

The Smithfield Town Council held its special meeting on Tuesday, May 24<sup>th</sup>, 2022. The meeting was called to order at 5:30 p.m.

**Members present:**

T. Carter Williams – Mayor  
Michael Smith – Vice Mayor  
Beth Haywood  
Valerie Butler  
Renee Rountree

**Members absent:**

Randy Pack  
Wayne Hall

**Staff present:**

Michael Stallings - Town Manager  
William H. Riddick, III – Town Attorney  
Lesley King – Town Clerk  
Ellen Minga – Town Treasurer  
Alonzo Howell – Chief of Police  
Tammie Clary – Community Development & Planning Director  
Amy Novak – Director of Parks and Recreation  
Jack Reed – Director of Public Works and Utility  
Ashley Rogers – Director of Human Resources

**Press:** None

**Citizens:** 1

Mayor Williams welcomed everyone to the meeting and invited all to stand to recite the Pledge of Allegiance.

**Upcoming Meetings and Activities:**

May 30<sup>th</sup> - Town Offices Closed in Observance of Memorial Day  
June 7<sup>th</sup> - 6:30 p.m. - Town Council Meeting

**\*Public Hearing\* Proposed FY 2022 – 2023 Budget**

Ellen Minga, Town Treasurer, explained to the members of the Council where they could review the proposed budget information, reporting that it will be posted on the website after the meeting with some a few updates. She added that upon the Council’s recommendation, the Town Staff took another look at the General Fund’s numbers and made some changes. Mrs. Minga reported that this included slight increases to interest rates, revenues expected at the Manor House, and readdressing of capital needs for the fiscal year. She explained that this was primarily done by scheduling work to be completed in segments or having them delayed until later in the year if they did not cause any undue hardships.

Mrs. Minga stated that she would be presenting a General Fund budget that balances with no reserves. She continued by reporting that the Tax Rates for 2023 were as follows: Real Estate

\$0.19/\$100 which remained the same from the previous year, Personal Property/Equipment \$0.87/\$100 which was reduced 13%, Machinery & Tools \$0.375/\$100, Mobile Homes \$0.19/\$100, Vehicles Licenses \$33 per qualifying vehicle (cars/trucks) \$18 per motorcycle \$10 National Guard (NG) plates or Farm Truck (F), Meals Tax remains at 6.525%, Transient Occupancy 6%, and Cigarette Tax at \$0.50/pack.

Mrs. Minga reported that the projected Total Revenues for the fiscal year 2022-23 at \$11,553,479.00

She continued with reporting that the Real Property Taxes which includes Real Estate, Personal Property, Public Service, penalties and interest had an increase of \$284,269.00. She added that these projections were made based on an analysis done by the Isle of Wight (IOW) Commissioner of the Revenue, Gerald Gwaltney. She continued that housing starts increased in 2021 but at a slower rate than 2020. The Town is showing some growth in 2023, but based on new starts in the Cypress Creek development alone that number should increase in 2024. Personal property increased significantly with value of used vehicles 59% higher than January 2021.

Mrs. Minga reported on an increase in the past year in Other Local Taxes with the difference totaling in \$828,794.00. She added that this was largely in part due to sales tax continuing to trend upward in 2022, and that it was expected to show a significant increase in 2023 as well. She stated that online sales tax now represents nearly 34% of all retail sales in IOW. Gross revenues for business licenses dropped in 2021 as businesses were reopening and starting to recover. Fiscal Year 2022 has shown growth which is expected to continue in 2023 particularly in the Contractor category based on the number of utility starts the Town has been seeing. Meal's tax is the Town's largest revenue source other than Real Estate tax. Current year 2022 is tracking to exceed budget and is expected to garner an additional 25% in FY2023. Skipping back to transient occupancy, it faced slower recovery than meals taxes, but with the return of the Town's large festivals and expected outage operations at Dominion energy, there is a projected significant increase for 2023.

Mrs. Minga reported an increase in revenue projected for permits, licenses, and other fees of \$49,996.00, which comes to 18.68%. Increases in permits & other licenses (sign, zoning, yard sale, erosion & sediment fees, right of way, golf cart, inspection fees, and DMV stops are offset by decreases in consultant review fees. 2021 was the first year for refuse collection billings and the budget remains flat for 2023. Largest increase is inspection fees which is consistent with development.

She next reported on the projected revenue from fines, use of money and property, other revenue, and Governmental revenue. Mrs. Minga stated that revenue from fines had increased as the pandemic eased. Revenue from use of money and property is projected to increase by approximately \$137,755 over current budget primarily because of the expected increase in Parks and Recreation revenues as facilities have reopened for weddings, family reunions, and meetings. The addition of the Windsor Castle Manor House is proving to be a very popular venue since its completion. Other revenue includes contributions of which the largest are contributions for the public ball fields and the IOW museum as both have agreements requiring a fixed contribution amount. The reason for the budget decrease is the expected reimbursement from IOW based on projected museum expenses. She explained further that this was due to changes in personnel and insurance coverage. Revenue from Commonwealth of VA is projected to decrease \$710,215.00

while Federal revenues are projected to increase by \$1,639,990.00. These changes are the result of large projects and their status. In FY2022, the budget includes \$750,000 in state urban funds for the intersection of Route 10 and South church Street. The project is expected to be completed in FY2022. The increase in federal funds for 2023 is the result of identified projects for American Rescue Plan Act (ARPA) funding in 2023.

Mrs. Minga explained while presenting other financing sources that the amount was unchanged as both FY2022 and FY2023 represented capital leases for the Police Department for police vehicles. She added that there may be some adjustment to this information dependent on when the vehicle are expected to come in.

Mrs. Minga reported that there had been a reduction of required reserves from FY2022 of \$178,076.00 to balance the budget. She continued with the explanation of General Fund Expenses. Mrs. Minga stated that in regard to Salaries a pay plan study was completed in FY2022. She explained that in this budget a 4% minimum, 15% cap for employees excepted for department heads capped at 10% had been implemented. She proposed three new positions: 1 Engineer, 1 administrative assistant, and 1 seasonal tax clerk.

She continued with reporting on Benefits stating that the 2022 plan was continued, offering 4 OPTIMA plans with \$1500 deductible plan considered the base for Town. She reported that a Flexible Spending Account (FSA) and Dependent Care Account (DCA) were offered. She reported that the Town's required Virginia Retirement System (VRS) contribution percentage decreased from 9.45% to 8.83%, Group Life increased slightly from 1.31 to 1.34%, and the Employee contribution of 5% also remained the same. She continue that the impact of this information to the budget was a total increase for all funds, \$834,804 of which \$513,780 is General Fund. This includes over, on call pay special events, Virginia Retirement System, insurance increases, and new positions.

Mrs. Minga reported that General Fund Expenses had an increase of \$2,059,336 to budgeted expenditures, including capital outlay. The largest increases are in Public Safety (\$450,162), Parks and Recreation (1,053,011) and Public Buildings (\$459,934). For the Police Department, most of the increase represents salaries and benefits. For Parks and Recreation and Public Buildings, it represents capital activity of which \$919,000 for Parks and Recreation is funded by ARPA. Public Building includes a new roof for Town Hall (\$350,000) and professional fees for design work at the Smithfield Times building.

Mrs. Minga apologized to the Council members that the Capital Improvement Program information was very small to making it hard read. She reported that the Total General Fund Expenditures for FY2023 would be \$2,802,000.00.

She further explained that the Highway Revenues in the 2023 Budget were solely based on grant money received from the State with the total being \$1,311,737.00. She reiterated that the this was based upon receipts from the state previously. She discussed the decrease in the Highway Maintenance budget for next year, adding that this was temporary to hire a new Engineer to work alongside Wanye Griffin before he retires.

Mrs. Minga reported that the FY Utility Rates had only one change to the Water rates with an increase of \$0.20 to \$6.75/1000 gallons in town and \$8.39/1000 gallons out of town. She added that water debt service fees, sewer, and sewer compliance fees all remained at the same budgeted

rate. Mrs. Minga reported that the Sewer Fund Total Sewer Revenue increased from \$1,961,230.00 to \$2,585,135.00 and \$305,000.00 of this was due to ARPA money received. She added that Sewer Expenditures balanced out the same as the Total Sewer Revenue. Mrs. Minga gave a report on some of the highlights of the sewer department including the sewer budget increasing by \$623,905 over FY2022, capital expenditures increasing by \$169,000 without the \$305,000 in capital outlay funded by ARPA, and the remainder to the increases largely being the result of increase in salaries and benefits totaling \$71,955 for the sewer fund.

Mrs. Minga reported that the proposed FY2023 Water budget went from \$3,055,350.00 to \$3,785,308.00 and that the total Water Expenditure was the same as this. She reported that the Water budget increased \$729,958 over FY 2022. She added that water tank maintenance budgeted for 2022 is included in ARPA funded projects which total \$750,000 for water. She continued that capital expenditures decreased by \$385,000 but this was with out the \$750,000 funded by ARPA. Mrs. Minga reported that debt service increased by \$133,955 as the line of credit is expected to close and convert to fixed payments of principal and interest. Salaries and benefits in the Water department increased by \$86,451. She concluded by displaying a list of all the items that would be ARPA funded in the FY2023.

Councilwoman Butler reviewed the previous day's discussion of increasing revenues at the Manor House. She stated that she noticed that dog license fees had not changed and she confirmed that these fees were to be able to use the Dog Park.

Mrs. Minga stated that this was correct, and the license fee was currently \$10. She added that this was a very small source of revenue that did not generate over \$1,000.

Councilwoman Butler inquired why there had not been an increase considered in this fee.

Amy Novak, Director of Parks and Recreation, stated that it could be increased.

Mayor Williams stated that the thinking behind charging the fee for the license to allow entry into the park was not for the revenue, but to ensure that the dogs who utilized the Town's park had the appropriate shots.

Councilwoman Rountree stated that she had received a \$6.00 bill from the county for her one dog, but had not received any bill from the Town. She also said that she had heard that there was no longer a fee to use the Dog Park.

Mrs. Minga stated that the \$6.00 was just to cover the dog's tags, and Mrs. Novak clarified that there was only one side of the Dog Park that did not require registration.

There was general discussion about the use of the Dog Park decreasing since it was first opened.

Councilwoman Rountree recognized Mrs. Minga and her staff for doing a great job incorporating the changes discussed just a day earlier in the presentation given. She pointed out that some of the Full-Time Equivalent (FTE's) that were to be added had not been.

Mrs. Minga explained that she removed the one FTE that had been requested for the Treasurer's office, but kept one part-time employee position. She further explained that the FTE's are spread out in the budget adding that there was an increase to interest income and the \$10,000 suggested by Mrs. Novak for the Manor House. She added that interest had already exceeded what was budgeted for this year and rates were likely going to rise more. She additionally reported that there had been a few areas, including capital projects, that they spread out over a few more years.

Councilwoman Rountree stated the one change that she could not reconcile was the difference between the Governmental/Federal, pointing out that it went from \$1.2 million to \$1.7 million.

Mrs. Minga explained that ARPA and some of the urban projects were contained under the Federal heading.

Councilwoman Rountree clarified that she was pleased that Mrs. Minga was not having to take from Reserves.

Councilwoman Butler inquired if the Town Council and the Town Manager still intended to give Town Staff donations out of the ARPA fund money.

The Town Manager reported that it could still be done, Town Council would need to give the directive, and it would be a flat amount for full time and a flat amount for part time.

Mayor Williams stated that the question was could it even be done using ARPA funds.

The Town Manager stated that the Town had completed its report on revenue loss to the Treasury Department in DC, and this had taken some of the restrictions off allowing them to use some of the funds available.

Vice Mayor Smith asked if there was a percentage cap on it, to which the Town Attorney stated there was not.

Councilwoman Rountree stated that she recalled that she had suggested that the Council wait until the completion of the Compensation Study before giving a one-time bonus.

Councilwoman Butler expressed that she felt that the use of ARPA funding for the bonus should be discussed separately from the Compensation Study.

Councilwoman Rountree clarified that she does not think that one depends on the other, she had just requested to get the information from the Compensation Study prior to the bonus. She asked for clarification of information discussed in a work session that she had missed regarding ARPA funding.

The Town Manager reported that there was still \$2 million in ARPA funding still available, and the large portion of that had been discussed as going towards completion of the bike trail project. He added that this would still leave sufficient funding for the bonus suggestion.

Councilwoman Rountree asked if the Director of Human Resources and the Town Manager had modeled what the proposed bonus would be.

The Town Manager stated that the bonus would depend on the amount that the Council was willing to give.

Councilwoman Butler asked how the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding had been dispersed.

The Town Manager stated that the amount given by the CARES Act had been based on the hazard level per employee.

Mrs. Minga echoed this, adding that it was a tiered system with the highest hazard level as the highest paid, then full time, and then part time employees.

The Town Manager gave the hypothetical example of giving \$1,000, making the highest expense \$77,000. He added that it would likely be lower as not all employees were full time.

Councilwoman Rountree stated that she liked the idea of awarding for length of service to the Town within the full time/part time system.

Vice Mayor Smith reconfirmed that it would be funded through ARPA funds and technically not come out of the budget.

Councilwoman Rountree pointed out that if it was in the budget as \$77,000 that there would still need to be ARPA funds to cover the amount, so it would still need to be included in the budget.

Mayor Williams stated that the Council did not have to make the decision at this time and had time to think about it.

Councilwoman Rountree made the point that the end of the fiscal year was June 30<sup>th</sup> so it should be put on the agenda for the June 7<sup>th</sup> Council meeting.

Mayor Williams asked what this had to do with the budget.

The Town Manager acknowledged that it was separate from the budget.

Mrs. Minga reported that it would still need to be an appropriation resolution which is basically an amendment to the budget.

Mayor Williams acknowledged that this could be decided on at this meeting, but pointed out that there was not a full Council present and he would like to wait until all members were present to vote on the issue.

Councilwoman Butler stated she would likely make a motion to give the bonus but would let Mrs. Minga and the Town Manager figure out the details of distribution.

Councilwoman Rountree suggested awarding full time employees \$1,000 and part time employees \$500. She added that she did not feel at this time hazard level needed to be considered.

The Town Manager stated that this could be done and inquired if these amounts were in the ballpark of what the Council had been considering.

Councilwoman Butler stated that it sounded good, and the amount made it very easy to consider.

The Town Manager stated that he would be able to have this prepared for the Council meeting on June 7<sup>th</sup>.

Councilwoman Rountree inquired if there had even been flex staff or a labor pool.

The Town Manager stated that there used to be however it had been difficult to retain quality staff members.

Councilwoman Rountree inquired what amount of hours made an employee full time.

Mrs. Minga reported that 30 hours made a Town employee full time.

Councilwoman Rountree remarked that this was a low number compared to the standard full time hours requirement.

Mrs. Minga and the Town Manager stated that this was due to their requirement to offer health insurance benefits over 29 hours.

Councilwoman Butler inquired if a motion should be made tonight.

The Town Attorney stated that a motion should not be made as tonight there had to be a public hearing which had not been held yet. He added that the budget could not be approved until the next meeting.

Councilwoman Haywood asked if there could be added pedestrian crossings in Town. She inquired if that could be added to the budget or would it have to be done by the Virginia Department of Transportation (VDOT).

The Town Manager stated that this depended on the location of where the crossing would be placed. He added that Mr. Griffin, the Town Engineer, was already working with VDOT to place a crossing at South Church and Main Street and one would be placed at Battery Park as part of the sidewalk project.

Councilwoman Haywood pointed out that the last crosswalk out on Route 258 was at the Schoolhouse Museum. She added that there are people who may need to cross from the mobile home park to the Luter Sports Complex, a school event at Westside Elementary, or need to shop at the Dollar General. She inquired if the Town would need to ask for some kind of permission before adding pedestrian walks in this area.

The Town Manager stated that Town Staff could take a look at areas where a crosswalk or pedestrian crossing would make sense,

Councilwoman Haywood pointed out that at the major intersection of Main Street and Route 10 there is only one designated crosswalk area. She added that many people need to cross the street from the Jersey Park area and that if they can add two crossing areas at Smithfield Station surely they can add one near this neighborhood.

Councilwoman Rountree asked if it was just a matter of cost of paint or if VDOT needs to agree to it.

The Town Manager stated it was not the cost of the paint but the addition of flashing lights.

The Town Attorney reported that there was a much higher speed limit in that area versus where the other crossing had been placed.

Councilwoman Butler stated that she agreed with Councilwoman Haywood, but her concern was that this would encourage people to walk in areas that are currently unsafe as there are not sufficient sidewalks at this time.

Councilwoman Haywood stated that she was referencing the area closer to the Dollar General where there was currently a sidewalk.

Councilwoman Rountree asked if Councilwoman Haywood could study this and add it into the Public Safety Committee meeting.

Councilwoman Butler asked if this would be a Town issue or would it have to go through VDOT.

The Town Manager stated that it would be VDOT, but the Town would have to approach them to initiate any action.

Mayor Williams asked if there were any other comments regarding the FY2022-2023 budget. He thanked Mrs. Minga for her work and declared the Public Hearing open. No members of the public came forward to speak for or against the proposed budget. Mayor Williams closed the Public Hearing.

Vice Mayor Smith made the motion to defer action until the June 7<sup>th</sup>, 2022 Town Council Meeting. Mrs. Rountree seconded the motion. Mayor Williams called for the vote.

On call for the vote, five members were present. Councilwoman Butler voted aye, Councilwoman Haywood voted aye, Vice Mayor Smith voted aye, Councilwoman Rountree voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Councilwoman Rountree reported that the meeting had been continued from its scheduled time as Chief Howell had been unavailable to give his report.

Chief Howell reported that the Smithfield Police Department had been present at the Arts Festival in a supporting role. He stated that there had been a recent incident in the Smithfield Foods parking lot during which a catalytic converter had been stolen. He added that he had spoken with a representative from Smithfield Foods about the incident and they were considering adding video security to the parking lot. Chief Howell emphasized that this was the only reported incident of a catalytic converter having been stolen in recent weeks. He acknowledged that there had been a string of these types of events in surrounding communities, but he was hopeful that the Smithfield Police Department's control techniques and patrolling were keeping the criminal activity at bay. Chief Howell reported that there were interviews scheduled to fill open positions, and gave the update that the only certified candidate that was being considered for employment had withdrawn. He wanted to inform the Council that there were calls from two other localities within the last week regarding an employee looking to go elsewhere.

Councilwoman Rountree confirmed that these were reference checks.

Chief Howell reported that at this time there were 4 vacancies within the Police Department, if this officer chooses to pursue employment elsewhere there will be 5, and with one officer on military deployment there is a total of 6 openings within a department of 22.

Councilwoman Rountree inquired at what point is the staffing considered dire and if there was such a thing as traveling or locum positions as there is in the healthcare industry.

Chief Howell stated that one aspect that was being considered was scaling back the new officer training so that they may be placed in the field quicker. He added that they have started to augment their officer's use at special events with members of the sheriff's department so that employees may get ample time off. Chief Howell stated that he was hoping that the advertisement of the upcoming salary changes would attract more certified officers to apply to the Police Department.

Councilwoman Haywood asked if Chief Howell had been able to the person who had been applying elsewhere.

Chief Howell stated that he had reached out but had not gotten any response in return. He reported that he had been able to connect with an officer in Hampton as to why openings were not being pursued in Smithfield and that officer had indicated that it was the salary difference. He added that this was an officer who had formerly been employed in Smithfield. He related that it is difficult to compete with what Isle of Wight County has to offer as they are a larger department, and increasing salary was one of the things that could be done to attract applicants.

Councilwoman Butler inquired if the officer who had used Smithfield as an employment reference was leaving due to the current salary.

Chief Howell reported that the officer had not given the reason. He speculated that the officer was trying to get an idea of what offers were available. He added that both localities that were applied to do have higher salaries than what Smithfield is currently paying and higher than what Smithfield is projecting the increased salary will be.

Councilwoman Butler inquired if the areas were comparable in size. She added that Smithfield was at a disadvantage due to the size of the Town and the lower population.

Councilwoman Rountree stated that she thought that the salaries had been raised to a comparable level.

Councilwoman Butler stated that the salaries were comparable for now, but asked how long would they continue to maintain that level and could they continue to financially do that.

The Town Manager stated that they could maintain but only to a certain extent.

Mayor Williams stated that this had been an ongoing issue for a long time.

Councilwoman Butler inquired about Windsor's starting salary, and then reconsidered the comparison as they were half the size of Smithfield.

Chief Howell reported that at this time Windsor's starting salary was higher than Smithfield's.

Councilwoman Butler asked the Town Manager for insight on how the Town of Windsor could accomplish this.

The Town Manager related that with only 7 officers the Town is able to maintain newer technology and it seemed that the people that worked there came for the quieter pace of things. He informed the Council that when he had been employed in Windsor the General Fund of the Town was just above \$1 million. He stated that the overall pool of applicants wanting to enter into Law Enforcement was dwindling rapidly.

Councilwoman Butler asked Chief Howell if there had been any arrests made in the incident of the daylight car break-in at Windsor Castle Park.

Chief Howell stated that initially the department had what they thought was a good lead, but unfortunately it did not pan out. He reported that there are currently no new leads that have lead them in a direction closer to catching the perpetrator. He confirmed that there had been no other reported criminal activities in that area.

Councilwoman Rountree inquired if Chief Howell knew of any additional break-ins in the Cypress Creek area since the Homeowner's Association (HOA) had paid for license plate readers at the front and rear entrances.

Chief Howell stated that there had been none that were reported.

Councilwoman Rountree clarified that over the past few years in the Cypress Creek neighborhood there had been cars stolen and home break-ins about every weekend. She continued that this lead to the HOA having the Flock license plate reader installed along with a notice that driver is on camera.

Chief Howell stated that the system was one thing that the Police Department wanted to obtain as well, but each camera is \$2,500.00/year which because very expensive since the department wanted 8 cameras. He pointed out that some jurisdictions had the Flock Cameras installed, but VDOT does not allow them in their right-of-way, so the localities was trying to work around the issue. He added that there have been conversations with Virginia's Attorney General and they are looking at addressing the issue.

**Closed Session:**

The Town Manager stated that a motion was needed to go into closed session for consultation with legal counsel regarding specific matters requiring legal advice pursuant to Section 2.2-3711 A(8) of the Code of Virginia.

Smithfield Town Council  
May 24<sup>th</sup>, 2022

Vice Mayor Smith made the motion to go into closed session and Councilwoman Rountree seconded the motion. Mayor Williams called for a collective vote. All members present voted aye, with none opposed. The motion passed.

*The Town Council went into closed session at 6:17 p.m.*

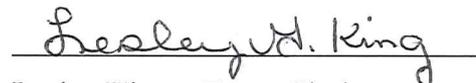
*The Town Council returned to open session at 6:31 p.m.*

Councilwoman Rountree made the motion to come back into open session and Vice Mayor Smith seconded the motion. Mayor Williams called for a collective vote. All members present voted aye, with none opposed. The motion passed.

The meeting was adjourned at 6:32 p.m.



T. Carter Williams - Mayor



Lesley King - Town Clerk