

The Smithfield Town Council met in regular session on Tuesday, September 2, 2014 at 7:00 p.m. in the Council Chambers of the Smithfield Town Hall. Mayor John H. Lampe II. presided.

Councilmen Present:

J. Perry Harris, District 2
Travis Scott, District 3
Roger A. Wood, District 4
Emery D. Ashley, At-Large
Charles A. Williams, At-Large
Charles A. Williams, At-Large

Councilmen Absent

M. Andy Moore, Mayor Pro-Tem
Marlon Lee, District 1

Administrative Staff Present

Paul Sabiston, Town Manager
Lenny Branch, Public Works Director
Paul Embler, Planning Director
Kenneth C. Griffin, Public Utilities Director
Patrick Harris, Emergency Services
Tim Kerigan, Human Resources/PIO
Gary Johnson, Interim Parks & Rec Director
Mike Scott, Police Chief
Greg Siler, Finance Director
Shannan Williams, Town Clerk

Present:

Bob Spence, Town Attorney

Staff Absent:

The invocation was given by Councilman Scott followed by the Pledge of Allegiance led by the following members of Girl Scout Troop 614: Madeline Smith, Valerie Smith, MacKenzie Swartz, Elizabeth Applebaum, Katie McNoldy, Mataya Grimes, Juana Garcia, Katlin VanRoekel, Katelyn Hill, Hannah Honeycutt and Troop leaders: Julie Smith and Jennifer Swartz.

APPROVAL OF AGENDA:

Councilman Scott made a motion, seconded by Councilman Harris, to approve the agenda as submitted

Unanimously approved.

PRESENTATIONS:

1. Administering Oath of Office to New Police Officer, Terry Douglas White.

Mayor Lampe administered the Oath of Office to new Police Officer Terry Douglas White and welcomed him to the Town of Smithfield.

2. Recognition of Smithfield Police Officers R. Jeremy Stewart, Jordan Cutchins and Victor Denoble and presentation of Life Saving Awards.

Mayor Lampe and Chief of Police Mike Scott presented Officers R. Jeremy Stewart, Jordan Cutchins and Victor Denoble with Life Saving Awards for their actions on May 10, 2014 that resulted in the saving of a life.

3. Proclamation – Declaring September 17th – 23rd as Constitution Week

Mayor Lampe presented the members of the Smith Bryan Chapter of the Daughters of the American Revolution with a Proclamation declaring September 17th – 23rd as Constitution Week in the town of Smithfield.

4. Proclamation – Declaring September as Recovery Awareness Month

Mayor Lampe presented to Rachel Ayers a Proclamation declaring September as Recovery Awareness month in the Town of Smithfield

5. Retire NC Program Presentation by Andre Nabors

Andres Nabors, Tourism Development Manager with the North Carolina Department of Commerce made a presentation to the Council on the benefits of the NC Certified Community Program. He stated that Smithfield would be an ideal location as certified retirement community.

Councilman Harris asked the Council to allow this project to move forward. Mr. Harris suggested that the Town form a committee and partnership with other organizations for this opportunity.

Councilman Williams suggested that this program be considered as part of the Economic Development Plan.

It was the consensus of the Council to move forward and further investigate this program.

PUBLIC HEARINGS: None

CITIZENS COMMENTS:

Michelle Denning of 1052 North Lakeside drive introduced herself to the Council and stated that she is running for the Johnston County Clerk of Superior Court position.

CONSENT AGENDA:

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

1. Approval of Minutes:

August 5, 2014 – Regular Meeting
August 5, 2014 – Closed Session

2. Special Event – Kiwana Avery on behalf of Evans Chapel AME Church gained approval to conduct an outdoor a community day at Smith Collins Park on September 27, 2014 between the hours of 11:00 am and 3:00 pm on the park grounds. The event will require the use of amplified sound. Food will be given away, but not sold.
3. Special Event - Executive Director Sarah Edwards on behalf of the Downtown Smithfield Development Corporation (DSDC) gained approval to close Third Street between Market and East Johnston Street on September 13, 2014 between the hours of 7:00 am – 4:00 pm for the purpose of filming a movie trailer. There will be no amplified sound or food sales.
4. Authorization to allow Mayor Lampe to execute the Public Library of Johnston County and Smithfield's Contracts of Affiliation for the Four Oak's Library.
5. Approval was granted to allow the Town to participate in the Houston-Galveston Area Council (H-GAC) Purchasing Agreement.
6. Approval of the revised Police Services Contract between Johnston Community College and the Town of Smithfield and authorization to allow the Town Manger to execute the agreement with Johnston Community College to provide police services for the 2014-2015 JCC school year.
7. New Hire Report – 2 part time Lifeguards were hired for the SRAC and 1 part time Fire Inspector was hired for the Fire Department

Unanimously approved.

BUSINESS ITEMS:

1. Contract Approval for Online Bill Payment Services with NCO Financial Systems, INC.

Finance Director Greg Siler addressed the Council on approval for a contract with NCO for online bill payment services. Mr. Siler stated that the Smithfield Town Council previously expressed an interest in providing utility customers with the ability to pay charges online. Four online providers were considered, including our current software provider (LOGICS). Only one company, NCO Financial Systems, Inc., was ready for immediate implementation. NCO's online bill pay would allow utility customers to make "blind" payments since system integration between LOGICS and NCO is not an option. Said another way, customer data cannot be viewed using NCO, so the customer would need their account number, service address, and amount due, to complete the electronic or on-line transaction. Online service is best when provided by the same company that provides the utility software or when system integration is possible. Integration of systems would offer real-time account balances and allow customers to view payment and usage history. Although ideal, this avenue continues to be elusive and pricey. NCO offers an alternative, less sophisticated option for online bill pay and it's available for immediate implementation. Selma, Clayton, Greenville, Kinston and Elizabeth City use NCO for online bill pay. There is a one-time installation/set up charge of \$1,500 and a charge per transaction of \$2.45 (recommended to be paid by the customer). Since system integration with our existing software is not an option, payments have to be manually reposted in house after payment notification is received from NCO. A toll free number will also be available for customers who prefer to call in payments.

Councilman Williams questioned if the Town could split the fee with the consumer. Mr. Siler responded in the affirmative.

Mayor Lampe stated that the fee should be passed on the consumer and not absorbed by the Town.

Councilman Ashley made a motion, seconded by Councilman Harris, to approve the request as submitted. Unanimously approved.

Town Attorney Bob Spence stated that he would like to negotiate this contract.

2. Bid Award and Contract Approval with VACALL to purchase a Combination Single Engine Sewer Cleaner with Positive Displacement Vacuum System for the Water/Sewer Department.

Public Utilities Director Ken Griffin addressed the Council on a request to award a bid to the lowest quote provided by VACALL for purchase of a Combination Single Engine Sewer Cleaner with Positive Displacement Vacuum System Mounted on a Heavy Duty Truck Chassis. The Town of Smithfield Water and Sewer Department's vactor truck is 20 years old and well past its useful life as repairs during the last two fiscal years have cost the Town approximately \$30,000. The Town Council approved \$340,000 for replacement of the Town's 1994 vactor truck in line item 30-7220-7400. The Town is a member of the National Joint Powers Alliance (NJPA) as are more than 250 other North Carolina municipalities. Water and Sewer staff worked with NJPA on developing a detailed specification for replacement of its current vactor truck to insure that a replacement truck would be able to perform all needed water distribution and sewer collection system functions, plus perform Town of Smithfield Water Plant maintenance tasks that the Town now has to pay a specialty contractor to perform because of limitations of our current vactor truck.

Three very competitive quotes (attached) were received by NJPA from three different vendors, each offering a high quality, vactor truck equipped as specified. The quotes received are as follows:

VACALL	\$329,804.70
Southern Municipal Equipment Company	\$342,125.00
Public Works Equipment and Supply	\$345,000.00

Councilman Williams made a motion, seconded by Councilman Wood to award NJPA Contract #022014-GRD to VACALL in the amount of \$ 329,804.70 for a combination single engine sewer cleaner with positive displacement vacuum system mounted on a heavy duty truck chassis. Unanimously approved.

3. Bid Award and Contract Approval for a Cost of Service and Rate Study

Public Utilities Director Ken Griffin addressed the Council on a request an Electric Utility Cost of Service Study and Rate Design and award the bid to Utility Financial Solutions (UFS), LLC for \$30,548 and to approve a Budget Amendment transferring \$30,548 from Electric Capital Outlay (31-7230-7400) to Electric Professional Services (31-7230-0400). Mr. Griffin stated that the Town of Smithfield last conducted a Cost of Service Study and Rate Design for its Electric Utility in the mid-1990s when the load-shedding program was first offered to customers. A 5% rate decrease for residential customers was approved by the Town Council in July 2011. With the new Asset Purchase Agreement (APA) and the Purchase Power Agreement (PPA) between Electricities of NC and Duke Energy Progress (DEP) pending approval by the North Carolina Utilities Commission (NCUC) and the Federal Energy Regulatory Commission (FERC), the Town of Smithfield is anticipating significantly reduced costs for purchased power, which presently make up approximately 85% of the Town's cost to provide electric service to our customers. Additionally, some customers believe the cost of electric service falls disproportionately on some rate classes. In light of the above factors, Public Utilities staff recommends that now is the time for the Town of Smithfield to perform a comprehensive Cost of Service Analysis and Rate Design for all classes of our Electric Utility.

Two proposals were solicited and received from well qualified firms. They are as follows:

1. Utility Financial Solutions, LLC. (UFS)	\$30,548
2. PowerServices	\$37,000

Staff recommends that the Town Council award the Cost of Service Study and Rate Design to the low proposer, Utility Financial Solutions (UFS) LLC in the amount of \$30,548. UFS has performed many Cost of Service Studies and rate Designs for municipalities in North Carolina and are an American Public Power Association (APPA) partner.

Councilman Scott stated that he has reservations about spending \$30,000 to conduct a rate study that he feels staff could do in-house. Mr. Sabiston responded that the special rates the Town offers are a lot more complicated and it was common practice to hire a firm to do the sophisticated analysis.

Councilman Williams questioned if this could be delayed until the Duke Energy Progress and the North Carolina Eastern Municipal Power Agency's asset purchase deal is completed. Mr. Sabiston responded that the rate study could be delayed until January, but reminded the Council that this study will take approximately three to four months to complete.

Councilman Ashley made a motion, seconded by Councilman Harris, to table this request until the January 6, 2015 Town Council Meeting. Unanimously approved.

4. Bid Award and Contract Approval with the Wooten Company for Water System Valve GPS and GIS Digital Mapping

Public Utilities Director Ken Griffin addressed the Council on a request to enter into a contract with The Wooten Company for Water System Valve GPS and GIS Digital Mapping as per approved FY 14-15 Budget line item 30-7220-0400, Professional Services. Mr. Griffin explained that most of the valves in the Town of Smithfield's Water System are unmapped. Water and Sewer Department staff relies on memory for most valve locations. Only more recent residential and commercial plans show the location of water valves. Full and timely knowledge of valve locations is critical to our Water Crews' ability to quickly isolate a water line break or leak and make the repairs. The GPS/GIS mapping of the Town's Water System valves was identified as a critical need in development of the FY 14-15 Budget at an estimated cost of \$56,000 and adopted by the Town Council as part of the FY 14-15 Budget.

Additionally, the map generated easily can be annotated with estimated condition assessments for transmission mains and distribution lines and major appurtenances by Water and Sewer Department staff. Public Utilities staff will submit this annotated map as a preliminary Asset Management Plan for the Town of Smithfield's Water Utility System and thus be eligible to receive the additional points given to municipalities with an Asset Management System in the highly competitive North Carolina Small Cities Community Development Block Grant (CDBG) Funding Program for the Town of Smithfield's much needed \$2.7 million Water Intake Project.

Councilman Scott stated that the Town should spend money effectively and asked if bids could be solicited for this service. Mr. Griffin responded that bids are typically not received for engineering services. Mr. Sabiston stated that the Town could do a Request for Qualifications (RFQ) from engineering firms.

Councilman Williams suggested that the staff with knowledge of GPS/GIS work with the engineer to create the digital mapping system.

Mr. Griffin did request that staff be allowed to expend \$6,800.00 for an Asset management Plan.

Councilman Scott made a motion, seconded by Councilman Wood, to put out for informal bids for an RFQ for water system valve GPS/ GIS digital mapping and allow \$6800.00 for requested Asset Management Plan.

5. Approval of a FY 2014-2015 Budget Amendment to Upgrade the Brogden Road Substation's Supervisory Control and Data Acquisition (SCADA) System

Public Utilities Director Ken Griffin addressed the Council on a request to approve an additional project in the Electric Fund to upgrade the Brogden Road Substation Supervisory Control and Data Acquisition (SCADA) System. The cost of the recommended SCADA upgrade is \$23,184 and will be funded from savings of \$17,000 realized from the purchase of the Engineering Technician truck and lift station generator. The balance of \$6,184 will be paid from the equipment maintenance and repair line budget. Mr. Griffin explained that the Town of Smithfield's Supervisory Control and Data Acquisition (SCADA) system for its Brogden Road substation is outdated and needs to be upgraded as the Town has been notified that the operating software is no longer supported. Additionally, the SCADA doesn't provide adequate information to the Town's Electric crews when a problem requires their dispatch and attention. Public Utilities has been very aggressive in securing capital items approved in the FY 14-15 for prices below the initial quotes that were used in the budget development process. As a result, Public Utilities recommend that the available savings of \$17,000 be used to address the current Brogden Road Substation SCADA deficiencies. Public Utilities will not exceed its Capital Projects line item for FY 14-15.

Councilman Harris questioned the age of the software. Mr. Griffin responded that is more than ten years old.

Councilman Harris made a motion, seconded by Councilman Ashley, to approve the request for a budget amendment (below) for \$17,000 for needed upgrade to the Town's Brogden Road SCADA system. Unanimously approved.

ELECTRIC FUND

Expenditures

31-7230-7400 Electric - Capital	\$ 580,239	\$ (17,000)	\$ 563,239
Outlay			
31-7230-1700 Electric - Equipment Maintenance &	<u>28,000</u>	<u>17,000</u>	<u>45,000</u>
Repair	<u>\$ 608,239</u>	<u>\$ -</u>	<u>\$ 608,239</u>

6. Increased Compensation for Advisory Boards.

This item was tabled at the July, 1, 2014 Council Meeting

Town Manager Paul Sabiston addressed the council on consideration to increase compensation for members of the Planning Board and Board of Adjustments. Mr. Sabiston stated that during the budget workshop the question arose regarding whether the Town was adequately compensating the members of the Planning Board and Board of Adjustments. At the July regular meeting, Council tabled this request pending a recommendation from the Planning Board and Board of Adjustments. Each member of these boards is currently compensated \$10.00 per meeting. Mr. Sabiston suggested that the Planning Board be compensated \$25-\$50 per month and \$20-\$30 per meeting for the members of the Board of Adjustments since they meet infrequently. After general discussion by members of the Planning Board, their recommendation is to increase the monthly compensation amount to \$50.00. Members of the Board of Adjustments were contacted by staff for their input on the proposed increase. Two members would like to see the compensation amount increased to \$50.00 per meeting. Two members stated that they would agree with the recommendation of the other members. Two members did not respond. One member stated that they were not in favor of any increase.

Councilman Scott made a motion, seconded by Councilman Ashley, to increase the compensation of the Planning Boards members to \$50.00 per month and increase the compensation to the members of the Board of Adjustments to \$25.00 per meeting. Unanimously approved.

Councilmembers Comments:

- Councilman Harris gave the Council an update on the West Smithfield Beautification Project.

Councilman Harris made a motion, seconded by Councilman Wood, to direct staff to move forward with the proposed project. Unanimously approved.
- Councilman Ashley offered an update on the pay raise scandal of 2011.
- Councilman Scott stated that he would like the Council to consider holding a workshop type pf meeting each month. This would be in addition to the regular monthly meeting. Mayor Lampe directed the Clerk to poll the Council concerning this suggestion.

Town Manager's Report:

- **Department Reports**
 - A highlight of each department's monthly activities was given to the Council.
- **Financial Report**
 - General Fund revenues for the month ending July 31, 2014 were \$(beginning of FY 15 adjustment underway) The general fund expenditures for the month ending July 31, 2014 were \$587,678 and YTD expenditures were \$587,678.
- **Manager's Updates**

Mr. Sabiston gave the Council a brief update on the following projects:

 - West Market Street Landscaping
 - Economic Development Committee Meeting & Strategic Plan
 - Revisions to the Unified Development Ordinance
 - Police Department's CALEA final site visit

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

Councilman Williams made a motion, seconded by Councilman Scott to enter into Closed Session pursuant to NCGS 143-318.11 (a) (3) Unanimously approved.

Reconvene In Open Session:

Councilman Scott made a motion, seconded Councilman Ashley, to reconvene in open session. Unanimously approved.

Councilman Scott made a motion, seconded by Councilman Wood, to approve the settlement amount of \$30,000 and settlement agreement and release with former Town Manager Eric Williams that was the result mediation between Mr. Williams and the Town of Smithfield.

Councilman Scott, Councilman Wood and Councilman Williams voted in favor of the motion. Councilman Ashley and Councilman Harris voted against the motion. Motion passed 3-2.

Adjourn

There being no further business, Councilman Scott made a motion, seconded Councilman Williams, to adjourn. Unanimously approved.

The meeting adjourned at approximately 9:50pm.

John H. Lampe II., Mayor

ATTEST:

Shannan L. Williams, Town Clerk