hours of 6:00 pm – 9:00 pm at 121 North Fourth Street.
3. Special Event – Ribbon Cutting: The applicant, Ida Morton, gained approval to conduct a ribbon cutting/open house event on October 10, 2015 from the hours of 2:00 pm – 6pm in the Town Hall Park.
4. Special Event – Smithfield Halloween House: The applicant, Christian Callaway-Shiple, gained approval to conduct a Halloween event with amplified sound on October 31, 2015 from the hours of 5:00 pm – 8:00 pm at 208 East Davis Street. This event involves a street closure for the 200 block of East Davis Street.
5. Special Event – Praise in the Park: The applicant, On-Time Ministries Inc., gained approval to conduct an outdoor revival with amplified sound at Smith-Collins Park to be held on October 16th – October 17th.
6. Approval of Resolution #569 (19-2015) – Supporting the Johnston County Parks and Recreation Master Plan.

**RESOLUTION # 569 (19-2015) OF SUPPORT FOR ADOPTING THE
JOHNSTON COUNTY PARKS AND RECREATION PLAN**

WHERE AS, the Johnston County Sports Council, a committee of the Johnston County Tourism Authority, recognized the potential for sports and recreation to drive community growth and provide services to residents throughout the county; and

WHERE AS, all local municipalities and civic groups engaged in recreation pursuits may use the Johnston County Parks and Recreation Master Plan for planning purposes and individual grant applications to improve and development recreation facilities in their perspective communities; and

WHERE AS, all local municipalities and civic groups may use the Johnston County Parks and Recreation Master Plan as a tool to promote parks and recreation in the area, to direct priorities for parks and recreation services, to guide planning for expected growth, to provide general plan policy guiding land use and public services, to understand the public's issues and desires, and to identify funding gaps and directly meeting them; and

WHERE AS, the community partners may use the Johnston County Parks and Recreation Master Plan to determine needs for facilities/programs, have a policy framework for partnerships with the Johnston County Planning Department, and compare services to avoid duplication; and

WHERE AS, the Johnston County Parks and Recreation Master Plan may be adopted as part of the Johnston County Land Use Plan as it pertains to public lands, and development of future county recreation facilities, and in particular the completion of the Mountains to the Sea Trail; and

WHERE AS, the Johnston County Parks and Recreation Master Plan has several immediate, short and long term recommendations of value that require a county representative to facilitate; and

NOW, THEREFORE, LET IT BE RESOLVED THAT: *The Town of Smithfield*, supports the adoption of the Johnston County Parks and Recreation Master Plan as the official document of record for county recreation planning and development, and encourages the Johnston County Commissioners to pursue key recommendations in the plan for the betterment of recreation in Johnston County.

Adopted this the 6th day of October, 2015.

7. Approved and accepted a grant in the amount of \$8,800 from the Johnston County Visitor's Bureau for park improvements at the Community Park.
8. Approved amendments to the James P George Street Tree Line Endowment Agreement and the James B. George Beautification Endowment Agreement.
9. **Approved Resolution # 570 (20-2015)** declaring property as surplus and to be auctioned on GovDeals.com and two items to be donated to Johnston Community College

**TOWN OF Smithfield RESOLUTION # 570 (20-2015)
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:

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

Dept.	Vin/Ser.#	Description
FD	TO4163435	Zoll Defibrillator –Donate to JCC
FD	TO4163434	Zoll Defibrillator –Donate to JCC

Transformers						
#	KVA	CSP/Conv	Brand	Serial #	OH/UG	1 or 3 Phase
1A	25	CSP	Transformer	2915015	oh	11
2A	50	CSP	GE	L106148Y73AA	ug	1
3A	50	CSP	SE	17637	oh	1
4A	25	CSP	WH	74AB5733	oh	1
5A	10	CSP	ABChance	70B4688	oh	1
6A	50	Conv	GE	E903103-62Y	oh	1
7A	50	Conv	NA	76A471344	oh	1
8A	50	Conv	NA	76AA71862	oh	1
9A	25	CSP	Howard	634304379	oh	1
10A	50	CSP	WH	79A183709	oh	1
11A	25	CSP	WH	83A452655	oh	1
12A	25	CSP	WH	74AB5726	oh	1
13A	100		SE	711702	ug	1
14A	50	CSP	WH	77A425463	oh	1
15A	50	CSP	WH	71AJ8195	oh	1
16A	25	CSP	WH	D711BL25VA	oh	1
17A	25	CSP	WH	70A5355	oh	1
18A	25	CSP	GE	H622348Y68A	oh	1
19A	25	CSP	Elect. Ind.	6707766	oh	1
20A	15	CSP	SE	74AA12085	oh	1
21A	25	CSP	WE	77A042284	oh	1
22A	25	CSP	WE	80A480331	oh	1
23A	25	CSP	AC	4467783	oh	1
24A	25	CSP	Line Material	1911620	oh	1
25A	25	Conv	Howard	205231876	oh	1
26A	25	CSP	WH	80A480339	oh	1
27A	25	Conv	Howard	205251576	oh	1
28A	100	Conv	AC	4931497	oh	1
29A	15	CSP	WH	67AM2981	oh	1
30A	25	CSP	Mack G	68268E3810	oh	1
31A	25	CSP	WH	74AL11866	oh	1
32A	37.5	Conv	WH	67AM3170	oh	1
33A	50		SE	1123904	ug	1
34A	50	CSP	WH	76A502468713	oh	1
35A	25	CSP	ERMCO	10808644712	oh	1
36A	37.5	Conv	GE	J168890Y69A	oh	1

37A	150		GE	1455714174AA	ug	3
38A	100		Chance	84L13873	ug	1
39A	75	Conv	WH	69AM13470	ug	1
40A	37	CSP	SE	67AC2001	oh	1
41A	25	CSP	GE	G492170-66Y	oh	1
42A	25	CSP	WH	67AG3699	oh	1
43A	15	CSP	Line Material	1715962	oh	1
44A	25	CSP	WH	72AL15538	oh	1
45A	75	Conv	WH	69AM12715	oh	1
46A	50	CSP	WH	83A050774	oh	1
47A	25	CSP		NO TAG	oh	1
48A	75	Conv		NO TAG	oh	1
49A	100	Conv	GE	D952016-59Y	oh	1
50A	100	Conv	GE	D592017-59Y	oh	1
51A	100	Conv	SE	87612471	oh	1
52A	25	CSP	Howard	20187-1576	oh	1
53A	25	CSP	WH	71AH4022	oh	1
54A	25	CSP	Pole Star	6-04236-2-60	oh	1
55A	25	CSP	Wagner	71450547	oh	1
56A	25	CSP	GE	H622339Y68A	oh	1
57A	25	CSP	Wagner	5T68991	oh	1
58A	15	Conv	Howard	22033-1676	oh	1
59A	10	CSP	GE	D264843-58P	oh	1
60A	50	Conv	GE	F5033838-65P	oh	1
61A	15	CSP	WH	77A513342	oh	1
62A	37.5	CSP	Howard	53609-3974	oh	1
63A	100	Conv	SE	69491931	oh	1
total kva	2644.5					

- Two debribulators listed above will be declared surplus and donated to Johnston Community College for training purposes.
- The Interim 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.
- The public electronic auction will be held beginning no earlier than October 16, 2015.
- 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.
- 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

- 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 6th day of October, 2015.

10. Consideration and Approval of various Budget Amendments
 a. Request to Transfer Select Capital Expenditures to the Capital Project Fund

<u>GENERAL FUND</u>	<u>BEFORE</u>	<u>ADJ.</u>	<u>AFTER</u>
1. Revenue			
10-3710-0000 Loan Proceeds	<u>\$ 942,000</u>	<u>\$ (760,000)</u>	<u>\$ 182,000</u>
Expenditure			
10-5300-7400 Fire - Capital Projects (Fire Engine #3 Replacement)	\$ 535,000	(530,000)	\$ 5,000
10-5600-7400 Streets - Capital Outlay (Flatbed Truck)	90,000	(90,000)	-
10-5800-7400 Streets - Capital Outlay (Knuckleboom Truck)	<u>168,000</u>	<u>(140,000)</u>	<u>28,000</u>
	<u>\$ 793,000</u>	<u>\$ (760,000)</u>	<u>\$ 33,000</u>

To transfer budget from the General Fund (10) to the General Capital Projects Fund (46)

GENERAL FUND CAPITAL PROJECT FUND (46)

2. Revenue			
46-3900-5301 Loan - Fire Department	\$ -	\$ 530,000	\$ 530,000
46-3900-5800 Loan - Knuckleboom & Flatbed	<u>\$ -</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>
	<u>\$ -</u>	<u>\$ 760,000</u>	<u>\$ 760,000</u>
Expenditure			
46-5300-7400 Fire Engine #3 Replacement	-	530,000	530,000
46-5800-7400 Knuckleboom	-	140,000	140,000
46-5800-7401 Flatbed Truck	<u>-</u>	<u>90,000</u>	<u>90,000</u>
	<u>\$ -</u>	<u>\$ 760,000</u>	<u>\$ 760,000</u>

To transfer budget from the General Fund (10) to the General Capital Projects Fund (46)

3. Expenditure			
10-5600-7401 Streets - Capital/Street Resurfacing	\$ 300,000	(300,000)	\$ -
10-5600-3100 Streets - Vehicle Supplies and Maint.	6,000	(200)	5,800
10-5600-3300 Streets - Supplies/Operations	40,000	(200)	39,800
10-5600-3500 Streets - Drainage	<u>49,188</u>	<u>(300)</u>	<u>48,888</u>
	<u>\$ 395,188</u>	<u>\$ (300,700)</u>	<u>\$ 94,488</u>

To move powell bill expenses to separate department for easy tracking

4. Expenditure

10-5700-3100 Powell Bill - Vehicle Maintenance	\$	-	100	\$	100
10-5700-3300 Powell Bill - Supplies/Operations		-	100		100
10-5700-3301 Powell Bill - Sidewalk & Curb Repair		-	100		100
10-5700-3500 Powell Bill - Drainage		-	100		100
10-5700-3501 Powell Bill - Contract Serv./Right-A-Way		-	100		100
10-5700-7300 Powell Bill - Patch & Resurfacing		-	300,000		300,000
10-5700-7400 Powell Bill - Equipment		-	100		100
10-5700-7402 Powell Bill - Pave Unpaved Street		-	100		100
	<u>\$</u>	<u>-</u>	<u>300,700</u>	<u>\$</u>	<u>300,700</u>

To establish and move powell bill expenses from the Street Department to Powell Bill Department for easy tracking

WATER FUND

5. Revenue

	<u>BEFORE</u>	<u>ADJ.</u>	<u>AFTER</u>
30-3980-0007 Loan Proceeds	<u>\$ 2,545,000</u>	<u>\$ (2,035,000)</u>	<u>\$ 510,000</u>

Expenditure

30-7200-7400 - Capital (Raw Water Intake, Chlor. Dioxide, Elect Panels, Gen.)	\$ 1,046,000	\$ (870,000)	176,000
30-7220-7400 - Capital (I&I and NC210 Sewer Line)	<u>1,546,000</u>	<u>(1,165,000)</u>	<u>381,000</u>
	<u>\$ 2,592,000</u>	<u>\$ (2,035,000)</u>	<u>\$ 557,000</u>

To transfer budget from the Water Fund (30) to the Water/Sewer Capital Projects Fund (45)

WATER FUND CAPITAL PROJECT FUND (45)

6. Revenue

45-3900-1550 Loan - I&I and NC210 Sewer Line	\$	-	\$ 1,165,000	\$1,165,000
45-3900-1551 Loan - Various Water Plant Projects	<u>\$</u>	<u>-</u>	<u>\$ 870,000</u>	<u>\$ 870,000</u>
	<u>\$</u>	<u>-</u>	<u>\$ 2,035,000</u>	<u>\$2,035,000</u>

Expenditure

45-7200-7402 Electric Panel	-	100,000	100,000	
45-7200-7403 Generator	-	90,000	90,000	
45-7200-7404 Chlorine Dioxide System	-	150,000	150,000	
45-7200-7405 Raw Water Intake Sand Removal System	-	530,000	530,000	
45-7220-7412 I&I E. Smithfield	-	100,000	100,000	
45-7220-7413 I&I S & W Smithfield	-	800,000	800,000	
45-7220-7414 NC210 Sewer Line & PS3 Updgrade	-	265,000	265,000	
	<u>\$</u>	<u>-</u>	<u>\$ 2,035,000</u>	<u>\$2,035,000</u>

To transfer budget from the Water/Sewer Fund (30) to the Water/Sewer Capital Projects Fund (45)

ELECTRIC FUND

7. Expenditure

31-7230-9102 Transfer to the Electric Capital Project Fund (47)	\$	-	85,000	\$	85,000
31-7230-7400 Capital Outlay		496,000	(30,000)		466,000

31-9990-5300 Contingency	691,846	(55,000)	636,846
	<u>\$</u>		
	<u>1,187,846</u>	<u>\$ -</u>	<u>\$1,187,846</u>

To transfer budget from the Electric Fund (31) to the Electric Capital Projects Fund (47)

ELECTRIC FUND CAPITAL PROJECT FUND (47)

8. Revenue

47-3980-1400 Transfer From the Electric Fund	\$ -	\$ 85,000	\$ 85,000
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Expenditure

47-7230-7406 Substation Engineering	\$ -	85,000	\$ 85,000
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To transfer budget from the Electric Fund (31) to the Electric Capital Projects Fund (47)

Water Fund

9. Expenditure

30-7200-1701 Water Plant - Building Maintenance	\$ 53,000	(30,000)	\$ 23,000
30-7200-7400 Water Plant - Capital Outlay	<u>1,046,000</u>	<u>30,000</u>	<u>1,076,000</u>
	<u>\$</u>		
	<u>1,099,000</u>	<u>\$ -</u>	<u>\$1,099,000</u>

To transfer budget for door replacement from building maintenance/improvement to capital outlay

General Fund

10. Expenditure

10-4100-3402 General Government - Interim Manager	\$ -	12,000	\$ 12,000
10-9990-5300 Contingency	<u>350,160</u>	<u>(12,000)</u>	<u>338,160</u>
	<u>\$</u>		
	<u>350,160</u>	<u>\$ -</u>	<u>\$ 350,160</u>

To establish and fund a budget for the Interim Manager's travel (Hotel and Mileage)

GENERAL FUND

1. Revenue

10-3710-0000 Loan Proceeds	<u>\$ 942,000</u>	<u>\$ (760,000)</u>	<u>\$ 182,000</u>
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Expenditure

10-5300-7400 Fire - Capital Projects (Fire Engine #3 Replacement)	\$ 535,000	(530,000)	\$ 5,000
10-5600-7400 Streets - Capital Outlay (Flatbed Truck)	90,000	(90,000)	-
10-5800-7400 Streets - Capital Outlay (Knuckleboom Truck)	<u>168,000</u>	<u>(140,000)</u>	<u>28,000</u>
	<u>\$ 793,000</u>	<u>\$ (760,000)</u>	<u>\$ 33,000</u>

To transfer budget from the General Fund (10) to the General Capital Projects Fund (46)

GENERAL FUND CAPITAL PROJECT FUND (46)

2. Revenue

46-3900-5301 Loan - Fire Department	\$ -	\$ 530,000	\$ 530,000
46-3900-5800 Loan - Knuckleboom & Flatbed	\$ -	\$ 230,000	\$ 230,000
	\$ -	\$ 760,000	\$ 760,000

Expenditure

46-5300-7400 Fire Engine #3 Replacement	-	530,000	530,000
46-5800-7400 Knuckleboom	-	140,000	140,000
46-5800-7401 Flatbed Truck	-	90,000	90,000
	\$ -	\$ 760,000	\$ 760,000

To transfer budget from the General Fund (10) to the General Capital Projects Fund (46)

3. Expenditure

10-5600-7401 Streets - Capital/Street Resurfacing	\$ 300,000	(300,000)	\$ -
10-5600-3100 Streets - Vehicle Supplies and Maint.	6,000	(200)	5,800
10-5600-3300 Streets - Supplies/Operations	40,000	(200)	39,800
10-5600-3500 Streets - Drainage	49,188	(300)	48,888
	\$ 395,188	\$ (300,700)	\$ 94,488

To move powell bill expenses to separate department for easy tracking

4. Expenditure

10-5700-3100 Powell Bill - Vehicle Maintenance	\$ -	100	\$ 100
10-5700-3300 Powell Bill - Supplies/Operations	-	100	100
10-5700-3301 Powell Bill - Sidewalk & Curb Repair	-	100	100
10-5700-3500 Powell Bill - Drainage	-	100	100
10-5700-3501 Powell Bill - Contract Serv./Right-A-Way	-	100	100
10-5700-7300 Powell Bill - Patch & Resurfacing	-	300,000	300,000
10-5700-7400 Powell Bill - Equipment	-	100	100
10-5700-7402 Powell Bill - Pave Unpaved Street	-	100	100
	\$ -	\$ 300,700	\$ 300,700

To establish and move Powell bill expenses from the Street Department to Powell Bill Department for easy tracking

WATER FUND

5. Revenue

30-3980-0007 Loan Proceeds	<u>\$ 2,545,000</u>	<u>\$ (2,035,000)</u>	<u>\$ 510,000</u>
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Expenditure

30-7200-7400 - Capital (Raw Water Intake, Chlor.	\$ 1,046,000	\$ (870,000)	176,000
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Dioxide, Elect Panels, Gen.)			
30-7220-7400 - Capital (I&I and NC210 Sewer Line)	<u>1,546,000</u>	<u>(1,165,000)</u>	<u>381,000</u>
	<u>\$ 2,592,000</u>	<u>\$ (2,035,000)</u>	<u>\$ 557,000</u>

To transfer budget from the Water Fund (30) to the Water/Sewer Capital Projects Fund (45)

WATER FUND CAPITAL PROJECT FUND (45)

6. Revenue

45-3900-1550 Loan - I&I and NC210 Sewer Line	\$ -	\$ 1,165,000	\$1,165,000
45-3900-1551 Loan - Various Water Plant Projects	\$ -	<u>\$ 870,000</u>	<u>\$ 870,000</u>
	\$ -	<u>\$ 2,035,000</u>	<u>\$2,035,000</u>

Expenditure

45-7200-7402 Electric Panel	-	100,000	100,000
45-7200-7403 Generator	-	90,000	90,000
45-7200-7404 Chlorine Dioxide System	-	150,000	150,000
45-7200-7405 Raw Water Intake Sand Removal System	-	530,000	530,000
45-7220-7412 I&I E. Smithfield	-	100,000	100,000
45-7220-7413 I&I S & W Smithfield	-	800,000	800,000
45-7220-7414 NC210 Sewer Line & PS3 Updgrade	-	<u>265,000</u>	<u>265,000</u>
	\$ -	<u>\$ 2,035,000</u>	<u>\$2,035,000</u>

To transfer budget from the Water/Sewer Fund (30) to the Water/Sewer Capital Projects Fund (45)

ELECTRIC FUND

7. Expenditure

31-7230-9102 Transfer to the Electric Capital Project Fund (47)	\$ -	85,000	\$ 85,000
31-7230-7400 Capital Outlay	496,000	(30,000)	466,000
31-9990-5300 Contingency	<u>691,846</u>	<u>(55,000)</u>	<u>636,846</u>
	<u>\$ 1,187,846</u>	<u>\$ -</u>	<u>\$1,187,846</u>

To transfer budget from the Electric Fund (31) to the Electric Capital Projects Fund (47)

ELECTRIC FUND CAPITAL PROJECT FUND (47)

8. Revenue

47-3980-1400 Transfer From the Electric Fund	\$ -	<u>\$ 85,000</u>	<u>\$ 85,000</u>
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Expenditure

47-7230-7406 Substation Engineering	\$ -	<u>85,000</u>	<u>\$ 85,000</u>
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To transfer budget from the Electric Fund (31) to the Electric Capital Projects Fund (47)

Water Fund

9. Expenditure

30-7200-1701 Water Plant - Building Maintenance	\$ 53,000	(30,000)	\$ 23,000
30-7200-7400 Water Plant - Capital Outlay	<u>1,046,000</u>	<u>30,000</u>	<u>1,076,000</u>
	<u>\$ 1,099,000</u>	<u>\$ -</u>	<u>\$ 1,099,000</u>

To transfer budget for door replacement from building maintenance/improvement to capital outlay

General Fund

10. Expenditure

10-4100-3402 General Government - Interim Manager	\$ -	12,000	\$ 12,000
10-9990-5300 Contingency	<u>350,160</u>	<u>(12,000)</u>	<u>338,160</u>
	<u>\$ 350,160</u>	<u>\$ -</u>	<u>\$ 350,160</u>

To establish and fund a budget for the Interim Manager's travel (Hotel and Mileage)

b. Request to bring forward Encumbrances from the FY 14-15 Budget to the FY 15-16 Budget

ENCUMBRANCES FROM 2014-2015 TO 2015-2016

GENERAL FUND

10-4110-5712	Non Departmental - S.H.A.R.P.E. Reimbursement	4,000
10-4110-5710	Non Departmental - Chamber Marketing Initiative	20,000
10-4200-7400	Finance - Capital Outlay	<u>16,300</u>
		<u>\$ 40,300</u>

ELECTRIC FUND

31-7230-3504	Electric - ESA-BAYWA Solar	<u>180,432</u>
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ENCUMBRANCES FOR PURCHASE ORDERS ISSUED PRIOR TO 6/30/15

WATER FUND

1. Revenue

10-3990-000 Fund Balance Appropriation	<u>\$ 200,000</u>	<u>\$ 40,300</u>	<u>\$ 240,300</u>
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Expenditure

10-4110-5712	Non Departmental - S.H.A.R.P.E. Reimbursement	\$ 2,000	\$ 4,000	\$ 6,000
10-4110-5710	Non Departmental - Chamber Marketing Initiative	20,000	20,000	40,000
10-4200-7400	Finance-Capital Outlay	<u>4,000</u>	<u>16,300</u>	<u>20,300</u>
		<u>\$ 26,000</u>	<u>\$ 40,300</u>	<u>\$ 66,300</u>

To bring forward encumbrances from the 2014-2015 General Fund Budget to FY15-16

2. Revenue

30-3970-0700 Fund Balance Appropriation	<u>\$ 517,080</u>	<u>\$ 24,871</u>	<u>\$ 541,951</u>
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Expenditures

30-7200-7400	Water Plant - Capital Outlay (Rebuild Service Pump)	\$ 176,000	\$ 9,205	185,205
30-7220-7400	Water/Sewer - Capital Outlay (NC210 Sewer Line)	381,000	12,324	393,324
30-7220-7400	Water/Sewer - Capital Outlay (I&I Rehab Study)	393,324	2,760	396,084
30-7220-0400	Water/Sewer - Professional Services (AMOS Projec	<u>30,000</u>	<u>582</u>	<u>30,582</u>
		<u>\$ 980,324</u>	<u>\$ 24,871</u>	<u>\$ 1,005,195</u>

To bring forward encumbrances from the 2014-2015 Water/Sewer Fund Budget to FY15-16

3. Revenue

31-3970-0000 Fund Balance Appropriation	<u>\$ 285,854</u>	<u>\$ 166,878</u>	<u>\$ 452,732</u>
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Expenditures

31-7230-3300 Electric - Supplies/Operations (Transformer)	\$ 204,000	\$ 1,720	205,720
31-7230-0400 Electric - Professional Services	15,000	20,700	35,700
31-7230-3504 Electric - ESA-BAYWA Solar	<u>-</u>	<u>143,878</u>	<u>143,878</u>
	<u>\$ 219,000</u>	<u>\$ 166,298</u>	<u>\$ 385,298</u>

To bring forward encumbrances from the 2014-2015 Electric Fund Budget to FY15-16

- 11. North Carolina Eastern Municipal Power Agency Board of Commissioners Appointment: Approved the appointment of Interim Town Manager Jim Freeman to serve as First Alternate Commissioner representing the Town of Smithfield.
- 12. Advisory Board/ Committee Appointments
 - a. Art W. Andrews was appointed to serve a first term on the Historic Properties Commission.
 - b. Sarah Edwards was reappointed to serve a second term on the Board of Adjustments as an ETJ member

13. New Hire Report

<u>Position</u>	<u>Department</u>	<u>Budget Line</u>	<u>Rate of Pay</u>
Police Officer I	Police	10-5100-0200	\$15.27/hr (\$34,143.72/yr)
Police Officer I	Police	10-5100-0200	\$15.27/hr (\$34,143.72/yr)
P/T Firefighter I	Fire	10-5300-0210	\$10.00/hr
P/T Firefighter I	Fire	10-5300-0210	\$10.00/hr
P/T Lifeguard	P&R – Aquatics	10-6220-0220	\$7.50/hr
P/T Lifeguard	P&R – Aquatics	10-6220-0220	\$7.50/hr
P/T Instructor	P&R – Aquatics 1	0-6220-0230	\$15.00/hr

- 14. Approved the promotion and 5 % salary increase of a Water Plant Operator I to the position of Water Plant Operator II.
- 15. For Informational Purposes - Letter received from Mr. V.R. Phipps stating his intent to purchase the Old Water Treatment Plant.
- 16. Approved to temporarily increase the annual salaries of up to 7.5% of the General Government Administrative Assistant and the IT/PC Specialist. These two employees will assume additional duties due to the departure of the HR Director/ PIO.

Unanimously approved.

BUSINESS ITEMS:

1. Authorized the Police Department to submit a grant application to the Governors Highway Safety Program to create a traffic safety team.

Chief of Police Michael Scott addressed the Council on a request to authorize the Police Department to submit a grant to the Governors Highway Safety Program (GHSP) to create a four officer traffic team. The grant application must be submitted in early January 2016 and, if awarded, will be effective beginning in October of 2016. The grant is a three year grant. The grant will cover all personnel and equipment expenses for a four officer traffic team. This includes: vehicles, vehicle equipment, radios, video cameras, officer salaries and benefits, officer equipment, potential salary increases during the grant period, fuel and radar units. The match amounts for the grant are 15% for year 1, 30% for year 2 and 50% for year 3. Equipment purchases are all included in the grant amounts for year one and are not spread over the 3 year period. It is estimated the year one grant amount would be \$500,000. The match amount for the Town would be \$75,000. In year 2, the grant amount would be \$280,000 with the

Town's match amount being \$84,000. Year 3 would be similar to year 2 in grant amount, but the match amount would increase to \$140,000. Following year three of the grant, all equipment becomes the property of the Town and the Town is under no obligation to continue the program. The number of officers hired under this grant could then be decreased through attrition, should the Council choose to do so. In summary, the Town would receive assets and police officer time equal to \$1,060,000 at a three year total cost to the Town of about \$300,000, or about 28 percent of the total cost. The Town is under no obligation to accept these funds until after the grant is approved and comes back in front of the town council for final approval.

Councilman Scott questioned how this would impact the budget. Chief Scott explained that it would not impact this year's budget, but would be budgeted in FY 2016-2017.

Councilman Williams made a motion, seconded by Councilman Scott, to authorize the Police Department to submit a grant application to the Governors Highway Safety Program to create a traffic safety team. Unanimously approved.

2. Authorized the Police Department to solicit applications for an Accreditation Manager and authorize changes to the salary schedule.

Chief of Police Michael Scott addressed the Council on a request to solicit applications for an accreditation manager and authorize changes to the salary schedule. Chief Scott explained that the Police Department's accreditation manager has resigned and taken a position with North Carolina Law Enforcement Training and Standards. The position is now vacant and is important to fill this position with a competent individual as soon as possible. Chief Scott stated the he would like to seek applications for a civilian employee to fill this position as opposed to a sworn officer. The accreditation position however has not been placed in the salary structure. A review of the 13 agencies in North Carolina that are Accredited and serving our classification of size, was conducted to determine an average annual salary for this position. The average salary for this position is \$52,800. The previous accreditation manager for the Smithfield Police Department was earning an annual salary of \$42,550. By using the average salary of \$51,266 as the midpoint in the Town's current salary schedule, the accreditation manager position should be placed as a Grade 19 employee, with a salary range between \$39,582.40 and 60,561.08. Minor savings will also be realized based on paying a decreased pension amount and decreased 401K benefit. Police separation allowance would also be eliminated upon retirement. By making the recommended adjustments, neither the Police Department's current employee salary line item nor its benefits line item would require any amending.

Councilman Williams made a motion, seconded by Councilman Scott, to approve the Police Department's request to add the Accreditation Manager position to the Grade 19 salary schedule and authorize the Chief of Police to accept applications for a non-sworn person to fill the vacancy. Unanimously approved.

3. Consideration and approval of an amendment to the Pay and Classification Plan to add a Career Ladder Plan for the Electric Department.

Interim Public Utilities Director Pete Connet addressed the Council on a request to amend the Pay and Classification Plan to add a Career Ladder Plan for the Electric Department similar to the Police, Fire, and Water Plant Departments. Mr. Connet Explained that for the past several years, Electricities has offered a Lineman Career Development Training Program (LCDP) which encourages non-experienced linemen to take classroom study and training, and hands-on training over several years, leading to a Journeyman Lineman designation that is recognized by the NC Department of Commerce. He further explained that there are four levels of training leading up to the Journeyman designation. Levels I and II are considered what we would like to call an Advanced Lineman, and Levels III and IV culminate with the Journeyman designation. In the current pay plan, an Electric Line Technician with no, or very little, experience begins at Pay Grade 15. The Electric Line Crew Leader is a Pay Grade 18, and the Electric Distribution Superintendent is at Pay Grade 23. Staff is recommending the following classifications additions to Pay Grades 16 & 17: Pay Grade 16 would include a new designation of "Advanced Lineman" for those individuals who have completed and passed the Levels I & II of the LCDP. Pay Grade 17 would include a new designation of

“Journeyman Lineman” for those individuals who have completed and passed Levels III & IV of the LCDP.

At the present time, the Public Utilities Department has two linemen who have completed and passed the classroom and field training required to receive the Journeyman Lineman designation by the NC Department of Commerce and Electricities. The Public Utilities Department also has one lineman that has completed and passed Levels I & II (now working on Level III) and would be eligible to be considered an Advanced Lineman. There will be no monetary impact to the current budget. Monies were included in the FY 16 budget for Career Advancement Opportunities.

Councilman Scott made a motion, seconded by Councilman Harris, to approve the salary increases for those linemen who have earned the Advanced Lineman and Journeyman Lineman designations and to add the following pay classification amendments:

- Pay Grade 16 would include a new designation of “Advanced Lineman” for those individuals who have completed and passed the Levels I & II of the LCDP.
- Pay Grade 17 would include a new designation of “Journeyman Lineman” for those individuals who have completed and passed Levels III & IV of the LCDP.

Unanimously approved.

4. Bid Award to Clearwater, INC. in the amount of \$125,744.91 for the Sand Removal – River Project.

Interim Public Utilities Director Pete Connet addressed the Council on a bid award to Clearwater Inc. for the sand removal river project. Mr. Connet explained that on Thursday, September 24, 2015, the Town opened bids, after legal advertisement for the equipment needed as part of the sand removal project at the Water Plant. There were three companies who submitted bids to furnish the equipment. They are as follows:

Clearwater Inc. of Hickory, NC	\$125,744.91
Heyward Incorporated of Charlotte, NC	\$154,136.00
Envirodyne Systems of Camp Hill, PA	\$135,225.00

The total budget for the project is \$530,000 in the Water Plant Capital Outlay line of the FY 16 budget approved by the Town Council. The engineer’s estimate for the equipment portion of the project was \$150,000 and is a part of the total \$530,000 budgeted for the project. These equipment items are being bid early due to the lead time to manufacture the grit pump and related equipment. The Town is purchasing the following items: (1) a grit pump, (2) a classifier/sand separator, and (3) a control panel(s) for this equipment. At the bid opening, it was noticed that the low bidder did not properly acknowledge receipt of the four addendums that had been sent out after the bid documents were prepared. The Engineer and Town Staff contacted Mr. David Grose of Clearwater, Inc. by telephone following the opening of all the bids and inquired as to his receipt of all the addendums. He verbally acknowledged to staff that he indeed has received all of the addendums. The bid advertisement stated that the buyer (Town) reserves the right to waive any informality or to reject any or all bids. The four addendums have no significant, if any, monetary effect on the bid price. Town Staff reviewed this with the Town Attorney and it is the recommendation to waive this informality. The Wooten Company is continuing to work with the Water Plant Staff on the plans and specs for the installation of the equipment and the required structures to bring the project to completion. Those plans and specs will be reviewed by the State and bid at a later date. It is anticipated that those bids will be opened and awarded in the December/January timeframe. The estimated completion date for the entire project is on/or before April 30, 2016.

Councilman Ashley made a motion, seconded by Councilman Harris, to waive the informality in the apparent lower bid of Clearwater Inc. in regards to the proper acknowledgement of the four addendums to the bid documents, to award the contract for furnishing the necessary equipment needed for the Sand Removal River Project to Clearwater, Inc., in the amount of

\$125,744.91, and authorize the Mayor or the Interim Manager to sign the necessary documents to secure the equipment. Unanimously approved.

5. Approved the date for a public hearing per general statute NCGS 159B-16.1. Revenues – NCEMPA members for receiving final rate study recommendation and setting new rates.

Interim Public Utilities Director Pete Connet addressed the Council on consideration to hold a public hearing for review on the final rate study recommendation and to amend the current electric rates.

Councilman Harris made a motion, seconded by Councilman Scott, to hold the November 2015 regular meeting which will include the public hearing on November 10, 2015. Unanimously approved.

6. Consideration and approval of an alternate date to conduct the November 2015 Regular Meeting.

Councilman Harris made a motion, seconded by Councilman Scott, to hold the November 2015 regular meeting on November 10, 2015. Unanimously approved

Councilmembers Comments:

- Mayor Pro-Tem Moore expressed his appreciation to Chief of Police Michael Scott for severing as Interim Town Manager during Mr. Freeman's vacation.
- Councilman Williams questioned staff's progress on the Solar Farm Ordinance. Planning Director Paul Embler responded that the Planning Department's intern has completed the research. Staff should have a recommendation to the Council at the November meeting.

Councilman Williams informed Chief of Police Michael Scott that he has received complaints about the traffic and rate of speed on Martin Luther King Jr. Drive, Brogden Road and Community College Road. Chief Scott responded that the Police Department would conduct additional patrols of the area.

- Councilman Lee questioned the Police Department's progress on a substation in East Smithfield. Chief of Police Michael Scott responded that there are places available and one on Ward Street that he has looked in to, but he currently does not have adequate staff to man the substation. The Police Department has four sworn police officer vacancies. Once police officers are hired, he will move forward on the substation project.

Councilman Lee also questioned the buffer between the Pine Acres subdivision and the Smithfield Crossings Area. Planning Director Paul Embler responded that staff will make a recommendation to the Council at the November meeting.

- Councilman Harris stated that the truck traffic at the intersection of Market and Third Streets is a problem. Councilman Ashley agreed that this issue needs to be addressed and resolved. Chief Scott responded that he did considerable research on this issue. He stated that the Town cannot designate a truck route without NCDOT's approval and NCDOT mandates that every street that is not part of the truck route be marked as such. He informed the Council that at the intersection in question, the Council can prohibit trucks traveling to Highway 301 South from Market Street via Third Street. Councilman Harris suggested that Chief Scott bring a solution to this issue back to the Council for consideration at the November meeting. Mr. Harris also asked that Chief Scott discuss this matter with Downtown Smithfield Development Corporation.

Councilman Harris stated that he has heard some concerns about the potential traffic problems at the location of the new Starbucks and asked that this be monitored once Starbucks has opened.

Councilman Harris informed the members of the Council that NCDOT should begin the West Smithfield Beautification Project in early November. He further informed that Council that NCDOT has

decided that the I-95 bridge construction is slated to be included in the next fiscal year. He stated that some discussion with NCDOT was needed about maintaining the area around the bridge because it was unsightly.

Councilman Harris informed the members of the Council that the Town accepts online payments via the website, but the Town does not offer online bill pay through a patron's bank. Mr. Harris suggested that the Council consider possibly extending the time the Town allows people to pay their bills. Mr. Harris asked staff to investigate other options to improve the situation.

Councilman Harris stated that there has been discussion about demolition of the Old Water Treatment Plant and several who are interested in the property. He further stated that those interested in purchasing the Water Plant should submit detailed plans and financial information to the Council for review and consideration.

Councilman Harris made a motion, seconded by Mayor Pro-Tem Moore, to ask Interim Public Utilities Director Pete Connet to put out detailed bids for the demolition of the building and bring it back to the Council for consideration at the November meeting. Mr. Harris added that for anyone interested in purchasing the property that they are allowed until the November meeting to bring back to the Council a truly viable plan for the Old Water Treatment Plant. Unanimously approved.

Mayor Lampe questioned if the bids that were received were rough estimates or specific plans. Interim Public Utilities Director Pete Connet responded that they were rough estimates. Mr. Connet stated that he would try to have a more detailed bid packet and specific scope of work for the demolition of the Water Treatment Plant by the November meeting. Mayor Pro-Tem Moore stated that if the bids are not ready by November, then it needs to be readdressed by the Council on a final decision as to which way the Council would like to proceed.

- Councilman Scott expressed his appreciation to the Parks and Recreation Department for the service that they provide. He stated that the Community Park is very well kept and very nice.

Town Manager's Report:

- **Department Reports**

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

- **Manager's Updates**

Chief of Police Michael Scott gave the Council a brief update on the following issues:

- Advertising has been completed for the Town Manager's position.
- Visitor's Bureau would like to have a meeting with some members of Council concerning Wayfinding.
- Renovations have been completed in the Finance Department.
- Water Plant employee Robert Jordan recently retired with over 30 years of service to the Town
- Chief Scott expressed his appreciation to Interim Fire Chief John Blanton for keeping everyone informed during the potential storm.

Closed Session: Pursuant to NCGS 143-318.11 (a) (3) & (6)

Councilman Ashley made a motion, seconded by Councilman Harris, to go into closed session pursuant to NCGS 143-318.11 (a) (3) & (6) to consult with the Town Attorney and to discuss a personnel matter. Unanimously approved at 8:54 pm.

Reconvene in Open Session:

Councilman Harris made a motion, seconded by Councilman Ashley, to reconvene in open session. Unanimously approved at 9:53pm.

Adjourn

There being no further business, Councilman Harris made a motion, seconded by Councilman Ashley, to adjourn. Unanimously approved.

The meeting adjourned at approximately 9:54 pm.

John H. Lampe II, Mayor

ATTEST:

Shannan L. Williams, Town Clerk