

The Smithfield Town Council met in regular session on Tuesday, June 6, 2017 at 7:00 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Emery Ashley, Mayor Pro-Tem
Marlon Lee, District 1
J. Perry Harris, District 2
Roger A. Wood, District 4
John A. Dunn, At-Large
Stephen Rabil, At-Large

Councilmen Absent

Travis Scott, District 3

Administrative Staff Present

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

Present:

Bob Spence, Town Attorney

Administrative Staff Absent

Mayor Moore called the meeting to order at 7:00

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

APPROVAL OF AGENDA:

Councilman Wood made a motion, seconded by Mayor Pro-Tem Ashley, to move Business Item 4: *Approval to install a Four Way Stop Sign on Whitley Drive and McCullers Street* to the Consent Agenda and to add section (5) to the Closed Session to discuss potential property acquisition. Unanimously approved.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Harris, to approve the agenda as amended. Unanimously approved.

PRESENTATIONS:

1. Administered Oath of Office to New Police Lieutenant – Nathan Memmelaar

Mayor Moore administered the Oath of Office to newly promoted Police Lieutenant Nathan Memmelaar.

2. Administered Oath of Office to New Police Sergeant – Jordan Jeffery

Mayor Moore administered the Oath of Office to newly promoted Police Sergeant Jordan Jeffery.

3. Proclamation – Honoring Planning Director Paul C. Embler, Jr.'s Service to the Town of Smithfield

Mayor Moore presented a proclamation to Paul Embler and congratulated him on his upcoming retirement.

**PROCLAMATION
In Honor of Paul C. Embler, Jr.'s
Service to the Town of Smithfield**

WHEREAS, Paul Embler has been a dedicated employee since May 12, 2003 and has announced that he will retire on July 1, 2017; and

WHEREAS, Paul Embler has served the Town of Smithfield as the Planning Director for fourteen years; and

WHEREAS, during Paul Embler's tenure with the Town of Smithfield, his professional involvement and accomplishments include: the Buffalo Creek Greenway Project, the Neuse Charter School Project, the Community Park Project, the development and update of the Unified Development Ordinance, along with numerous other projects; and

WHEREAS, Paul Embler's goal as the Planning Director was always to improve the quality of life for the citizens of Smithfield and he has demonstrated in many ways his deep and genuine love for the community; and

WHEREAS, Paul Embler has earned and deserves this public recognition for his years of service and dedication to the Town of Smithfield; and

WHEREAS, Paul Embler will be missed both professionally and as a friend, and we extend our very best wishes to him for a long and prosperous retirement.

NOW, THEREFORE, I, M. Andy Moore, Mayor of the Town of Smithfield along with the members of the Town Council, express our sincere appreciation to Paul Embler for his distinguished service to the Town of Smithfield, and urge our citizens to join with us as we extend our sincere appreciation for his work, and wish him well in his future endeavors

PUBLIC HEARING:

1. Rezoning Request by Olivia Holding: E & F properties, Inc. (RZ-17-01)

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

Planning Director Paul Embler addressed the Council on a request by Olivia Holding. The applicant was requesting to rezone approximately 54.95 acres of land from the R-20A (Residential-Agricultural) zoning district to the B-3 (Business) zoning district. The property considered for approval was located on the north side of Booker Dairy Road approximately 200 feet east of its intersection with Bradford Street. The property is further identified as Johnston County Tax ID# 14057004D.

Planning Director Paul Embler incorporated his entire record and provided it to Council in written form in the June 6, 2017 agenda packet.

The Planning Department recommended approval of the request to rezone approximately 54.95 acres of land from the R-20A (Residential-Agricultural) zoning district to the B-3 (Business) zoning district.

The Planning Board recommended approval of the request to rezone approximately 54.95 acres of land from the R-20A (Residential-Agricultural) zoning district to the B-3 (Business) zoning district.

Mayor Moore asked if the applicant wished to provide additional information. Mr. Andrew Hodge from Adams and Hodge Engineering representing the applicant stated he agreed with the information provided by Mr. Embler.

Mayor Moore asked if there were any comments/questions from those that wished to speak on this matter. There were none

Mayor Moore asked if there were any questions from Council.

Councilman Harris questioned the types of uses that would be allowable in a B-3 zoning district. Mr. Emblar responded that all businesses along Highway 301 were permitted in the B-3. He further explained that multi-family residential could be permitted by special use. Town Manager Michael Scott stated that government buildings could also be permitted in a B-3 zoning district as a matter of permitted right.

Councilman Harris made a motion, seconded by Councilman Wood, to close the Public Hearing. Unanimously approved.

Mayor Pro-Tem Ashley asked that they be mindful of the residential neighborhoods in the area.

The Written Finding

Town Council of the Town of Smithfield decided the matter of this Rezoning Application by motion and vote on each of the following eight findings of fact.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Harris, to vote in the affirmative to all of the below eight findings. Unanimously approved.

- **Finding One of Eight: Agree**

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

The rezoning request from a residential zoning district to a commercial 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 medium density residential land uses. However, the property is immediately adjacent to and west of an existing B-3 (Highway Entrance Business) zoning district.

- **Finding Two of Eight: Agree**

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

The rezoning request is compatible with established neighborhood patterns which includes an existing commercial zoning district immediately east of the subject property.

- **Finding Three of Eight: Agree**

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

The rezoning petition is compatible with the changing neighborhood conditions that might warrant a rezoning because the rezoning will allow for the creation of new commercial zoning district that will promote economic development along the proposed Durwood Stevenson Highway. This area is envisioned by many to be area were the next wave of commercial development will take place.

- **Finding Four of Eight: Agree**

The rezoning request is in the community interest

The rezoning request is in the community interest because the proposed commercial rezoning will allow for economic development opportunities in the area and ultimately increased tax revenue for the Town at large.

- **Finding Five of Eight: Agree**

The request does not constitute “Spot Zoning”

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

The property is currently zoned R-20A (Residential-Agricultural). Commercial development of the property cannot occur unless the property is rezoned.

- **Finding Seven of Eight**

The availability of public services allows consideration of this rezoning request

Public water, sewer and electric services will be available at or near the site considered for rezoning. CenturyLink and Spectrum will serve the area with phone and cable respectively.

- **Finding Eight of Eight**

Physical characteristics of the site prohibit development under present regulations

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.)

Record of Decision: Approval of Rezoning Request (RZ-17-01)

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Harris, 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 applicant and applicant’s representative I move to approve rezoning petition RZ-17-01. Unanimously approved.

2. Town of Smithfield Fiscal Year 2017-2018 Budget

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

Town Manager Michael Scott presented the Council with the FY 2017-2018 Town of Smithfield Budget. This budget was provided to the Council on May 23rd. Highlights of the budget include the following:

- Balanced in all funds :
 - \$12,795,144 General Fund
 - \$16,761,000 Electric Fund
 - 7,001,500 Water-Sewer Fund
- No increase in property tax
- No change in electric fees
- No change in water/sewer rates

- General Fund Balance remains above 25% Fiscal Policy Requirements
- Maintained Medical Employee Benefits at Similar Level
- Provides for a tiered salary adjustment for employees that is equal to a budget impact of a 2% increase.
- Major Capital Expenditures:
 - General Fund
 - Police: Replace 5 Police Cars
 - Replace Animal Control
 - Fire: Operation of Fire Station 2
 - Gen Govt.: Replace Finance Software
 - PW Streets: Annual Street Resurface
 - Replace Backhoe
 - PW Sanitation: Replace Street Sweeper
 - Parks and Rec: JC Kiddie Park
 - Water Plant
 - Replace 3 Altitude Valves
 - Riverbank Refurbishment Design
 - Water/Sewer
 - I & I Reduction
 - AMI Metering
 - Durham Street Sewer Line Replacement
 - Lift Station Repairs
 - Electric
 - AMI/Smart Grid
 - Continue Voltage Conversion Project
 - Capital Reserve ½ Bucket Truck
- No Capital asset transfers from the Electric Fund to the General Fund
- Future issues:
 - SB 126 which deals with how sales tax is distributed. If passed by the North Carolina General Assembly, the Town could see a potential loss of \$87,000 - \$104,000 to the general fund revenues.
 - Johnston County Sewer Rate Increase: Should Johnston County approve a 6% sewer rate increase, that increase will be passed onto the customer.
 - Electric Rate Reduction: Staff is still evaluating.

Mayor Moore asked if there was anyone in attendance that would like to speak on the propose FY 2017-2018 Budget. There were no comments.

Mayor Moore asked for questions for comments from the Council.

Mayor Pro-Tem Ashley expressed his appreciation to the Manager for his leadership during the budget process.

Councilman Rabil made a motion, seconded by Councilman Wood, to close the Public Hearing. Unanimously approved.

Councilman Harris made a motion, seconded by Councilman Rabil, to adopt FY 2017-2018 the budget, budget ordinance and fee schedule as presented. Unanimously approved.

(A copy of the adopted budget and fee schedule is on file in the Office of the Town Clerk)

**TOWN OF SMITHFIELD
BUDGET ORDINANCE
FY 2017-2018**

BE IT ORDAINED by the Town Council of the Town of Smithfield, North Carolina, meeting in Smithfield, North Carolina this 6th day of June, 2017, that the following fund revenues and departmental expenditures, together with certain restrictions and authorizations, are adopted:

Section 1. General Fund

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Current & Prior Year Property Taxes	6,059,000
Sales and Services	2,353,756
Licenses, Permits and Fees	76,450
Unrestricted Intergovernmental Revenues	3,175,019
Restricted Intergovernmental Revenues	553,000
Investment Earnings	9,000
Loan Proceeds	25,400
Other	515,989
Fund Balance Appropriated	27,500
	12,795,114

The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

General Government	376,021
Non-Departmental	801,299
Debt Service	1,294,860
Finance	143,501
Planning	358,138
Police	3,725,925
Fire	1,642,133
General Services	474,874
Streets	466,482
Garage	91,392
Powell Bill	322,725
Sanitation	1,097,677
Parks/Recreation	850,002
Aquatics Center	932,329
Contingency	217,756
	12,795,114

Section II. Water and Sewer Fund

It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Water Sales	3,515,000
Sewer Sales	3,350,000
Investment Earnings	8,500
Other Revenues	128,000
Fund Balance Appropriated	-
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	7,001,500

The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Water Treatment Plant	1,744,749
Water and Sewer Distribution	4,398,899
Debt Service	717,038
Contingency	140,815
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	7,001,501

Section III. Electric

It is estimated that the following revenues will be available in the Electric Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Electric Sales	16,400,000
Penalties	315,000
Investment Earnings	19,000
Other Revenues	27,000
Fund Balance Appropriated	-
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	16,761,000

The following amounts are hereby appropriated in the Electric Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Electric Dept. Operation	15,791,753
Debt Service	359,972
Contingency	609,275
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	16,761,000

Section IV. Firemen's Relief Fund

It is estimated that the following revenues will be available in the Firemen's Relief Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Received from State	9,000
Interest	60
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	9,060

The following amounts are hereby appropriated in the Firemen's Relief Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Firemen's Supplemental Retirement	9,060
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Section V. Smithfield Fire Tax District

It is estimated that the following revenues will be available in the Fire District Tax Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Smithfield Fire District Tax	148,000
Motor Vehicle Tax	18,000
Taxes	<hr/>
	9,400
	175,400

The following amounts are hereby appropriated in the Fire District Tax Fund for the operation of the Town Government's Fire Service activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Transfer to General Fund	175,400
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Section VI. J. B. George Beautification Fund

It is estimated that the following revenues will be available in the J.B. George Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Interest	1,346
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The following amounts are hereby appropriated in the J.B. George Fund for the operation of the Town Government's Special Projects for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Special Projects	1,346
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Section VII. General Capital Project Fund

It is estimated that the following revenues will be available in the General Capital Project Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Transfer from General Capital Reserve Fund	175,000
Transfer from General Fund	95,833

Loan Proceeds	125,000
	<u>395,833</u>

The following amounts are hereby appropriated in the General Capital Project Fund for the operation of the Town Government and its capital activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018, in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Financial Software	45,833
Backhoe	100,000
Street Sweeper	<u>250,000</u>
	395,833

Section VIII. Water/Sewer Capital Project Fund

It is estimated that the following revenues will be available in the Water/Sewer Capital Project Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Transfer from W/S Fund	585,000
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The following amounts are hereby appropriated in the Water/Sewer Capital Project Fund for the operation of the Town Government and its capital activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018, in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

AMI - Nexgrid Metering	210,000
I&I S&W Smithfield	100,000
Upgrd Lift Station Repair (5 & 11)	100,000
Sanitary Sewer Replacement (Durham St.)	<u>175,000</u>
	585,000

Section IX. Electric Capital Project Fund

It is estimated that the following revenues will be available in the Electric Capital Project Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Transfer from Electric Fund	750,000
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The following amounts are hereby appropriated in the Electric Capital Project Fund for the operation of the Town Government and its capital activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018, in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

AMI System	500,000
Voltage Conversion	<u>250,000</u>
	750,000

Section X. Electric Capital Reserve Fund

It is estimated that the following revenues will be available in the Electric Capital Reserve Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Transfer from Electric Fund	115,000
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The following amounts are hereby appropriated in the Electric Capital Reserve Fund for the operation of the Town Government and its capital activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018, in accordance with the Chart of Accounts heretofore established for the Town of Smithfield:

Transfer to Electric Capital Reserve Fund for the Following Allocations:	
Bucket Truck	115,000

Section XI Tax Rate Established

An Ad Valorem Tax Rate of \$.57 per \$100 at full valuation based on estimated 99.7% tax collection percentage is hereby established as the official tax rate for the Town of Smithfield for the fiscal year 2017-2018. A tax rate for the Special Tax District to provide funding for the Downtown Smithfield Development Corporation is established at \$0.19 per \$100 valuation. A tax rate for the Smithfield Rural Fire District is established at \$0.12 per \$100 valuation.

Section XII- Fee Schedule, Limited Privilege Licenses, and Fees

The fee schedule attached hereto and limited privilege license for the privilege of conducting trades, businesses, professions, shows exhibitions and amusements within the Town of Smithfield are hereby levied at Council adopted rates provided by the General Statute guidelines and fee schedule attached hereto.

Section XIII- Special Authorization- Budget Officer

The Town Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditure.

The Town Manager shall be authorized to affect interdepartmental transfers, in the same fund, not to exceed 10 percent of the appropriated monies for the department whose allocation is affected. Any such transfers shall be reported to the Town Council at its next regular meeting and shall be entered into the minutes.

Section XIX- Utilization of Budget and Budget Ordinance

This ordinance and the budget document shall be the basis of the financial plan for the Smithfield Municipal Government during the 2017-2018 fiscal year. The Budget Officer shall administer the budget, and he shall ensure that the operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The accounting section shall establish records which are in agreement with the budget and this ordinance and the appropriate statutes of the State of North Carolina. The fee schedule may be amended by majority vote of Council.

All ordinances or parts of ordinances in conflict are hereby repealed.

CITIZENS' COMMENTS:

- Jeff Jennings Chairman of the Library Board of Trustees of Johnston County and Smithfield expressed the Board’s appreciation for the Town’s continued financial support of the Library. Mr. Jennings reminded the Town Council of the importance of the Library and what it offers to the community. He informed the Council that in the future, discussions will be necessary about the structural needs of the building.
- Tim Johnson of 1206 South Walnut Drive expressed his appreciation to retiring Planning Director Paul Embler for all he has done for the community. Mr. Johnson explained that Mr. Embler saved the Town thousands of dollars during the community park project, the greenway project and the miracle league field project.

CONSENT AGENDA:

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

1. Approved the following Minutes:
 - April 26, 2017 – Special Session: FY 17-18 Budget
 - May 2, 2017 – Regular Meeting
 - May 2, 2017 – Closed Session
 - May 10, 2017 – Special Session: FY 17-18 Budget
 - May 15, 2017 – Special Session: FY 17-18 Budget
 - May 22, 2017 – Special Session: FY 17-18 Budget
2. Approval was granted to install a “Slow Children at Play” street sign on Pine Street.
3. Approved the career ladder promotion of a Police Officer I to the rank of Police Officer II.
4. Advisory Board Appointments
 - A recommendation was made to the Johnston County Board of Commissioners to appoint Ashley Spain to a third term on the Planning Board as an ETJ member.

5. New Hire Report

<u>Filled Position</u>	<u>Department</u>	<u>Budget Line</u>	<u>Rate of Pay</u>
Police Officer I	Police	10-5100-0200	\$15.58/hr. (\$34,836.88/yr.)
Part-time Police Officer I	Police	10-5100-0200	\$16.35/hr.

<u>Current Vacancies</u>	<u>Department</u>	<u>Budget Line</u>
Police Officer	Police	10-5100-0200
Sanitation Equip. Operator	PW – Sanitation	10-5800-0200
Planning Director	Planning	10-4900-0200

6. Approval was granted to install a four way stop sign placed on Whitley Drive and McCullers Street

Unanimously approved.

BUSINESS ITEMS:

1. Approval to enter into an agreement with ETC Institute to conduct a Community Survey

Intern Stephen Walker addressed the Council on a request to enter into an agreement with ETC Institute to conduct a community survey. Mr. Walker explained the Town Manager had expressed his interest in conducting a community survey. The survey would allow a sample of citizen to

communicate their thoughts on Town services. It would provide staff with an accurate snapshot and promote community engagement. Mr. Walker contacted several firms and it was determined that ETC Institute was the most cost effective. Funds for the survey would be paid out of the current fiscal year's General Fund, Water/Sewer Fund and Electric Fund contingency funds. Estimates obtained are as follows:

	<u>Estimate</u>	<u>Cross Tabulations</u>	<u>Additional Fees</u>	<u>Presentation</u>
National Research Center	\$14,265		\$5,760	
Decision Analyst	\$ 20,000-\$25,000			
BKL Research	\$19,850			
ETC Institute	\$15,520	\$1,500		\$1,750

According to the estimate provide by ETC institute, 400 surveys would cost \$15,520. Cross-tabulations of demographic groups compared to other variables would cost an additional \$1,500.00. An on-site presentation will cost \$1,750. The total cost of the ETC Institute survey is \$18,770.

Councilman Wood questioned how the survey would be distributed. Mr. Walker responded the survey would be sent to approximately 400 residents via US Mail. Councilman Wood suggested that 100 surveys be sent in each district.

Councilman Lee inquired as to how the 400 citizens would be selected to participate in the survey. Mr. Walker responded that names and addresses from the utility billing software would be forwarded to ETC institute. The Town Manager explained the survey would be a random sampling of the Town spread out as evenly as possible

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Wood, to approve the agreement with ETC Institute to conduct a community survey using contingency funds from the General Fund, the Water/Sewer Fund and the Electric Fund. Mayor Pro-Tem Ashley, Councilman Wood, Councilman Dunn, Councilman Harris and Councilman Rabil voted in favor of the motion. Councilman Lee voted against the motion. Motion passed 5 – 1.

2. Approval to authorize staff to work with CSX railroad and a local developer/land owner to evaluate the feasibility of creating a quiet zone across the Peedin Road railway crossing

The Town Manager addressed the Council on a request to work with local developer, Mike McLamb, on the feasibility of creating a quiet zone across the Peedin Road railway crossing. The Town Manager explained that Mr. McLamb owns land adjacent to Venture Drive and Magnolia Drive and has requested the Town of Smithfield make application to CSX to create a quiet zone. A quiet zone is an area where the CSX railroad will not blow its horn through crossing. The railroad crossing at the Peedin Road location is of a type that might allow for a quiet zone to be created. A quiet zone must be a minimum of one-half mile in length as measured along the railroad track. It appears there is this distance between the Peedin Road Crossing and the nearest railroad crossing at Lee Street. It is also possible additional equipment or the relocation of equipment may be necessary to meet the requirements of a quiet zone. The cost of any required changes would be brought back to Council for approval. Only a government entity can make application for a quiet zone. Staff has learned that there will be a \$6,000 deposit that will need to be made at the time of application. These funds are used by CSX Railroad to evaluate the crossings. The developer has agreed to pay \$6,000 to the Town at a time that would be consistent with the development if the development comes to fruition. There may be additional up fits that are required by CSX to the railway crossing and it is the hope that the developer would also incur those costs.

Mike McLamb stated he was in agreement with the presentation made by the Town Manager. He explained that the quiet zone would be a tremendous asset to the area given the proximity of the railroad to the hotels, businesses and residents. Mr. McLamb also agree to pay \$6,000 to the Town at the time of application if it was deemed that the development of the land would indeed come to fruition.

Mayor Pro-Tem Ashley questioned if there would be an increased safety risk. Mr. McLamb responded that there are Federal DOT and CSX requirements that are very specific and must be followed.

Councilman Harris informed the Council that there were three phases to the Smithfield Crossings Project. The last phase would connect Venture Drive with the Crossings area. The construction of that road was never completed for various reasons. Connecting the Crossings Area to Venture Drive could affect the McLamb property. He suggested that the Council cooperate with the developer on the quiet zone and work in a manner that was suitable for both the Town and the landowner.

Town Manager Michael Scott informed the Council the Town would not make application for the quiet zone until the property was properly vetted to determine if it would work for what they intend to do. Councilman Harris responded that he didn't want the landowner to pay for a quiet zone application until it is determined that they can move forward with their project.

Councilman Harris made a motion, seconded by Councilman Rabil, to allow the Town to file the application with CSX Railroad for a Quiet Zone at such time as the landowner (Mike McLamb) feels comfortable moving forward with the project. The landowner has agreed to pay the \$6,000 Quiet Zone application fee to the Town. Unanimously approved.

3. North Carolina Department of Transportation's offer to purchase Ava Gardner Blvd Right of Way and Roadway Improvements

Planning Director Paul Embler addressed the Council on a request by the North Carolina Department of Transportation (NCDOT) to purchase Ava Gardner Blvd right of way and roadway improvements as part of the Booker Dairy Road Extension Project. Mr. Embler explained on May 23, 2017 staff received via email from and offer to purchase Ava Gardner Blvd. from NCDOT. NCDOT is offering \$620,450.00 for approximately 1.4 acres of land with associated roadway improvements. The appraisal was forwarded to the Town Attorney for review. The Town Attorney then engaged an appraiser to review the appraisal and the offer to purchase. The recommendation from the Town Attorney and the appraiser was to accept the offer to purchase. The monies offered for the land are comparable to recent property sales and the monies offered for roadway improvements are well within acceptable industry standards for the cost of roadway construction.

Mayor Pro-Tem Ashley made a motion, seconded by Councilman Rabil, to accept NCDOT's offer to purchase Ava Gardner Blvd right of way and roadway improvements in the amount of \$620,450.00. Unanimously approved.

4. Approval for the Revised Garbage Truck Funding Source and Budget Amendment

Finance Director Greg Siler addressed the Council on a request to revise the garbage truck funding source and accompanying budget amendment. Mr. Siler explained that the FY 2017 budget contained the purchase of a garbage truck estimated to cost \$170,000. The garbage truck would be purchased with loan proceeds of \$104,000 and \$66,000 of the Town's money. Mr. Siler recommending borrowing the entire cost of the garbage truck, thereby freeing up \$66,000 to aide in equipping and upgrading the West Side Fire station.

Mayor Pro-Tem Ashley questioned if this purchase would decrease the General Fund fund balance. Mr. Siler responded that it would not decrease the fund balance. The entire purchase would be financed.

Councilman Harris inquired as to the length of the loan. Mr. Siler responded it was a fiver year loan.

Councilman Rabil made a motion, seconded by Councilman Wood, to approve the request to finance the purchase of the garbage truck and budget amendment. Unanimously approved.

	<u>BEFORE</u>	<u>ADJ.</u>	<u>AFTER</u>
<u>GENERAL FUND CAPITAL PROJECTS</u>			
<u>FUND</u>			
3. Revenue			
46-3900-5801 Loan/Garbage Truck	\$ 104,000	\$ 66,000	\$ 170,000
46-3900-0000 Transfer from	<u>\$ 823,500</u>	<u>\$ (66,000)</u>	<u>\$ 757,500</u>
GF	<u>\$ 927,500</u>	<u>\$ -</u>	<u>\$ 927,500</u>

To change garbage truck funding source totally to loan proceeds

5. Approval of FY 2016-2017 year End Budget Amendments

Finance Director Greg Siler addressed the Council on Fiscal Year 2016-2017 budget amendments. An updated list of budget amendments were distributed to the Council. Mr. Siler explained year-end budget amendments and encumbrances are often required at year end to balance departmental budgets or to carry over funds for ongoing projects and/or items ordered through purchase orders. All budget increases could be accomplished by using other departmental budgets or contingency dollars. These budget amendments were often created by additional expenditures related to Hurricane Matthew, or approved expenditures that have occurred throughout the fiscal year. No fund balance appropriations exist that were not previously approved by the Town Council. Mr. Siler explained the encumbrances would be amended to include the cost of the community survey that was approved earlier in the meeting.

Councilman Rabil questioned the amount budgeted for condemnations. Town Manager Michael Scott responded there was \$25,000 from the current fiscal year that would be encumbered and \$25,000 from the new fiscal year has been budgeted for a total of \$50,000 for condemnations.

Councilman Lee questioned the \$10,000 listed on the encumbrances for the swimming pool. Town Manager Michael Scott responded that \$10,000 was budgeted in the current fiscal year for the demolition of the Eva Ennis Pool. These funds are being carried over into the next fiscal year because that project has not been completed. Councilman Lee stated that a local contractor Randall Durham was going to donate time and resources to make the pool operational. The Town Manager stated he was unaware of this. Parks and Recreation Director Gary Johnson responded that he spoke with Mr. Durham once, but received no other feedback from him.

Councilman Harris made a motion, seconded by Councilman Wood to approve year end budget amendments for 16-17. Unanimously approved.

June,
2017

<u>GENERAL FUND</u>	<u>BEFORE</u>	<u>ADJ.</u>	<u>AFTER</u>
1. Expenditures			
10-4100-0200 General Gov. - Salaries	\$ 96,364	\$ (7,524)	\$ 88,840
10-4100-0400 General Gov. - Professional Fees/Dues	42,671	2,500	45,171
10-4100-3501 General Gov. - Service Contracts	14,175	9,524	23,699
10-4100-1700 General Gov. - Equipment/Vehicle Maint. & Repair	-	290	290

10-4100-3402 General Government - Interim Manager	-	351	351
10-9990-5300 General Fund Contingency	<u>123,432</u>	<u>(5,141)</u>	<u>118,291</u>
	<u>\$ 276,642</u>	<u>\$ -</u>	<u>\$ 276,642</u>

To move the Temp Admin. Assist. position from salaries to contract services, fund professional fees overages, establish budgets for maintenance & repair, and Interim Manager expenses.

2. Revenue

10-3980-0000 Occupancy Tax	<u>\$ 185,000</u>	<u>\$ 60,000</u>	<u>\$ 245,000</u>
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Expenditures

10-4110-5715 Non-Departmental - Occupancy Tax/JC Tourism	<u>\$ 179,000</u>	<u>\$ 60,000</u>	<u>\$ 239,000</u>
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To increase occupancy tax receipts and expenses

3.

Expenditures

10-5300-3310 Fire - Non Capital Outlay	\$ -	\$ 26,000	\$ 26,000
10-9990-5300 General Fund Contingency	<u>118,291</u>	<u>(26,000)</u>	<u>92,291</u>
	<u>\$ 118,291</u>	<u>\$ -</u>	<u>\$ 118,291</u>

To establish and fund the partial equipping of Fire Station #2

4. Expenditures

10-4110-5710 Non-Departmental: Economic Development	\$ 100,000	\$ (17,868)	\$ 82,132
10-5600-7400 Streets - Capital Outlay	<u>-</u>	<u>17,868</u>	<u>17,868</u>
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

To establish and fund storm drain pipe replacement on Barbour Road for Bella Square

5. Revenue

10-3900-1101 Riverside Cemetery Lot Sales	<u>\$ 10,000</u>	<u>\$ 17,500</u>	<u>\$ 27,500</u>
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Expenditures

10-5500-3201 General Services - Riverside Ext. Inc	<u>\$ 10,000</u>	<u>\$ 17,500</u>	<u>\$ 27,500</u>
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To fund additional lot sales at Riverside Cemetery

6. Revenue

10-3900-1703 Grant - FEMA	<u>\$ -</u>	<u>\$ 44,432</u>	<u>\$ 44,432</u>
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Expenditures

10-5600-7401 Streets - Capital Improv./Street Repair	<u>\$ -</u>	<u>\$ 44,432</u>	<u>\$ 44,432</u>
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To establish and fund street repair due to Hurricane Matthew

7. Expenditures

10-5650-3300 Garage - Supplies	\$ 11,300	\$ 4,000	\$ 15,300
10-9990-5300 General Fund Contingency	<u>92,291</u>	<u>(4,000)</u>	<u>88,291</u>
	<u>\$ 103,591</u>	<u>\$ -</u>	<u>\$ 103,591</u>

To fund supply overages

8. Revenue

10-3900-1703 Grant - FEMA	<u>\$ 44,432</u>	<u>\$ 37,517</u>	<u>\$ 81,949</u>
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Expenditures

10-5800-0250 Sanitation - Overtime	\$ 5,000	\$ 10,000	\$ 15,000
10-5800-35010 Sanitation - Service Contracts	1,000	6,000	7,000
10-5800-0300 Sanitation - Temp Labor	-	17,517	17,517
10-5500-0250 General Services - Overtime	<u>2,000</u>	<u>4,000</u>	<u>6,000</u>
	<u>\$ 8,000</u>	<u>\$ 37,517</u>	<u>\$ 45,517</u>

To increase budgets due to Hurricane Matthew

9.**Expenditures**

10-6220-0300 Aquatics Center - Temp Labor	\$ 12,000	\$ 5,000	\$ 17,000
10-9990-5300 General Fund Contingency	<u>88,291</u>	<u>(5,000)</u>	<u>83,291</u>
	<u>\$ 100,291</u>	<u>\$ -</u>	<u>\$ 100,291</u>

To fund temp labor overages

10.**Expenditures**

10-4200-3300 Finance - Supplies/Operations	\$ 10,700	\$ 2,000	\$ 12,700
10-9990-5300 General Fund Contingency	<u>83,291</u>	<u>(2,000)</u>	<u>81,291</u>
	<u>\$ 93,991</u>	<u>\$ -</u>	<u>\$ 93,991</u>

To fund supply overages

WATER/SEWER FUND**11.****Expenditures**

30-9990-5300 Water/Sewer - Contingency	\$ 105,231	\$ (105,231)	\$ -
30-7200-3300 Water Plant - Supplies/Operations	<u>452,000</u>	<u>105,231</u>	<u>557,231</u>
	<u>\$ 557,231</u>	<u>\$ -</u>	<u>\$ 557,231</u>

To fund expenses related to Hurricane Matthews

ELECTRIC FUND**12.****Expenditures**

31-9990-5300 Electric - Contingency	\$ 303,502	\$ (250,000)	\$ 53,502
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31-7230-4800 Electric - NCEMPA / Non Demand	13,600,000	(6,728,000)	6,872,000
31-7230-4801 Electric - NCEMPA / Demand	-	5,778,000	5,778,000
31-7230-4802 Electric - NCEMPA / Debt	-	1,200,000	1,200,000
	<u>\$ 13,903,502</u>	<u>\$ -</u>	<u>\$ 13,903,502</u>

To redistribute electric power purchase budget into specific categories

Capital Projects - Water/Sewer Fund

13.

Expenditures

45-7200-7405 Intake Sand Removal System	\$ 465,000	\$ (148)	\$ 464,852
45-7200-7406 Sludge Dewatering	<u>369,700</u>	<u>148</u>	<u>369,848</u>
	<u>\$ 834,700</u>	<u>\$ -</u>	<u>\$ 834,700</u>

To adjust budgeted expenses to actual

Capital Projects - General Fund

14. Revenue

46-3900-0000 Transfer From GF	<u>\$ 823,500.00</u>	<u>\$ 425,750.00</u>	<u>\$1,249,250.00</u>
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Expenditures

46-5300-7402 JAS Building Purchase/Fire Station II	<u>\$ -</u>	<u>\$ 425,750.00</u>	<u>\$ 425,750.00</u>
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To establish and fund 2nd Fire Station Purchase

15. Revenue

46-3540-6202 Miracle Park - PARTF GRANT	\$ -	\$ 350,000	\$ 350,000
46-3540-6203 Miracle Park - Connect NC Grant	-	160,000	160,000
46-3540-6200 Miracle Park - Partnership for Children	250,000	10,000	260,000
46-3900-0000 Transfer from GF -Town Match (Use Recreation Development Fees)	<u>823,500</u>	<u>30,000</u>	<u>853,500</u>
	<u>\$ 1,073,500</u>	<u># \$ 550,000</u>	<u>\$ 1,623,500</u>

Expenditures

46-6200-7406 Mir. Park - Phase I Site Work/Utilities	\$ 351,000	\$ 350,000	\$ 701,000
46-6200-7407 Mir. Park - Phase II Site Work	-	200,000	200,000
	<u>\$ 351,000</u>	<u># \$ 550,000</u>	<u>\$ 901,000</u>

To establish and fund grants, contributions and town match for Miracle Park

Capital Projects - Electric Fund

16. Revenue

47-3900-1305 Reserve for Future Capital	<u>\$ 318,000.00</u>	<u>\$ (318,000.00)</u>	<u>\$ -</u>
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Expenditures

47-7220-7400 Contingency	<u>\$ 318,000.00</u>	<u>\$ (318,000.00)</u>	<u>\$ -</u>
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To close out

Firemen Relief Fund

17. Revenue

50-3990-000 Fund Balance Appropriations	\$ -	\$ 738	\$ 738
50-3010-0000 Received from State	-	9,842	9,842
50-3300-0000 Reimbursement	<u>9,000</u>	<u>3,150</u>	<u>12,150</u>
	<u>\$ 9,000</u>	<u>\$ 13,730</u>	<u>\$ 22,730</u>

Expenditures

50-4010-3500 Firemen Supplemental Retirement	\$ 9,090	\$ 13,730	\$ 22,820
	<u>\$ 9,090</u>	<u>\$ 13,730</u>	<u>\$ 22,820</u>

To balance the Firemen Relief Fund at year end

GENERAL FUND

18.

Expenditures

	<u>BEFORE</u>	<u>ADJ.</u>	<u>AFTER</u>
10-4100-7400 Capital Outlay - Community Survey	\$ 30,580	\$ 6,257	\$ 36,837
10-9990-5300 General Fund Contingency	<u>81,291</u>	<u>(6,257)</u>	<u>75,034</u>
	<u>\$ 111,871</u>	<u>\$ -</u>	<u>\$ 111,871</u>

To fund 1/3 cost of community survey

WATER/SEWER FUND

19.

Expenditures

30-7200-7400 Capital Outlay - Community Survey	\$ 65,000	\$ 6,257	\$ 71,257
30-7200-0400 Water Plant - Professional Services	<u>120,000</u>	<u>(6,257)</u>	<u>113,743</u>
	<u>\$ 185,000</u>	<u>\$ -</u>	<u>\$ 185,000</u>

To fund 1/3 cost of community survey

ELECTRIC FUND

20.

Expenditures

31-7230-7400 Capital Outlay - Community Survey	\$ 255,000	\$ 6,257	\$ 261,257
31-9990-5300 Electric Fund Contingency	<u>53,502</u>	<u>(6,257)</u>	<u>47,245</u>
	<u>\$ 308,502</u>	<u>\$ -</u>	<u>\$ 308,502</u>

Councilman Harris made a motion, seconded by Councilman Wood, to approve the encumbrances from FY 2016-2017 to FY 2017-2018 and add to the list the purchase order for the community survey. Mayor Pro-Tem Ashley, Councilman Harris, Councilman Wood, Councilman Dunn and Councilman Rabil voted in favor of the motion. Councilman Lee voted against the motion. Motion passed 5 – 1.

ENCUMBRANCES FROM 2016-2017 TO 2017-2018

GENERAL FUND

10-4100-7400	General Gov. - Capital Outlay/Community Survey	6,257
10-4110-5710	Non-Departmental - Economic Development	50,000
10-4120-9545	Debt Service - Fire Truck	47,900
10-4900-3700	Planning - Condemnation	25,000
10-5100-7400	Police - Capital Outlay (District 1 Community Sub-Station)	20,000
10-6200-3900	Recreation - Swimming Pool	10,000
10-6200-7400	Recreation - Capital Outlay (Family Life Center)	27,000
10-5300-3310	Fire - Non Capital Outlay Fire Station II Furnishings	<u>27,850</u>
		<u>\$ 214,007</u>

WATER FUND

30-7200-7400	Water Plant - Capital Outlay/Community Survey	<u>6,257</u>
		<u>\$ 6,257</u>

ELECTRIC FUND

31-7230-7400	Electric - Capital Outlay/Community Survey	6,257
31-7230-3504	Electric - ESA-BAYWA Solar	<u>47,463</u>
		<u>\$ 53,720</u>

Councilman Harris made a motion, seconded by Councilman Rabil to approve year end encumbrances for purchase orders issues prior to June 30, 2017. Unanimously approved.

ENCUMBRANCES FOR PURCHASE ORDERS ISSUED PRIOR TO 6/30/17

GENERAL FUND

			PO Number	
10-5500-7400	General Services - Capital Outlay	MOSCA Design	20175476	\$15,000.00
10-6200-1700	Parks & Rec -Equip. Maint. & Repair	Masonry Supply	20175480	\$2,500.00
10-6200-1700	Parks & Rec -Equip. Maint. & Repair	All Pro Irrigation	20175482	\$2,500.00
10-6200-3300	Parks & Rec -Supplies	Moore Equip.	20175484	\$1,800.00
10-6220-3300	SRAC - Supplies	Recreonics Inc	20175487	\$1,350.00
10-6220-3900	SRAC - Aquatic	Colorado Diversion	20175488	\$800.00
10-6220-3900	SRAC - Aquatic	Duffield Aquatics Inc	20175489	<u>\$938.00</u>
				<u>\$24,888.00</u>

WATER FUND

30-7220-7400	Water/Sewer - Capital Outlay	Nexgrid	20174973	<u>\$92,760.00</u>
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ELECTRIC FUND

31-7230-3300	Electric - Supplies/Operations	Hunt Electric	20175459	\$1,369.00
31-7230-3300	Electric - Supplies/Operations	Wesco	20175461	\$13,006.00
31-7230-7400	Electric - Capital Outlay	Nexgrid	20174973	<u>\$71,704.00</u>
				<u>\$86,079.00</u>

Councilmembers Comments:

- Councilman Harris informed the public the budget approved earlier in the meeting was a platform. As the budget year progresses, changes will have to be made due to unforeseen circumstances. At some point the Council will need to discuss road projects, building projects, stormwater issues, the Eva Ennis Pool and proposed uses of the Family Life Center. The Town Council will diligently do what is right for the citizens of the Town. This budget, like all budgets, are a work in progress. He expressed his appreciation to the Mayor, Council and staff for this year's budget process. He explained that there were many budget meetings that were open to the public and a lot of good discussions held in those meetings. Councilman Harris looked forward to working with this budget and working through it in the next year. He believed this Council with the help of staff has a lot of positive things that are happening in Smithfield.
- Mayor Moore expressed his appreciation to the Council, the Town Manager and the Department Heads on this year's budget process. He believed this was the best process the Town has ever done.
- Councilman Lee wished his father a happy birthday. He expressed condolences to the families of Harriett Diane Hagins and Martishue Ennis.

Councilman Lee informed the public that he recently attended a multicultural festival in the Town of Clayton. After speaking with the event coordinator, he was saddened to hear that an event such as this wouldn't be held in Smithfield because of the good old boy system. Councilman Lee expressed his concerns about the Town spending \$18,000 on a community survey not knowing if his constituents would even be represented. Councilman Lee informed the public that he would be working on a State of East Smithfield address. The Town Manager and the Department Heads needed to realize that East Smithfield was a part of Smithfield. The Town spent money on Venture Drive when there are roads in East Smithfield that needed repairs. This year's Parks and Recreations goal was to increase minority participation by 10% and asked why it couldn't be 75%. He explained that there are people on Blount Street that don't have curb and gutter. Services like natural gas aren't offered in East Smithfield. There are housing issues, drainage issues and code enforcement issues in East Smithfield that haven't been addressed. Councilman Lee explained that much has been taken away from East Smithfield like the Eva Ennis Pool. He stated that he could not understand why the Town caters to Johnson Park and Civitan Park when they are not Town owned parks. There are plenty more questions that need answers and he will continue to stand up for his constituents in East Smithfield.

Town Manager's Report:

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

- Expressed his appreciation to the Mayor, Council and Department Heads on the budget process.
- The Family Life Center continues to be an ongoing project. Volunteers, Chief Powell and Police Department staff have completed a lot of renovations.
- The UDO Committee has completed the draft changes to the current Unified Development Ordinance. The draft will be presented to the Planning Board at its July meeting.
- Triathlon: The Three Little Pigs Triathlon was scheduled for June 17th beginning at the SRAC.
- The 301 Endless Yard Sale was scheduled for June 16th and 17th
- Baseball Tournament: SJBA Invitational Baseball Tournament was scheduled for June 21st - 27th at Community Park.
- SRAC Swim Team: The 2016 Champion SRAC Swim Team has their first swim meet on Thursday, June 8th at the SRAC.

- **Department Reports**

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

Closed Session: Pursuant to NCGS 143-318.11 (a)(3) & (5) to consult with the Town Attorney and to discuss potential property acquisition.

Councilman Harris made a motion, seconded by Councilman Rabil, to go into closed session pursuant to NCGS 143-318.11 (a) (3 &5). Unanimously approved at 8:53 pm.

Reconvene in Open Session:

Councilman Harris made a motion, seconded by Councilman Wood, to reconvene in open session. Unanimously approved at 9:21 pm.

Adjourn

Councilman Lee made a motion, seconded by Councilman Rabil, to adjourn the meeting. Unanimously approved.

The meeting adjourned at approximately 9:22 pm.

M. Andy Moore, Mayor

ATTEST:

Shannan L. Williams, Town Clerk