

**CONTINUED MEETING  
SMITHFIELD TOWN COUNCIL AGENDA**



**June 26<sup>th</sup>, 2017 at 6:00 p.m.**  
Held at Smithfield Center, 220 N. Church Street

**A. UPCOMING MEETINGS AND ACTIVITIES:**

- July 3 - 9:30 p.m. – Fireworks Display at Clontz Park
- July 4 - Town Administrative Offices Closed in Observance of Independence Day
- July 11 - 7:30 p.m. - Town Council Meeting

NOTE: All of the above public meetings will be held at the Smithfield Center, unless otherwise noted.

**B. Public Comment:**

**ACTION SECTION**

1. **Resolution to Adopt Budget for Fiscal Year 2017/2018** **TAB # 1**  
Finance Committee Chair, Randy Pack
2. **Motion to Approve Annual Renewal and Amendment of Town Manager’s Employment Agreement**  
T. Carter Williams, Mayor
3. **Motion to Reschedule the Town Council Meeting from July 5<sup>th</sup> to July 11<sup>th</sup> Due to Independence Day Holiday**  
T. Carter Williams, Mayor
4. **New Business**
5. **Old Business**
6. **Adjournment**

**NOTICE OF INTENT TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT.** Reasonable efforts will be made to provide assistance or special arrangements to qualified individuals with disabilities in order to participate in or attend Town Council Meetings. ADA compliant hearing devices are available for use upon request. Please call (757) 356-9939 at least 24 hours prior to the meeting date so that proper arrangements may be made.

**2018 Proposed Budget General Fund**

	<u>Proposed Budget Rev</u> <u>FY2016-2017</u>	<u>Proposed Budget</u> <u>FY2017-2018</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
<b>REVENUE</b>				
<b>General Property Taxes</b>				
Real Estate	1,710,000	1,710,000	-	0.00%
Personal Property	446,020	621,500	175,480	39.34%
Public Service Corporations Tax	31,026	31,026	-	0.00%
Penalties and Interest	475	37,605	37,130	7816.84%
<b>Total General Property Taxes</b>	<b>2,187,521</b>	<b>2,400,131</b>	<b>212,610</b>	<b>9.72%</b>
<b>Other local taxes</b>				
Bank franchise	136,955	136,955	-	0.00%
Sales	331,000	340,000	9,000	2.72%
Utility	190,000	192,000	2,000	1.05%
Meals tax - 4.25%	1,121,500	1,130,840	9,340	0.83%
Meals tax - 2%	532,000	532,000	-	0.00%
Business Licenses	367,600	367,600	-	0.00%
Vehicle Licenses	140,500	140,500	-	0.00%
Cigarette	169,000	169,000	-	0.00%
Transient Occupancy	190,000	190,000	-	0.00%
Peg Channel	1,920	1,940	20	1.04%
Consumption	47,000	49,000	2,000	4.26%
<b>Total other local taxes</b>	<b>3,227,475</b>	<b>3,249,835</b>	<b>22,360</b>	<b>0.69%</b>
<b>Permit, Fees &amp; Licenses</b>				
Permits	20,000	15,000	(5,000)	-25.00%
Inspection Fees	6,450	6,000	(450)	-6.98%
Curbside Disposal	-	-	-	0.00%
Dog Park Registration Fees	2,000	2,000	-	0.00%
Consultant Review Fees	3,000	1,500	(1,500)	-50.00%
<b>Total licenses, permits, and privilege fees</b>	<b>31,450</b>	<b>24,500</b>	<b>(6,950)</b>	<b>-22.10%</b>
Fines	60,000	60,000	-	0.00%
Revenue from use of money and property	255,950	244,600	(11,350)	-4.43%
Other revenue	6,800	5,600	(1,200)	-17.65%
Revenue from Commonwealth of Virginia	672,758	700,996	28,238	4.20%
Revenue from Federal Government	707,760	165,000	(542,760)	-76.69%
<b>Other financing sources</b>				
Contributions	925,136	109,200	(815,936)	-88.20%
Insurance Recoveries	26,055	-	(26,055)	-100.00%
Line of Credit Proceeds	250,000	250,000	-	0.00%
Loan Proceeds	2,655,447	1,979,553	(675,894)	-25.45%
<b>Reserve Funds</b>				
Escrow Reserves-Ball Fields	1,445,697	1,079,303	(366,394)	-25.34%
Restricted Reserves-Police Dept	65,690	-	(65,690)	-100.00%
Restricted Reserves-Pinewood	289,318	-	(289,318)	-100.00%
Operating Reserves	-	74,727	74,727	100.00%
<b>Total other financing sources</b>	<b>5,657,343</b>	<b>3,492,783</b>	<b>(2,164,560)</b>	<b>-38.26%</b>
<b>Total General Funds Revenues</b>	<b>12,807,057</b>	<b>10,343,445</b>	<b>(2,463,612)</b>	<b>-19.24%</b>
Road Maintenance	1,174,073	1,169,873	(4,200)	-0.36%
From Prior Year-Highway Funds	104,519	-	(104,519)	-100.00%
<b>GRAND TOTAL</b>	<b>14,085,649</b>	<b>11,513,318</b>	<b>(2,572,331)</b>	<b>-18.26%</b>

EXPENDITURES

**Operating Expenses**

General Government	729,999	747,553	17,554	2.40%
Treasurer	481,273	525,262	43,989	9.14%
Public Safety	2,526,534	2,514,713	(11,821)	-0.47%
Planning, Engineering, & Public Works	818,230	746,282	(71,948)	-8.79%
Public Buildings	154,220	156,571	2,351	1.52%
Community Development	2,156,488	392,951	(1,763,537)	-81.78%
Parks, Recreation, and Cultural	1,356,230	2,482,295	1,126,065	83.03%
Debt Service	411,817	650,036	238,219	57.85%

**Total Operating Expenses** **8,634,791** **8,215,663** (419,128) -4.85%

**Other Financing Uses**

Transfer to operating reserves	29,632	-	(29,632)	-100.00%
Transfer to restricted reserves	563,271	489,553	(73,718)	-13.09%

**Total Other Financing Uses** **592,903** **489,553** (103,350) -17.43%

**Capital Outlay**

Treasurer	123,068	84,250	(38,818)	-31.54%
Public Safety	197,000	85,150	(111,850)	-56.78%
Planning, Engineering, & Public Works	33,150	246,251	213,101	642.84%
Public Buildings	34,890	43,275	8,385	24.03%
Parks, Recreation, & Cultural	2,975,255	1,179,303	(1,795,952)	-60.36%
Community Development	216,000	-	(216,000)	-100.00%

**Total Capital Outlay** **3,579,363** **1,638,229** (1,941,134) -54.23%

**Total General Funds Expenses** **12,807,057** **10,343,445** (2,463,612) -19.24%

Road Maintenance **1,278,592** **1,169,873** (108,719) -8.50%

**GRAND TOTAL** **14,085,649** **11,513,318** (2,572,331) -18.26%

**2018 Proposed Water & Sewer Budget**

	<u>Proposed Budget Rev</u> <u>FY2016-2017</u>	<u>Proposed Budget</u> <u>FY2017-2018</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Charges for Services-Water	1,370,615	1,370,615	-	0.00%
Charges for Services-Sewer	681,000	681,000	-	0.00%
Water Debt Service Revenue	192,770	192,770	-	0.00%
Sewer Compliance Revenue	498,600	505,400	6,800	1.36%
Connection Fees-Water	16,500	16,500	-	0.00%
Connection Fees-Sewer	39,500	39,500	-	0.00%
Application Fees-Water	8,654	8,654	-	0.00%
Miscellaneous-Water	1,000	1,000	-	0.00%
Miscellaneous-Sewer	2,000	650	(1,350)	-67.50%
<b>Total Operating Revenue</b>	<b>2,810,639</b>	<b>2,816,089</b>	<b>5,450</b>	<b>0.19%</b>
<b>Operating Expenses</b>				
Water	1,365,275	1,467,992	102,717	7.52%
Sewer	648,363	616,097	(32,266)	-4.98%
<b>Total Operating Expenses</b>	<b>2,013,638</b>	<b>2,084,089</b>	<b>70,451</b>	<b>3.50%</b>
<b>Operating Income Before Bad Debt, Depreciation and Amortization Expense</b>	<b>797,001</b>	<b>732,000</b>	<b>(65,001)</b>	<b>-8.16%</b>
<b>Depreciation &amp; Amortization Exp-Water</b>	<b>370,000</b>	<b>385,000</b>	<b>15,000</b>	<b>4.05%</b>
<b>Depreciation &amp; Amortization Exp-Sewer</b>	<b>390,000</b>	<b>399,000</b>	<b>9,000</b>	<b>2.31%</b>
<b>Total Bad Debt and Depreciation Expense</b>	<b>760,000</b>	<b>784,000</b>	<b>24,000</b>	<b>3.16%</b>
<b>Operating Income (Loss)</b>	<b>37,001</b>	<b>(52,000)</b>	<b>(89,001)</b>	<b>-240.54%</b>
<b>Nonoperating Revenue (Expenses)</b>				
Availability Fees-Water	68,000	68,000	-	0.00%
Availability Fees-Sewer	103,000	103,000	-	0.00%
Pro-Rata Share Fees-Water	17,600	-	(17,600)	-100.00%
Pro-Rata Share Fees-Sewer	17,600	-	(17,600)	-100.00%
Interest Revenue-Water	10,000	7,500	(2,500)	-25.00%
Interest Revenue-Sewer	8,000	8,000	-	0.00%
Interest Expense-Water	(39,300)	(42,600)	(3,300)	8.40%
Interest Expense-Sewer	(8,602)	(7,098)	1,504	-17.48%
<b>Total Nonoperating Revenue (Expenses)</b>	<b>176,298</b>	<b>136,802</b>	<b>(39,496)</b>	<b>-22.40%</b>
<b>Income (Loss)</b>	<b>213,299</b>	<b>84,802</b>	<b>(128,497)</b>	<b>-60.24%</b>

**NOTES TO FINANCIAL**

- Income loss is funded by prior year operating reserves.
- Availability fees are moved to escrow funds and used to pay for capital construction and improvements
- Pro-rata Share fees are moved to escrow funds and used to pay for capital construction and improvements motivated by growth.
- Water Debt Service revenues and Sewer compliance revenues are moved to escrow accounts and used to pay debt on RO plant and expenses for the sewer consent order.
- Principal payments to be funded from income and debt service revenues for 2017 and 2018 are:

Water Debt Service Principal	303,070	242,515	(60,555)	-19.98%
Sewer Debt Service Principal	98,770	100,430	1,660	1.68%
- Total capital expenditures to be funded from income, loan funds, and escrow funds are:

Water Capital expenses	610,942	285,051	(325,891)	-53.34%
Sewer Capital expenses	467,799	628,551	160,752	34.36%