

The Smithfield Town Council held its regular meeting on Tuesday, June 6th, 2017. The meeting was called to order at 7:30 p.m. Members present were Mr. T. Carter Williams, Mayor; Mr. Andrew Gregory, Vice Mayor, Mr. Michael Smith, Ms. Connie Chapman, Mrs. Denise Tynes, Mr. Randy Pack, and Dr. Milton Cook. Staff members present were Mr. Peter Stephenson, Town Manager; Mrs. Lesley King, Town Clerk; Ms. Ellen Minga, Town Treasurer; Mr. William H. Riddick, III, Town Attorney; Mrs. Amy Musick, Smithfield Center Director; Mr. Steve Bowman, Chief of Police; Mrs. Ashley Rogers, Human Resource Director; Ms. Judy Winslow, Tourism Director; Lt. Matt Rogers, Smithfield Police Department; Mr. William Saunders, Planning and Zoning Administrator; Mr. Bill Davidson, Planning Commission member; and Mr. Charles Bryan, Planning Commission, Vice Chairman. There were approximately thirty-one (31) citizens present. The media was represented by Mr. Ryan Kushner of the Smithfield Times and Ms. Hillary Smith of The Daily Press.

Mayor Williams – Good evening ladies and gentlemen. Welcome to the Smithfield Town Council meeting of June 6th, 2017. It is now 7:30 p.m. Would you all join me as we stand for the Pledge?

All present stood and recited the Pledge of Allegiance to the Flag.

Mayor Williams – We will start off tonight with the Informational Section with the Manager's Report.

Town Manager – Thank you, Your Honor. Good evening everyone. The May Activity Report was posted with the agenda for this evening's meeting. In terms of the meeting schedule for June, please do note that this meeting will be continued. It is required. We have a public hearing tonight on the amended budget and the proposed budget. It cannot be voted on this evening. The Town Treasurer will have a very detailed presentation on the budget. It will explain what was advertised and the differences with where the Council is now. Again, they cannot vote on that this evening; but would love to hear your comments. The meeting will be continued until June 26th at 6:00 p.m. At the end of the meeting, the Mayor will not be closing the meeting. It will be continued until June 26th at 6:00 p.m. With that said, we have the Planning Commission meeting at 6:30 p.m. at the Smithfield Center on June 13th. We have the Board of Historic and Architectural Review meeting on June 20th at 6:30 p.m. Following that, we have Olden Days weekend on June 23rd and 24th. We have a lot of activities going on

for Olden Days. We invite everyone to partake and enjoy. Hopefully, we will have some nice weather for that. Council Committee meetings will be on June 26th and the 27th at 4:00 p.m. at the Smithfield Center. I will mention briefly, just looking ahead to July, because it is a little unusual; we have the fireworks on July 3rd which is a Monday. We normally have our fireworks here in Smithfield on July 3rd. On July 4th, Windsor has them. Town offices will be closed on July 4th which is a Tuesday so Town Council will meet on July 5th which is a Wednesday. Please note that. Thank you.

Mayor Williams – Our next item is Public Comments. The public is invited to speak on any matter except for scheduled public hearings. We have three (3) of those tonight. Comments are limited to five (5) minutes please. Any required response from the town will be provided in writing following the meeting if you so desire.

Town Manager – We have a person signed up for both public comments and the public hearing on the special use permit. It is up to her whether she would like to speak under both. Pamona Kelli Pollard, would you like to speak now under general comments or just for the special use permit?

Mrs. Pollard – Just for the public hearing for the special use permit.

Town Manager – Okay. We will call you when that time comes. We also have Mr. Pollard signed up. Would you like to speak under general comments or just for the special use permit?

Mr. Pollard – I would like to speak for the special use permit.

Town Manager – Okay. I will transfer your name for that. The next speaker on the list is Mr. Jim Phillips.

Mr. Phillips – Mr. Mayor and Council members, I am here to speak on behalf and in support of the barn project as presented by Smithfield VA Events. As a member of the Veterans of Foreign War it did not take long for us to see the positive effects of what this group of people, to industry and enterprise, has been able to do. Every single non-profit and charitable organization in this town that I know of has benefitted. The town has benefitted because the funds they have been able to generate for this town have gone right back into the community in the service of many citizens of this town and this county. Also, I would like to say that I am not the only one in support of this. I have some fellow members here who are also with me that agree with this. As far as I am concerned, this group of people is beyond a business proposition which is a positive

one. For a long time now, Smithfield has always been a place on the map. Through their work and very smart marketing, Smithfield is now a destination. It is on a lot of people's calendars to come here. Businesses, guest houses, and restaurants have all benefitted. This town has benefitted and we need to keep this up. This is an opportunity also. To me it is a 'no brainer.' Besides the money and support that they generate within this town, we have an opportunity here besides talking about doing something about Windsor Castle and that historical area to actually do something about it and take action. We have a community here of people who are willing to do it. They have a track record. It is not some solar company out there that we are trying to support and have nothing to go on. These people have been at this for four (4) to five (5) years and they have been successful. I say, on behalf of our members, that we urge you to continue to do so and support it. Thank you.

Town Manager – The next speaker for public comment is Mr. John Payne.

Mr. Payne – Good evening. I live at 313 Grace Street. I would like to comment just like the gentleman before me with the same topic. Find me a town, a community, that is the same size as our town that can or has generated six hundred thousand (\$600,000.00) dollars in six (6) years in funds that went directly back to our community with no questions asked. Boom....right back into the community. I asked GOOGLE tonight that same question. GOOGLE was not very helpful. It could not find another town or community like ours that has done that. The Board members of Smithfield VA Events have done an incredible job of creating an organization that will help those in our community for years to come; at the same time providing for the preservation at Windsor Castle Park. We should all try to remember that what has happened to this property is nothing short of a miracle. A group of people decided that there was a way to manage that property in a very positive way. Donations were made and the property was purchased. If you think about what could have happened to that property minus the castle itself due to the controls that were put on the manor house it could be completely different out on that property. I am grateful to those that chose a different path for the property. Smithfield VA Events is not an organization that landed in our town. It is run by people that live elsewhere. It is overseen and run by people deeply rooted in this community. As a homeowner, a business owner, a taxpayer, and more importantly a voter, I support the development and renovations to the property at Windsor Castle Park

in hopes that the good started will continue long into the future past this short time where we control its destiny. So, thank you very much for your time.

Town Manager – The next signup is Terry Mulherin.

Mrs. Mulherin – I live at 206 Washington Street. First, I would like to thank the Police Department for setting up the radar screen on Washington Street. We educated a ton of people during the days it was there. We had some fun with our local kids also. For those of you who know Solomon who lives on the corner, he can run 20 mph. It was a lot of fun and a lot of education and now that it is down feel free to come back and start ticketing. We could probably make up the budget deficit. I watched a motorcycle fly down the street last night. My next question is something for the Town Manager to clarify. When you said the Town Council meeting is continued until June 26th, is that in addition to the committee meetings?

Town Manager – Yes, thank you. We do have our regular committee meetings. Regardless of whether the committee meetings run until 6:00 p.m., the committees will break and then we will have the continued Town Council meeting promptly at 6:00 p.m. on June 26th.

Mrs. Mulherin – That is when the budget finalized.

Town Manager – Yes, that will be when the Town Council votes on the budget and then there will be a few other resolutions and things they will need to do to conclude business to end this fiscal year before we enter the new fiscal year on July 1st.

Mrs. Mulherin – Thank you for that clarification. I, too, love Windsor Castle Park. It is great. I was also here for all the meetings when it almost became a housing development and how hard we had to fight and how grateful we are to Mr. Luter for coming through on that. Think of what that would have been if we had not done all of that work. Thank you.

Town Manager – The last signup is Mr. Melvin Atkinson.

Mr. Atkinson – Thank you, Mr. Mayor and Town Council. I would just like to reiterate, since I spoke at the last meeting, my support. I am the Center Director at the Airfield 4-H Conference Center. We have thousands of 4-H children that come in and camp at our facility. We have been one of the benefitting agencies from the Smithfield VA Events first Bacon and Bourbon Festival. That festival actually got rained out and they had to cancel. Due to the foresight of the organization, they took out insurance. We

were actually still allowed to get the benefitting organizations money. We greatly benefit from that organization as well as sixty plus (60+) other organizations in the area. We reach much further than just Smithfield especially with our camp. We camp sixteen (16) localities from Dinwiddie to Greenville all the way over to the Eastern Shore. You are not only just impacting the citizens and the youth in this area. We take two hundred (200) kids to camp each year. They will be going in June. The CHIP Program is flourishing. We are working with the CHIP Program to take more and more of those kids to camp. We are looking at this as a wonderful benefit for our organization as well as the other organizations. I think it is a 'no brainer' as far as the business side of things. It helps you achieve your goals and does not cost you any money. From that standpoint, we would love to lend our support to the Smithfield VA Events proposal.

Mayor Williams – Thank you. That is all of the signups we have for public comments. Would anyone else like to come up and speak on any matter except for the scheduled public hearings?

Mr. Larry Saint – I am a member of the Smithfield Rotary Club and also Vice President of Smithfield VA Events. I am a professional financial advisor. I am here to comment on the upcoming vote about the funding from the Town Council on the projects that are coming up for Windsor Castle Park. I have one point to make. I have read comments from different people about the ability of Smithfield VA Events to pay back the note that the town would incur by putting that funding in place. I have heard people comment about guarantees should be given by Smithfield VA Events. Guarantees given by any organization is only as strong as the organization itself. As a financial advisor, I have been able to sit with lots of different organizations such as private companies and so on. I have observed none that has a stronger grasp of its financial responsibilities, of its finances, and none that has a Board that has more resolve for success than Smithfield VA Events. I encourage the Town Council to look positively on the upcoming vote and support the projects that are coming up for Windsor Castle Park.

Mayor Williams – Thank you. Would anyone else like to come forward and speak? Hearing none, we will now move to a Briefing by Mr. Dick Grice, Isle of Wight County Board of Supervisors, Smithfield District.

Supervisor Grice – Good evening. The county's Entrepreneur of the Year for the second year in a row went to a Smithfield based company. This year it went to the Cockeyed Rooster. Smithfield is doing quite well in getting awards for encouraging small business. I congratulate you. The formation of the Isle of Wight County Sewer/Water Advisory Committee has been taken under advisement. We will shortly be organizing this committee. I guarantee that it is not going to stop raining so we are going to have stormwater. It may be an ongoing, lifetime career if you serve on this committee. The Town of Smithfield and Windsor will be asked to have representation on this committee. It could be that sometime in the near future because of the size of the Smithfield community you may have to participate in your own stormwater programs. This is an opportunity to work together to coordinate that going forward and save everybody some time and money. I, personally, will have volunteered to sit on the committee. I am real keen on water as a lot of people know. I will be representing the Board of Supervisors and the Smithfield District and all of the other districts along with a member from Windsor who will serve on that committee. As you know, we are no longer a MS-4 and so we are on a voluntary basis as opposed to a mandatory basis. We were able to return twenty-five (25%) percent to each residence and business in the community on their stormwater this year. We are also putting together a commission to provide the leadership for the public engagement process of updating the county's Comprehensive Land Use Plan. Again, both towns are being asked to provide a member for the commission. Each district will have a representative plus there will be representatives from businesses, social services, health care, youth, and senior communities all appointed to this leadership group. We want a wide and broad section of the community in leadership positions to help us roll out this program. If you would like to see the initial introductory survey, please go to the county website. Go to Planning and Zoning and click on Comp Plan Update on the right hand side. There will be a number of surveys as the plan progresses. We would like to maximize participation. Please participate early and often. A newly redrafted noise ordinance rewritten to comply with recent court rulings and newly enacted legislation has been tabled as it would require a thirty thousand (\$30,000.00) dollar expenditure on equipment plus ongoing calibration and ongoing refresher training of deputies. The ordinance requirements were not funded for 2017/2018. It came to us late. It has been

tabled until the next budget cycle. We will live with the old ordinance until then. I will give you an update on the new 911 system. We borrowed, as everyone knows, \$8,000,000.00. It was a loan; not a bond issue. It is a ten (10) year loan. We have signed a Motorola contract for \$6,900,000.00. To date, we have splurged and spent \$127,000.00. We are finalizing the state and federal permitting process and negotiating mitigation actions with State Historical Preservation Officers (SHPO) for Nike Park and the Courthouse. It is interesting who you get to negotiate with in setting up an antenna. Agreements have been submitted to SHPO for approval. I have only met one of the gentlemen from the Army Corps of Engineers in my entire life and I have built a lot of buildings. We are negotiating with them at the Fairgrounds site this week to finalize the wetlands assessment walk thru. We have begun the Isle of Wight permitting process. We met with the county's application group on May 10th. The courthouse tower relocation must go before the county's Historical and Architectural Review Committee. Project engineers are ready to submit permitting applications. The microwave communications equipment was inspected and accepted. The test have been run and deemed acceptable. We will have in excess of ninety-five (95%) percent coverage in a county that has a lot of dead spots. It is really improvement. By the way, the tire fire that we had over on Brewers Neck Road, you should listen to the communications. It was unbelievable the lack of communications. It was incomprehensible and how we were unable to communicate with fellow fire departments during that process. So, the new 911 system will bring us in line with all of our neighbors. The 911 center layout is near finalization. We continue to work on the final radio equipment. We continue to work on development of the MOU with the two towns regarding tenancy on the new public safety radio system. We anticipate a new system online by late 2017 or early 2018. We also have a Board member, yours truly, who does not want to spend \$8,000,000.00. I want to come in under budget. That is where we are right now. That is my update for this particular time. Are there any questions or concerns?

Councilman Dr. Cook – First, I want to tell you how nice it is for you to come and speak to us every month. It was sorely missed for a stretch there and it is nice of you to come and update us with what the county is doing. I appreciate it. I am sure everybody else here does too. Second, at our April Town Council meeting, we approved a MOU for the baseball fields. Has your Board seen that as a group?

Supervisor Grice – The Board has taken it under advisement and formed a committee which included the new Parks and Recreation Director. He has been meeting, I believe, with Amy Musick. I have suggested, because I am getting tired of hearing that it is continued, to have a resolution of it and quickly. I am suggesting that your Board and our Board, Senior level management, sit down and come up with a win/win situation so that the funds can be distributed in the near future.

Councilman Dr. Cook – By funds, you mean the \$50,000.00 coming this year that you all have committed to for this year.

Supervisor Grice – Absolutely.

Councilman Dr. Cook – You have seen the MOU. Are you suggesting a change to the MOU?

Supervisor Grice – I do not know what the committee has come up with in detail. I just got the copy of their notes later this afternoon. I was busy so I have not read them. There were some questions about the availability of the park for different entities that needs to be resolved.

Councilman Dr. Cook – Availability for whom?

Supervisor Grice – For the county. My question has really been the role of the county in the ballpark other than what they have had in the other ballpark which is very limited.

Councilman Dr. Cook – So, you are aware of the percentage that you are providing.

Supervisor Grice – I am not necessarily looking at the percentages. I am looking at it as a community investment. The county has agreed to be a part of that investment so that everybody wins. We need to resolve it and move forward.

Councilman Dr. Cook – Okay, that is all I need to know.

Mayor Williams – Does anyone else have any questions? Thank you, Mr. Grice. We really appreciate you.

Supervisor Grice – Thank you.

Mayor Williams – We will now move to Council Comments. Does any Council member have any comments?

Councilwoman Chapman – Good evening everybody. If you feel that you are certain that your elected Town Council is using poor financial management,

irresponsible self-service, corrupt dealings in closed sessions, being less than honest, refusing to accept personal responsibility, has a disturbing trend of spending without public input, I want to invite everyone that is a town resident to consider serving on your local Town Council. These are some of the things that we have been recently told. It is okay because you do develop a thick skin. I am okay with it but I want you to know that this is a great group of people up here. They put a lot of their personal time, their heart, and their soul into this job. This is not a job you do for recognition or for money. I got onto the Council because I really wanted to learn about my local government. Next May, there will be elections again. I am not sure, of the four (4) incumbents, how many plan to run again. So, you have three hundred, thirty-six (336) days to consider if you want to try to run for Town Council and serve your community. I highly encourage everyone to consider serving. I have become very educated on topics that I knew nothing about. I was one of the people who would say 'why don't they do this' and now I know a lot of those answers. I will tell you that it is very enlightening, very rewarding, and you may receive criticism along the way; but I want to speak to my fellow Council members and say that they are outstanding folks with great character. Thank you.

Mayor Williams – Thank you. Are there any other Council Comments?

Councilman Dr. Cook – I have several things here. To get on the tail end of what Ms. Chapman said about you may receive criticism. You will receive criticism. Moving past that, I want to say that the Park Lover Party for Windsor Castle Park Foundation was a really big success. The majority of us were there either as volunteers or as donors. It is part of giving back to the community as Ms. Chapman just said. The Park Lovers Party netted right at \$35,000.00 for the park. Kudos to the Foundation for putting on a good fundraiser. It was a fun time for everybody that was there. We had a really good time. The same week there was the 757 fundraiser that occurred. The Windsor Castle Park Foundation raised an additional \$2,600.00 dollars that day with all of the donations and publicity at the Farmer's Market. It was a good event also. We won several awards through the 757 fundraiser. I think one was the most unique donations from the Board. It shows that the people that volunteer in these positions are involved and committed into giving their own money back into it. I also want to use this as an opportunity to give you guys a restoration update for Windsor Castle. The Council has the monthly spread sheet in front of them about the money that was spent for this past

month. As you can see, we have spent about seven (7%) percent of our total budget. To date, I will tell you what we have done. If you go by and look at the manor house, you will see that the kitchen wing is now gone. It has been demolished. The east wing is going to be demolished soon. So, we are moving forward on the manor house. You will notice that there is archeological excavation coming out from the corners of the house. Anytime we dig in the ground around the house, we have to make sure we are not digging in something very important. We are going to be installing rain gutter pipes to get water away from the house. We will put them underground so it does not get crushed every time the grass gets cut. In order to put it underground, you have to have some archeology done. The gutters are being dealt with to assist in the drying out of the house. We are trying to get some of the water away from the house. You will notice that the rehabilitation has been completed on all of the outbuildings except for the corn crib and the farm office. It is the small office catty-cornered from the tenant house, and the mule barn. If you look out there at the mule barn, you will barely see a frame. It was a building that was barely standing. It needs a lot more work than was originally anticipated; but it is going to be alright. It is going to be good. It is going to require seventy-five (75%) percent reconstruction for that. If you look from the Smithfield Station bridge over toward the manor house, you will see brand new cedar shingle roofing on the kitchen and the smokehouse. They are done. We are about to get some new metal roofing on some of the additional barns. Back to the caretakers house, the new roof is about twenty-five (25%) percent complete. You will notice that the front porch and the kitchen porch are gone. They are supporting the scaffolding for them to work on the roof. They will come down once the roof is complete. The porches will eventually be rebuilt. The exterior is about fifty (50%) percent done on the caretakers house. This Saturday, June 10th, is a tour of the historic site. If anybody wants to go over there at 2:00 p.m. and get a guided tour of the historic Windsor Castle site, please come. No one can go into the house right now because it is not safe; but you can get a very good tour of the outbuildings and exterior site. It is a good tour. Thank you.

Mayor Williams – Thank you, Dr. Cook and thank you, Rick Bodson. Are there any other Council comments? Hearing none, we will now move to our consent agenda items. Would any Council member like to pull any item for further discussion? Hearing

none, we will move to the Summary of Consent Agenda Items. Our first is with our Police Committee Chair, Mrs. Denise Tynes.

Councilwoman Tynes – Police Committee Summary. We have a motion to authorize the Town Manager to place the order for two (2) new police vehicles prior to July 1st for FY 2017/2018 as state contract pricing expires on June 30th. Ordering the vehicles prior to June 30th will allow the town to get state contract pricing. The next item is a resolution for the appointment/reappointment to the Smithfield Crime Prevention Team. The members serving eighteen (18) month terms ending December 31st, 2018 include: Clarence Seamster, Kurt Beach, Joseph Reish, and Marion Aden. Members serving twelve (12) month terms ending June 30th, 2018 include Connie Chapman, Bob Coles, Mary Holmes, and Joyce Bowser. Thank you.

Mayor Williams – Now we will move to our Finance Committee Chairman, Mr. Randy Pack.

Councilman Pack – Finance Committee Summary. Thank you, Mr. Mayor. We have four (4) invoices this evening that are in excess of \$10,000.00 requiring Council's authorization. The first is to RAD Sports. It is our May progress billing for the earth work to the tune of \$150,195.00. In that same category, we have A.R. Chesson Construction which is for the multi-purpose concession stand building for \$142,460.84. Our project manager, Mr. Brian Camden, has recommended approval of these two (2) invoices. We are recommending approval for those this evening as well. We have a demolition in Pinewood Heights bill payable to WACO Inc. for \$17,100.00. It is a couple of homes that are being demolished in order to make the final site preps for those properties. The last is a debt service payment to Isle of Wight County for \$38,514.92. We are recommending that all of these invoices are approved for payment this evening.

Mayor Williams – Thank you. Now we will move to our Parks and Recreation Committee Chair, Ms. Connie Chapman.

Councilwoman Chapman – Parks and Recreation Summary. Thank you, Mayor. We have a motion tonight to accept a change order from RAD Sports. It is for a paved entrance into the new sports complex. It was accidentally taken out of the contract. When they realized the error, it was added back in. It was included in the packet. The amount is \$27,850.00. Thank you.

Vice Mayor Gregory – I would like to make a motion that the consent agenda be approved as presented.

C1. Motion Authorizing the Town Manager to Place the Order for Two (2) New Police Vehicles Prior to July 1st for FY 2017/2018 as State Contract Pricing Expires on June 30th.

C2. Resolution for Appointment/Reappointment to the Smithfield Certified Crime Prevention Team.

C3. Invoices Over \$10,000.00 Requiring Council Authorization:

a. RAD Sports	\$150,195.00
b. A. R. Chesson Construction	\$142,560.84
c. WACO Inc.	\$ 17,100.00
d. Isle of Wight County (debt service)	\$ 38,514.92

C4. Motion to Accept Change Order No. 3 from RAD Sports for a Paved Entrance to the Joseph W. Luter Jr. Sports Complex.

Councilman Pack- Second.

Mayor Williams – A motion has been made and properly seconded. Is there any further discussion? Roll call vote.

On call for the vote, seven members were present. Councilman Smith voted aye, Councilman Dr. Cook voted aye, Councilman Pack vote aye, Councilwoman Chapman voted aye, Vice Mayor Gregory voted aye, Councilwoman Tynes voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Now we will move to the Action Section of the agenda. We have a Public Hearing: Special Use Permit for a School of Cosmetology – 704C South Church Street. Could we have a staff report please?

Planning and Zoning Administrator – Good evening, Mr. Mayor and members of Town Council. We have an application for a special use permit tonight. It is a public hearing. The applicants name is Mrs. Kelli Pollard of Newport News. The owner of the property is Ms. Kathleen Swedish of Stony Brook, N.Y. The location is 704C South Church Street just southeast of the Cypress Creek Bridge. It is the location of a previous karate studio and dance studio. It is currently zoned Residential Office. The proposed use would require a special use permit for a private school and personal service establishment. The proposed use is a private school to teach cosmetology which is the

care of hair, skin, and nails. The strengths for the application include the possibility of expanding the scope of the use of an existing structure on a main corridor. There were no weaknesses identified at this time. At their May 9th, 2017 meeting, the town's Planning Commission recommended approval of this application to the Town Council with no conditions. I will be glad to answer any questions you may have. There are a couple of exhibits and site plans in your packet.

Mayor Williams – Do any Council members have any questions for Mr. Saunders? Hearing none, I now declare the public hearing open. Is there anyone who would like to come forward? Do we have any signups?

Town Manager – Yes. The applicant is here this evening, Ms. Pamona Kelli Pollard.

Mrs. Pollard – I just wanted to have this school to help people with their career. It will be like a post-secondary school that will help people that have already graduated or some people who are still in high school to have a career instead of a job. I would have seven (7) to ten (10) students. My hours will be between 9:00 a.m. and 3:00 p.m. which is going to be Monday through Friday. I feel it will not hinder anyone's personal lives or anything. I feel that the school would help to further people along in their career. It is a cosmetology school which takes care of hair, skin, and nails which will ultimately help you to achieve inner beauty and enhance the outer beauty and have self-confidence. Does anyone have any questions?

Councilwoman Chapman – Is this a state licensed type of school?

Mrs. Pollard – Yes, ma'am. It will be state licensed. I have my cosmetology license and have been an instructor and have been licensed for over thirty-one (31) years. Seventeen (17) is the age that, I think, will have the mind set to start at the school if you have your GED or have graduated from high school.

Mayor Williams – Are there any other questions? Would you like to speak, Mr. Pollard?

Mr. Pollard – Hello everyone. I was looking at a high school program the other night. I noticed that on the walls in the hallways there were posters about joining the military. When we came up; we had more things. They do not have those things anymore. I think what my wife is doing will sort of enhance that area and give students a

little bit more opportunity and more of a scope of things to do in their life. I support it in that way. Thank you.

Mayor Williams – Is there anyone else who would like to speak for or against? Hearing none, I now declare the public hearing closed. We will have consideration by Public Buildings and Welfare Committee Chairman, Dr. Milton Cook.

Councilman Dr. Cook – We spoke about this at our committee meeting. No one really had any comments against it at that time. Do any Council members have any comments now? Hearing none, I will make a motion that we grant the special use permit for the School of Cosmetology located at 704C South Church Street.

Vice Mayor Gregory – Second.

Mayor Williams – A motion has been made and properly seconded. Is there any further discussion? Roll call vote.

On call for the vote, seven members were present. Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Dr. Cook voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack vote aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Welcome to Smithfield. Our next item is a Public Hearing: Amended Budget for FY 2016/2017. We will have a staff presentation by our Town Treasurer, Ms. Ellen Minga. While we are waiting, I would like to recognize a very special guest tonight, former Mayor Chapman. It is good to have you with us.

Town Treasurer – For your consideration, this is the 2017 proposed budget amendments. I know some people think about us having one (1) month left in the fiscal year and wonder why are we making budget amendments now. There is a reason for that. We say one (1) month left in the year; but I actually feel there is probably about three (3) months left in the year. We have to keep the books open until the end of August for any invoices that may come through or accruals. A lot of the invoices do tend to come through in July and August for June 30th especially for large projects. This is a situation that we discussed with our auditors a few years ago because we always consider the budget a working document. At the end of the fiscal year, we did not make budget amendments. If we were over or under, we would just explain it in our audit report. We always carryforward things that are leftover like a project that is not complete. They are called rollovers and they are done in the July meeting when we do

our appropriation of the budget. In some situations, back when we started the Pinewood project which I believe was 2007 which is a large project, by not doing budget amendments and just doing the rollover then it makes the fiscal year end up looking like we have grossly overspent what we have appropriated. So, we did not have to because the money had been rolled over; but it was their advice that we do an amended budget at the end of the year. The reason we do it later in the year is that it is very, very difficult to get a handle on where we will end up with large projects. Even once we get estimates from project managers etc., it is sometimes still a little bit off. With that being said, I just wanted to kind of explain what an amended budget is really about. I have a few slides to help look at things. There was one change for this 2017 budget since the advertisement for it. It was an oversight on my part when I was working on the budget. I realized while I was preparing for the presentation that we had \$50,000.00 that was in restricted reserves. Smithfield Foods donated to the town last fiscal year for two (2) police motorcycles. That contribution was recognized in 2016 financial statements. Supposedly, the expense part was too; but when the motorcycles came in they were damaged and had to be reordered. We did not receive them until this fiscal year. We did put that \$50,000.00 aside in restricted reserves. We did utilize that this fiscal year. We are actually being able to change that. We will remove \$20,368.00 from operating reserves and we added \$50,000.00 from restricted reserves. On the expense side, it actually leaves us \$29,632.00 to move towards regular operating reserves at the end of the fiscal year. We will now look at the 2017 final proposed budget revision as compared to the adopted budget. There should be copies back here. I had to break it up. I had first put the whole budget on one screen and you really could not read it. This is the first part of the revenues. I am going to go into those in detail in a few minutes. The grand total of the budget revisions that we adopted was \$15,233,707.00 for the general fund portion. The revised budget is \$12,807,057.00 which is actually a decrease of \$2,426,650.00. The road maintenance section is actually done with special highway maintenance funds; but it is part of the general fund for audit purposes. I am not going to touch on that until I finish going through the general fund. We will first look at general property taxes. You can see that we are estimating a change of minus \$187,058.00. The bulk of it is personal property and penalties and interest. That is because the county did a Machinery and Tools Tax reassessment this year. We had to do refunds

for years 2013 - 2015 of \$174,885.00 in principal and \$39,318.00 in interest which was \$214,204.00 overall. There were off-setting collections; but the overall impact to the property taxes including penalties and interest is an expected decrease of \$187,058.00 for the fiscal year. The good news about that is Isle of Wight County did reimburse us for that payment. That is reflected in the contribution section. They did not have to. It was something they volunteered to do. Our actual taxes did go down this year to reflect that. Under Other Local Taxes, you can see there was about a \$26,637.00 increase. This is basically growth in the sales tax of approximately \$11,000.00. Meals Tax is \$17,407.00 and Cigarette Tax is \$19,000.00 which largely offsets a decrease in the Transient Occupancy Tax of \$26,000.00. The reason that it decreased was not due to a decline in occupancy; but the fact that one business establishment changed hands and it is no longer incurring significant penalties and interest for late payments. On the one hand, we are getting revenue in a timelier manner and on the other hand, we are losing penalties and interest. I guess you can look at it good and bad. Permits, Fees, and Licenses have just minor changes based on construction activities in permits and inspections. Under Fines, Use of Money and Property, Other, and Governmental, fines are trending down this year by almost \$10,000.00 to \$60,000.00 from \$68,500.00 last year. Revenue from the federal government was decreased by \$245,815.00. This largely reflects removal of the boat ramp grant from the Department of Recreation and Conservation in the amount of \$252,815.00 after delays in the project. It was going to be at Clontz Park. Under Other Financing Sources, there is a \$2,012,945.00 decrease. I am going to go through some of these sections. Contributions are increasing by \$827,786.00. The reasons include: Isle of Wight County gave us \$214,203.96 for reimbursement in the Machinery and Tools Tax refunds. The Windsor Castle Park Foundation gave us \$10,000.00 for reimbursement towards the playscape project. Smithfield VA Events added an additional \$2,000.00. We originally expected around \$32,000.00 from them for the year for the \$5.00 fee they collect off of each event held at the park. Public Safety shows \$1,583.00 which is private donations made specifically for use by the Police Department. For the ball fields, \$500,000.00 was expected last fiscal year from Smithfield Foods but was not received until this fiscal year. The town also received an additional \$150,000.00 from Farmers Bank to be applied to the construction of the concession stand. We did not expect that money. The town had originally

budgeted \$50,000.00 for Isle of Wight County for a period of five (5) years; but the first payment was moved to 2018. It was actually reduced in the budget leaving us with a \$600,000.00 increase. Under Insurance Recoveries, we do not normally budget those. It is something you hope you do not have to use; but in this year we had vehicle damages of \$12,795.00, guardrail damages of \$4,700.00, storm damages \$3,300.00, and light pole replacement at the Smithfield Center for \$5,260.00. We did collect some income there. For our line of credit, we have two (2) lines of credit. We have a \$1,000,000.00 line of credit with Farmers Bank and a \$500,000.00 line of credit with TowneBank. The line of credit with TowneBank is specifically for the Pinewood Heights project to meet our short term cash needs if the project starts moving really quickly until our Meals Tax monies that are dedicated to the project can catch up. This year we reduced it from \$500,000.00 to \$250,000.00. We are still not sure if we will actually need it but we still have a few weeks to go and the project is moving very quickly. Our loan proceeds were reduced by \$942,278.00 from \$3,597,725.00 to \$2,655,447.00. The loan itself has not been reduced. We are talking about the \$5,000,000.00 loan here which was our newest loan that we took out. It was approved in July but we did not actually close on it until November of 2016. The loan itself has not been reduced; only the schedule of drawdowns between 2017 and 2018. Right now, it is interest only. Escrow reserves for the ball field project are \$1,445,697.00 which are Restricted Reserves. Originally, we budgeted those reserves to be \$3,025,000.00 because that was what we expected to receive as contributions last year to be used towards the project. We did not receive the final \$500,000.00 from Smithfield Foods until 2017. It reduced what we had expected. We moved \$1,079,303.00 of the \$2,525,000.00 collected to next fiscal year based on expected progress of the project. The remainder of that is in 2017; but the \$1,079,303.00 will be in the 2018 budget. Restricted Reserves for the Police Department utilized \$65,690.00. They have a CD that is over \$30,000.00 and the monies were donated to them many years ago to be used at their discretion for equipment, community outreach, etc. They have opted to use about \$15,690.00 this year. They had also received \$50,000.00 from Smithfield Foods last year for the police motorcycles as I mentioned earlier. Restricted reserves for Pinewood are \$289,318.00 since we had expected to finish Phase II and move into Phase III by last quarter. That did not happen. So, the excess of the 2% dedicated Meals Tax receipts in FY 2016 was

applied to the project in 2017 as intended. The Operating Reserve was initially budgeted to use \$450,213.00 this year. Due to the expected progress of Pinewood, this was saying that there would be no reserves to use; saying that it had finished in 2016 for Phase II and just gotten started for Phase III. Since that did not happen, we were able to pull that \$289,318.00 forward. We also did not anticipate the \$150,000.00 donated by Farmers Bank. It basically eliminated that operating reserve need for this fiscal year. Looking at the proposed budget revisions on the expense side, you can see that Operating Expenses were projected to go up \$314,537.00. Other Financing Uses are \$103,350.00 and Capital Outlay will decrease by \$2,844,537.00. Under Operating Expenses, the most significant changes were community development, parks, recreation, and cultural, and debt service. For Community Development, we did increase another \$129,688.00 for Pinewood to finish out Phase II and Phase III that did not happen last year. Under Parks, Rec, and Cultural, \$521,497.00, of this total \$510,000.00 is attributable to the Windsor Castle Park restoration. If you remember, we had dedicated \$2,000,000.00 to that project. It was originally budgeted as capital outlay; but because we are not actually managing the project since Windsor Castle Park Foundation is we reallocated that as a contribution at this time to the Foundation. The remaining \$1,490,000.00 of the \$2,000,000.00 is budgeted as a contribution for 2018. To summarize, you have a decrease in the capital of \$2,000,000.00 and an increase in the contributions under Parks and Rec for \$510,000.00 for this year and a contribution next year of \$1,490,000.00. These large projects are kind of like talking in a circle. They just constantly move. Debt Service was reduced by \$283,750.00 basically because we reduced the line of credit from \$500,000.00 to \$250,000.00. We reduce Other Financing Sources in the revenue section as well. Interest was reduced by \$33,750.00 draw downs on the \$5,000,000.00 loan. We did not draw as much as we had expected. We are only paying interest at this time. Under Other Financing Uses, the operating reserves of \$29,632.00 are now budgeted for the fiscal year end so that we move that into reserves instead of having to withdraw. There is \$563,271.00 that will move into restricted reserves. This is actually an increase of \$73,718.00. This represents the remainder of the \$5,000,000.00 loan that will be escrowed until needed for projects not included in the fiscal year 2017 or 2018 budget at this time. The types of projects are the new police radio system, Clontz Park boat ramp, and possibly the Waterworks Dam

rehab beyond initial repairs. These will be discussed in the 2018 budget. Under capital expenses, there is a decrease of \$2,844,537.00. There were some offsetting increases and some decreases. The treasurer's office had an increase of \$15,543.00. We had to purchase a refurbished AS-400 to finish out our software conversion to Munis. IBM would no longer service our current model. Our new software will be Cloud based; but we still have to operate until we can get to that point. Public Safety had an increase of \$92,000.00 for a police vehicle and two (2) police motorcycles that were rolled forward from fiscal year 2016. All three (3) of those were rolled forward to 2016. Restricted Reserves of \$50,000.00 applied to motorcycles. Planning, Engineering and Public Works had an increase of \$23,775.00 to repair crosswalks at Main Street and Institute Street. An amount of \$9,845.00 did not qualify for the state highway funds. Preliminary work at the Waterworks Dam costing \$13,930.00 also did not qualify. Public Buildings had an increase of \$24,890.00 which was for two (2) emergency HVAC systems for the Police Department and completion of the Police Department's Evidence Storage building. The majority of that was done in fiscal year 2016. Parks, Recreation and Cultural had a huge decrease. Again, as I mentioned before, we reduced it for the Windsor Castle Restoration project and moved it to the contribution expenses. We kept \$7,500.00 for surveying work that was done at the park for the gravity and water main. The boat ramp at Clontz Park was removed from this year's fiscal budget for \$250,000.00 because the grants were not going to come through and we had some setbacks. We did leave \$2,000.00 in there for preliminary engineering work that had already been done. The ballfield project was reduced from \$3,640,000.00 to \$2,895,755.00 for fiscal year 2017. Obviously, the remainder will be moved into fiscal year 2018. That was based on feedback from the project manager as to what would be completed by June 30th. Community Development decreased by \$12,000.00 for Pinewood Heights. There was one property that we were unable to purchase. It may be considered in the final phase. Looking at Highway again as I mentioned, highway funds are granted by the state. We generally receive increases each year; but we do not receive notification of those increases. We never know what to expect until we get our first quarterly payment. Based on the 2017 quarterly receipts with one quarter remaining, collection will be \$1,174,073.00 which is \$69,864.00 higher than the prior year. Rolled forward, we had \$104,519.00 from fiscal year 2016 that we had not spent

and that we are utilizing this fiscal year. It is supposed to actually be reimbursement instead of advanced; but because we are a small community they give us some leeway so we do not have to advance monies. A lot of times, our town engineer will apply those monies in July and August. Quickly looking at the budget revisions for Water and Sewer, there were not a lot of changes. You can see that the operating income did go up \$118,107.00 from an initial loss of \$81,106.00 to a positive \$37,001.00. The final income after adding the non-operating revenue and expenses was an increase of \$161,172.00. The charges for water and sewer, you will see that water actually reflected a reduction of \$37,135.00. This was basically a drop in consumption from the Gatling Pointe community that we service combined with the fact that their blended rate per \$1,000 gallons was reduced from \$6.41 to \$6.10 as of July 1st, 2016. There was also a Water Operating Expenses decrease of \$150,550.00. It would be wonderful if that would be permanent; but it is actually because we removed the \$100,000.00 that was in the budget for the water tank maintenance. We had to terminate that contract when the vendor discontinued that service. We have not yet gotten back to an annual cycle. Maintenance and Repairs was also reduced by \$35,000.00. Most of the repairs that have been made are over our capital threshold of \$5,000.00. We really do not have that many operating repairs to make. Under Non-Operating Revenues and Expenses, we collected pro-rate share fees for both water and sewer in the amount of \$17,600.00. These are voluntary contributions by developers. We never budget for those in the initial budget. Water Capital Expenses increased by \$44,552.00 and there were some offsetting decreases. The Reverse Osmosis plant had a possible \$60,000.00 increase for removal, repair, and re-installation as a result of a potential crack in casing or screen of Well 8. Like I said, we did have some decreases in current year system improvements. Sewer Capital Expenses decreased by \$19,897.00. Basically, that was just out of the \$100,000.00 that we budget for find and fix sewer repairs. That is basically it for 2017 unless you have any questions.

Mayor Williams – Do any Council members have any questions? Thank you, Ms. Minga. We appreciate you. I now declare the public hearing open for the amended budget for fiscal year 2016/2017.

Town Manager – We had one sign up, Mrs. Terry Mulherin.

Mrs. Mulherin – Ms. Minga did a great job. I do not have any questions.

Mayor Williams – Would anyone else like to come up and speak on the budget?

Hearing none, I will declare the public hearing closed. We will have consideration by the Finance Committee Chair, Mr. Randy Pack.

Councilman Pack – Thank you, Ms. Minga. You do a wonderful job explaining this and keeping us informed not only throughout the year but with summarizing at year end. It is certainly important for us, as Council, and the public to understand where these numbers come from. I have no questions. Are there any questions from Council? Seeing none, I would like to make the motion that we amend the budget for fiscal year 2016/2017 as presented.

Councilman Dr. Cook – Second.

Mayor Williams – A motion has been made and properly seconded. Roll call vote.

On call for the vote, seven members were present. Vice Mayor Gregory voted aye, Councilwoman Chapman voted aye, Councilman Dr. Cook voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack vote aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Our next item is Public Hearing: Proposed Budget FY 2017/2018. We will have a staff presentation by Ms. Ellen Minga, Town Treasurer.

Town Treasurer – Again, as we said, this one will not be voted on tonight. As I was saying with the 2017 budget, there were a few changes since the budget was advertised. I want to point those out before we look at the final proposed budget. This slide shows just the revenue side summarized up. There were three (3) changes on the revenue side. The first is under other Local Taxes. We removed the increase to the Vehicle License Tax where we were considering increasing it from \$20.00 to \$27.00 per qualified vehicle. So, that was a decrease in revenue of \$49,175.00. We also removed the Curb Side Disposal Fee which would have been \$10.00 per pickup per month. That would have given us additional revenues of \$359,400.00. That was removed. It left us with \$74,727.00 that we would have to pull from reserves. Originally, we thought that was going to be \$7,000.00 higher. The \$7,000.00 came from the discussion with tourism. We thought that had increased but in actuality the expenses did not increase. In a previous email, the County Administrator had indicated that there was going to be \$14,000.00 worth of revenue from tourism and that would be applied against the expenses. Of course, our 50% would be \$7,000.00 so that is why there is a difference

there. So, we did not have to increase the budget by \$7,000.00. So, that is what our net deficit is. Looking at the expense side, you can see that there were no changes there other than the Other Financing Uses of \$333,848.00. We eliminated the operating reserves because once we had made some changes to the budget with the special projects and I took out the additional revenue for the trash and the vehicle licenses then that took out the \$333,848.00 that we would have been able to move to operating reserves. Next, I have the proposed budget after those adjustments were made since it was advertised. You will see the revenues. I will go through those again just like I did for the 2017 budget. The grand total of the general fund portion is \$10,343,445.00 which is a reduction of \$2,463,612.00 from fiscal year 2017's proposed changes which were just adopted. Once you add in the road maintenance part, the total was \$11,513,318.00 which is a decrease of \$2,572,331.00. Looking at the General Property Tax, the increase of \$212,610.00 is basically a flip flop from 2017. We are restoring the personal property tax revenues back to expected levels. Fiscal year 2017 was impacted by the Machinery and Tools assessment adjustments. There is no budgeted tax increase to account for this change. It is just taking us back to where we should be. Under Other Local Taxes, there are slight increases projected for sales tax, utility and consumption, and PEG Channel. PEG Channel is something we have had before under another category. It was under miscellaneous. We have pulled that out now because that is the way the auditors show it. The Meals Tax is at 4.25%. The only reason that the 4.25% of the meals tax is impacted is because you adopted a .25% increase. It was adopted at the July 2016 meeting but it was not effective until September 2016 because we had to give the retail establishments time to get it in place. We did not receive a full year of that additional 4.25% in 2017. Under Permits, Licenses, and other Fees, there is a slight decrease of \$6,950.00 from 2017. The largest of it is in the permits. In this case, it is specifically related to demolition. Under Fines, Use of Money and Property, and Other Governmental, revenue from money and property is down by \$11,350.00 or what we are expecting for the next fiscal year. A lot of this is attributable to the drop in escrow funds as restricted reserves are used for the various large projects like the ballfield and Windsor Castle Park restoration. Other Revenues reflect a slight decrease in miscellaneous items such as safety grant and grass cutting violations. Revenue from the Commonwealth of Virginia is expected to increase by \$28,238.00. This represents

the state portion of an anticipated grant from VDEM for repairs to the Waterworks Dam. Conversely, the Federal Government Contributions are expected to decrease by \$542,760.00. It does include an increase of \$161,500.00 for the federal portion of the VDEM grant for the Waterworks Dam repairs; but that increase is offset by a drop of \$704,260.00 in CDBG grant funds as the Pinewood Heights Phase III project will hopefully be finished at the end of this fiscal year. Phase IV is not projected to be contracted until the spring of 2018. Other Financing Sources, contributions will decrease by \$815,936.00 which is very significant. This decrease is made up of \$214,203.00 basically from Isle of Wight County. That was a onetime thing to supplement that loss of revenue from fiscal year 2017. We had a \$10,000.00 contribution for the playscape. There is no budget for it the Foundation decides to contribute more towards that this fiscal year. Another one time thing last year was private donors. Sometimes they will carryforward with that with small donations. There could be some this fiscal year. Obviously, we have the \$600,000.00 as far as the public ballfields go. We received the last of the Smithfield Foods donation last year of the \$500,000.00 and the \$150,000.00. We did include the \$50,000.00 from Isle of Wight County in the contributions this fiscal year. It is the only one we have in there for the ballfields assuming that we continue forward with that. The CHIP program, through the Police Department, is volunteering with Smithfield VA Events. They are expecting an increase in contributions to help them next fiscal year. We also have the museum with visitor contributions. The remainder of the loan proceeds will be drawn down by the end of October. The \$5,000,000.00 will be fully drawn as of October. Of the \$1,979,553.00 budgeted for 2018, \$1,490,000.00 is for the remainder of the town's \$2,000,000.00 commitment to the Windsor Castle Park Foundation for the rehab project. Also, \$489,553.00 will be added to restricted reserves to pay off the balloon payment to Isle of Wight County in 2019 for the debt on the Town Manager and Police Department Buildings. We knew this was coming. In 2016, \$2,525,000.00 was contributed for the public ballfields. In 2017, we used \$1,445,697.00 with the remaining \$1,079,303.00 to be used in 2018. We will need \$74,727.00 from operating reserves to balance the budget with the removal of the Curbside Recycling Fee and the Vehicle License increase. Looking at the expense side, you will see Departmental Operating Expenses decrease by \$419,128.00. Other Financing Uses decreased \$103,350.00 and Capital Outlay decreased \$1,941,134.00 for a total

decrease of \$2,463,612.00. Before we get into departmental details, I want to briefly go over what affects or impacts all departments such as salaries. We budgeted a 2% COLA and one new position for Parks and Recreation. Under benefits, we did a reduction in the offering for our medical plans. We are going to be offering a HMO product 25/30 with a \$1,000.00 deductible and a product 25/30. This year we had offered the product 25/30 and a product 25. The product 25/30 will be the buy up plan for any employees who are interested in it. Prescription drug costs will increase from \$10/\$20/\$30 20% based on tier to \$15/\$40/\$75 and 20%. The impact to the budget is a total increase for all funds of \$136,392.00. I am not going to go into anything that is involved with salary or labor because I touched upon that but other things impacted these changes. Looking at the Operating Expenses departmentally, the Treasurer's office increased by \$43,989.00 which includes service contract increases of \$36,000.00 for MUNIS conversion. It was one of the reasons that the Treasurer's department increased a little bit in 2017 because we did not progress as far as we hoped. So, those did not come into play in the 2017 budget. Public Safety and Planning, Engineering and Public Works both have budgeted expense decreases from the current year. Part of the Public Safety decrease resulted when the town paid its last \$10,000.00 commitment towards a fire department rescue truck in fiscal year 2017. That had been a seven (7) year commitment. Also, the E911 dispatch center budget from Isle of Wight County decreased by \$37,566.00 from current year. Public Works had a significant decrease due to reduction in trash and recycling collections saving the town \$126,000.00 in the 2018 proposed budget. Community Development also had a significant decrease of \$1,763,537.00 attributable to the completion of Phase III of the Pinewood Heights Redevelopment project. Phase IV will not be contracted until the spring of 2018 so it has not been included in the proposed budget except for consultant assistance to make application and get the project started. It is about \$40,000.00 for that. Parks, Recreation and Cultural is projected to increased \$1,126,065.00. This category includes the Smithfield Center, Museum, Windsor Castle Park, other park areas such as Clontz Park, Haydens Lane, etc. and the public ballfields. We included approximately \$50,000.00 in the 2018 budget as estimated operating expenses for the ballfields in addition to the one (1) new employee and \$1,490,000.00 to finish out the commitment the town made to the Windsor Castle Park restoration project. That is shown as a

contribution. Under Debt Service, it has been budgeted to increase by \$238,219.00 as the final draws are made on the \$5,000,000.00 loan and the town starts paying principal in addition to interest. The next slide is the total debt service for the town or will be once the \$5,000,000.00 is finished. We have three (3) loans that impact the general fund which is the IOW General Obligation Bond Series 2008. That is the one we will be paying off with the balloon payment. We also have a note payable dated April 2015. It was originally taken out to fund the Police Evidence Storage building. There is another note payable dated August 2012 for the HVAC for the Smithfield Center. We are almost finished paying that one off. We owe \$2,940.00. There were two (2) refinanced General Obligation Bonds with VML/VACO for water and sewer. The \$918,000.00 note is the one that has been refinanced three (3) or four (4) times to finish paying off that obsolete sewer treatment plant that we no longer operate. The 2015B Series Bond is actually for the Reverse Osmosis Plant. Moving to the note payable that was closed in November 2016, the expected draws for the General Fund and the Water Fund total \$3,020,447 through June 30th of the \$5,000,000.00 available. The remaining \$1,979,553 will be drawn in FY2018 and will be allocated entirely to the General Fund. That leaves us with a total balance, once the \$5,000,000.00 is completely drawn down, of \$8,477,301.00. If you look at our legal debt margin, I actually used the assessed value from the 2016 audit for this because I will not have the exact value of that assessment until we get our 2017 tax file from the county this year. It has to have a portion added in and a portion of last year taken out; but using that figure I do not expect it to go down. The debt limit is 10% of total assessed value which is \$110,221,790.00. The amount of debt, if I take the full \$8,477,301.00 that we will have after the \$5,000,000.00 is completely drawn, would leave us with a legal debt margin of \$101,744,489.00. So, we are only at 7.69% of our total legal debt limit. Other Financing Uses, again, I think I mentioned the \$489,553.00 will be transferred to restricted reserves to pay off the balloon payment to Isle of Wight county in fiscal year 2019 for the purchase of the Town Manager's and Police Department buildings. Under Capital Outlay, the Treasurer was budgeted for \$84,250.00 to continue the MUNIS conversion. Public safety was budgeted for \$85,150.00. They really cut back on their budget this year. They included two (2) police vehicles and emergency equipment including in car cameras, vehicle striping and three (3) MDT's. Planning, Engineering and Public Works has a budget of \$246,251.00 for the

Waterworks Dam repairs of \$225,000.00 to be offset by \$190,000.00 of state and federal VDEM grants and \$21,251.00 for the town's portion of urban fund projects. When we have urban fund projects that can be paid out of the highway fund, we cannot match our portion with highway funds. We have to match it out of the general fund. Unfortunately, you cannot use their money to match their money. Public Buildings has several small projects including the garage bay doors at town hall costing \$6,400.00. The fire alarm and monitoring services have a three (3) year phase in. We also have a server for \$17,000.00 to access Town Manager and town hall offices and an AC/Heater unit replacement in town hall for \$7,375.00. Under Parks, Rec, and Cultural, the Clontz Park pier has \$10,000.00 in there for a portion of the pier that may need to be replaced or reworked. I think some of that has to do with the boat ramp too. The bathroom floor at the Smithfield Center has a budget of \$10,000.00. A reel mower for the public ballfields will be \$30,000.00 and completion of the ballfield project will be \$1,129,303.00. Looking at Highway, based upon receipts from the state in the prior year, it is projected that the \$4,200.00 will drop from the prior year. We had a trade-in on a zero turn mower in fiscal year 2017 that was applied to a purchase of a new mower. We will probably not have that revenue next fiscal year. Looking at the Water and Sewer proposed budget, there are not a lot of changes there. I will just point out that there have been no projected changes in the rates for water or for sewer. You will see an operating expenses increase of \$70,451.00 of which is an increase in water of \$102,717.00 and a decrease in sewer of \$32,266.00. Depreciation and Amortization is up a little bit. Operating Income is looking as a loss of \$89,001.00 but once Non-Operating Revenue is added back in, it is showing a change of 39,496.00 for income change \$128,497.00. It is still a net income of \$84,802.00. Just looking at a few points for water and sewer, water operating expenses are expected to increase by \$102,717.00 which includes adding the water tank maintenance charge back in at \$100,000.00 that we removed from 2017. Sewer Expenses are expected to decrease by \$32,266.00 mainly for maintenance and repairs. We reduced that budget by \$20,000.00 because most of the repairs being made in the sewer fund now are capital repairs. They are over our \$5,000.00 threshold limit. We actually reduced labor and benefits under Sewer Expenses based on a reallocation of personnel and overtime. Every year, I sit down with the Public Works department and go through the responsibilities of their staff and see who is working

where and in what capacity. Their labor is spread among water, sewer, public works in the general fund, and Windsor Castle. They have a lot of responsibilities. Materials and Supplies was a \$10,000.00 increase as they build up some additional inventory. Increases in depreciation for both funds are based on the fixed asset schedule and projected capital projects for 2018. Availability Fees were kept constant at twenty-five (25) new builds for each fund. These fees are generally put into escrow funds and used to fund capital repairs that are caused just by old things on the system or new growth. Pro-rata Share Fees are not budgeted as they are voluntary contributions from developers for 2018. If we do receive them, we will amend the budget for them. The debt service principal will reflect decrease of \$60,555.00 in the water fund as a five (5) year loan for the Reverse Osmosis plant. It was a second loan we had on that plant. It matured in fiscal year 2017 so that will decrease that debt. The next slide shows the budgeted capital expenses for water and sewer. They are significant. Water is \$285,101.00 and sewer is \$628,551.00. The bulk of the sewer capital items are funded with the Consent Order Fee or Sewer Compliance Fee that is included on our utility bills. That is all I have unless somebody has any questions.

Town Manager – Good job, Ms. Minga. Thank you.

Mayor Williams – Yes, thank you Ms. Minga. I now declare the public hearing open. Do we have any signups?

Town Manager – Yes, we have Mrs. Theresa Mulherin.

Mrs. Mulherin - I live at 206 Washington Street. And yes, I am a 'bean counter.' I have just a few quick questions. With the 2% cost of living allowance increase, was there also a 5% raise given this year?

Town Treasurer – Last fiscal year.

Mrs. Mulherin – So, that is in addition to the 5% already allotted to the employees, correct?

Councilman Dr. Cook – Last year was 5% and this year is 2%. It was two (2) different years.

Town Treasurer – 2017 had 5% and 2018 is 2%.

Councilman Dr. Cook – But you have to understand that 2017 is this past year that ends in twenty-two (22) days.

Mrs. Mulherin – Right; but the raise went into effect in January.

Town Treasurer – No, it was July 1st of last year.

Mrs. Mulherin – Okay, these are questions from my neighbors. I am sorry.

Councilman Dr. Cook – I was just clarifying that it is not a 7% percent raise; it is a 2% raise.

Mrs. Mulherin – Thank you, first of all, for not raising taxes and property taxes. I know it has been a long time since the town has done that. We really appreciate it. I know how hard it is to do a budget and not do that.

Mayor Williams – It has been twenty-three (23) years since property taxes were raised.

Mrs. Mulherin – Yes. I had to clarify with my neighbors because the property value went up so celebrate that. Thank you for not adding the garbage fee and the vehicle tax. I really had a fight with that on my street. Some additional questions that I might have....when do we anticipate the ballpark actually opening and being functional?

Councilwoman Tynes – In the fall.

Vice Mayor Gregory – In the spring of 2018.

Mrs. Mulherin – So, the FTE for the Parks and Recreation person is needed in the spring of 2018 or are they needed July 1st, 2017?

Town Manager – We will advertise for the position after the budget is adopted. We are going to have to care for the grounds immediately even if it is not open for public play yet. We will have to maintain the turf and everything.

Mrs. Mulherin – But the director does not cut the grass.

Town Manager – This new position will be cutting the grass.

Mrs. Mulherin – In my old life, of course, we paid for those types of positions out of the revenue that the parks generated. That will probably happen here but right now we do not know what the revenue will be. Those were my only questions. Thank you. Good job, Ms. Minga.

Councilwoman Tynes – Mrs. Mulherin, I want to clarify something when you asked about the pay raises for last year that were 5%. I was the Chair of the Police Committee and actually recommended that. The Town Council dove right into that and said we would do it. The reason I asked for it is because our officers have to go through a lot of training. We pay for that training for them. As far as their salaries, we wanted to keep them here and working for us to keep our town safe. They needed a pay increase. We

could not just give it to one department and not give it to the others. We voted on giving the 5% to everyone. This year they just got a cost of living increase.

Mrs. Mulherin – I did not oppose the pay raise by the way. You did not hear that come out of my mouth.

Councilwoman Tynes – I just wanted to explain.

Mrs. Mulherin – I should add too that you all have a generous benefits package. I work for a healthcare company who owns a healthcare insurance company and I pay over \$200.00 per month just for my personal healthcare benefits. So, I think you have a great package so way to go.

Mayor Williams – Is there anyone else who would like to speak? Hearing none, I now declare the public hearing closed.

Councilman Pack – Mr. Mayor, the budget presented tonight has had quite a bit of discussion and quite a bit of work with this Council; specifically, with the departments. Once again, our departments presented a fairly flat budget and worked really hard. I am always proud of this town and what they present and what they do as employees of the town. It is absolutely amazing how much these guys care about their community and care about keeping their expenses in check. From this Town Council to all of the employees of the Town of Smithfield, thank you very much. They make it work and that is awesome. We are presenting a budget tonight with no tax increases; no increases whatsoever. I always think it is fun to say a fee is not a tax increase but we all know it kind of is. There are no increases in this tonight. We have been able to add one additional employee in this budget as well as give our staff a cost of living adjustment. I would also like to point out one thing I picked up from Ms. Minga's presentation. We owe \$8,700,000.00 roughly. That is 7.69% of our legal borrowing limit. That speaks volumes for our town. Trust me when I tell you that Detroit wishes they only owed 7.69% of their legal borrowing limit. That is something for this Council and other Councils to consider in the future keeping that legal borrowing limit low. With that in mind, I open this up for any further discussion. Obviously, we are not going to make a motion for consideration tonight because we will eventually continue this until the June 26th meeting. Are there any other comments or items of discussion by this Council? Hearing none, I make a motion that we table this for consideration at the continued meeting on June 26th, 2017 at 6:00 p.m.

Mayor Williams – A motion has been made and properly seconded. Is there any further discussion? Roll call vote.

On call for the vote, seven members were present. Councilwoman Chapman voted aye, Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack vote aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Ms. Minga, once again, thank you so much. The next item on the agenda is a Motion to Approve the Town Council Meeting Minutes of May 2nd, 2017.

Town Attorney – Mr. Mayor and members of Council, I recommend the minutes be approved as presented.

Councilwoman Tynes – So moved.

Vice Mayor Gregory – Second.

Mayor Williams – A motion has been made and properly seconded. All in favor say aye, opposed say nay.

On call for the vote, seven members were present. Councilwoman Chapman voted aye, Councilman Dr. Cook voted aye, Vice Mayor Gregory voted aye, Councilman Smith voted aye, Councilwoman Tynes voted aye, Councilman Pack vote aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Our next item is to Appoint Nominating Committee for the Expiring Term of Clem Batten (6-30-17) for the Board of Zoning Appeals. I am appointing Ms. Connie Chapman and Mr. Mike Smith for that. Please come back next month with your recommendation.

Mayor Williams – Is there any New Business?

Town Manager – Since we had an extra week because of the holiday between committees and Council, as anticipated, we had some Additional Invoices Requiring Council Authorization. The first is to Kimley Horn Associates - \$11,910.19 which is for work on the right turn lane for the sports complex. That will be paid and then reimbursed through the urban funds. It will be our first pay application to get reimbursed on that urban fund project. As recommended by Committee and Council, we purchased the new master water meter which was approximately twenty (20) years old on Battery Park Road at Gatling Pointe. We are hoping to catch every drop of water. The invoice is to HD Supply for \$17,000.00. The next invoice is for a budgeted Public Works truck to

Beach Ford for \$30,967.00. We had to add the three (3) additional items due to the extended time between Committees and the Town Council meeting.

Councilman Pack – Mr. Mayor, I would like to make the recommendation that we approve these three (3) invoices as presented.

Vice Mayor Gregory – Second.

Mayor Williams – A motion has been made and properly seconded. Is there any further discussion? Roll call vote.

On call for the vote, seven members were present. Councilwoman Chapman voted aye, Councilwoman Tynes voted aye, Councilman Dr. Cook voted aye, Councilman Pack vote aye, Councilman Smith voted aye, Vice Mayor Gregory voted aye, and Mayor Williams voted aye. There were no votes against the motion. The motion passed.

Mayor Williams – Do we have any Old Business?

Councilman Dr. Cook – Mr. Mayor, I have a question for the Town Manager. When was our last intergovernmental meeting?

Town Manager – I am sorry. I was not prepared to answer that. I do not have the information right now.

Councilman Dr. Cook – It came up when Mr. Grice said that we would gather the minds. It has been over a year.

Mayor Williams – It has been about a year and four (4) months.

Councilman Dr. Cook – The intergovernmental meeting is something that should be held a lot more often than annually I believe.

Mayor Williams – In due respect to that, Dr. Cook, we have tried to wait until the Water Task Force gets finished. They are now. They have a recommendation and a plan to present so the Town Manager will be getting with the County Administrator, Mr. Randy Keaton, and set that up for some time, hopefully in July.

Councilman Dr. Cook – Okay, because I asked Mr. Grice about the MOU that we signed several months ago for the ballfield. He said it was not moving fast. The indication that I got from his answer is that their Board is not considering the MOU that we signed; but they are creating a new MOU basically with a new understanding. If they are not interested in signing our MOU, I think we have an open MOU waiting for them to sign that they are not going to sign. I think we should withdraw that and let them come

to us with the new MOU that they want to put together. We can then consider that when they are ready. Obviously, we are proceeding without them. Anybody can see that when they drive by. Whenever they feel they are ready to come into an agreement with us and present an MOU which is to their liking then we can evaluate that once they have approved it. We approached them originally and asked for participation in this endeavor over a year ago. Now, they are still kind of back and forth about what we have sent them a few months ago. I do not know the proper term. Rescind comes to mind because it was used before. We should rescind our MOU that we signed and sent to them and allow them to come back to us with their own MOU and have us consider it when they are ready.

Mayor Williams – Amy Musick and David Smith are working on the new MOU together. They are very close to completion. It will be presented to us for our approval and then presented to the Board of Supervisors for their approval. I understand where you are coming from Dr. Cook.

Councilman Dr. Cook – I do not understand why we have to have ours outstanding. They are not going to sign it so why is it out there? I think we can just pull that back; because they are obviously not going to sign it. When they have their new MOU ready, they can approve it and send it to us. We can discuss the merits of it.

Councilwoman Tynes – Can I make a suggestion? This has come up before in our meeting. I would recommend that our Town Manager get with the Board of Supervisors and our County Administrator and organize a meeting with the two (2) bodies and get it back together.

Councilman Dr. Cook – We have conversations going on for a different MOU already.

Councilwoman Tynes – I am not talking about the MOU. I am talking about the intergovernmental meeting. That way the MOU's can be discussed during that time if you have some concerns with those individuals. The Town Manager and the County Administrator can come up with the meetings. Maybe the new County Administrator did not know about the meetings. You can just address it with him, Mr. Stephenson.

Councilman Dr. Cook – Alright, I probably do not have any support in this but I am just going to go ahead and make a motion. I am going to make a motion to rescind the

MOU pertaining to the ballfields that was signed at our April meeting with the county. If no one seconds it, that is fine with me.

Mayor Williams – A motion has been made. Do I have a second? Hearing none, the motion dies due to no second.

Councilman Smith – Mr. Riddick, do we have a legal right to withdraw that?

Councilman Dr. Cook – If you make a motion, I will second it.

Councilwoman Tynes – I have a question. It does not have anything to do with MOU's or anything. I have a question for Amy Musick and Judy Winslow. I wanted to ask if you all had finalized the location for the LOVE sign. We discussed it at our last committee meeting.

Ms. Winslow – No, ma'am. We are waiting on our pricing to come in. What we included in the RFP for pricing is that the sign actually be removable.

Councilwoman Tynes – I thought of something after I left the meeting. It just came to me one night. I just love Clontz Park and driving by. It is beautiful over there. When looking at it a certain way, you also have the back drop of the Smithfield Station.

Councilman Pack – If we make it movable, we can put it in lots of places.

Councilwoman Tynes – It would be beautiful over there. You have public parking also over there. Thank you.

Mayor Williams – I would like to weigh in on this. We have Amy Musick and David Smith working on this. They are very close to getting this other MOU completed. Once that is done, Mrs. Ring will give a copy to this Council. Hopefully, that will be by the next Committee meeting.

Mrs. Musick – What David Smith is indicating is that he would like to.....he took our responses back to his subcommittee and then he would like for us to meet that subcommittee including Town Council members, the Town Manager, and myself after to discuss the new MOU.

Councilman Dr. Cook – I would like to know how many county man hours have been used?

Vice Mayor Gregory – One thing I would like to interject real quick is that from the last Water Task Force meeting we had discussed an intergovernmental meeting. If I remember correctly from the County Administrator, it really sounded like August would be the earliest that would be reasonable for their Board to get together. I am not

opposed to having two (2) members of Town Council as a subcommittee to get together with their subcommittee; but there are a couple of things I want to say in support of some of the things that have Dr. Cook all fired up. The county is contributing, as it is stated right now, six (6%) percent of the overall cost of this project. I think we are working really hard to offer up a really good MOU of usage based on that contribution. Everything I have heard so far just seems like they are asking for a usage that is probably commiserate with somebody who is paying for half of the project and also is going to contribute towards annual maintenance which they are not offering to do. I think they want free usage of the park for any county functions. If I want to take a team over to Nike Park and hold an organized practice, I have to pay the usage fee. I do not see any of that as reasonable, at least reasonable on its face unless I hear differently. I think that is kind of where we stand. Clearly, we are moving forward; but we also want the county to be a partner in this. The more things that we work together on and continue to build on the better. I think it has been a better relationship over the last couple of years. I think it is worth fighting for but we also have to keep everything in perspective of what they are putting towards this project versus what they are asking for. That is the backdrop but I do not think there is any reason to be overly contentious. I think we need to stay at the table and continue to have that conversation and just kind of see where it leads. We are not playing ball out there until the spring at the earliest so we still have time.

Mayor Williams – Do any other Council members want to weigh in on this?

Councilman Pack – I am with Vice Mayor Gregory.

Councilwoman Chapman – At the last committee meeting, you mentioned that Vice Mayor Gregory and I would be appointed to a committee with the county. Is that still the case? I am just curious.

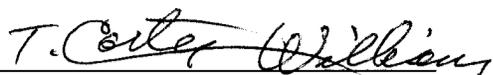
Mayor Williams – Yes. So, Mrs. Musick has her marching orders to get with David Smith and get this thing going. Is there any other old business? Is there anything else for Council tonight? Hearing none, this meeting is continued until June 26th, 2017 at 6:00 p.m. Thank you all for coming out tonight.

Smithfield Town Council

June 6th, 2017

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The meeting is continued until June 26th, 2017 at 6:00 p.m.



Mr. T. Carter Williams
Mayor



Mr. Peter Stephenson, AICP, ICMA-CM
Town Manager