

The Smithfield Town Council held its continued meeting on Monday, June 22nd, 2020. The meeting was called to order at 6:00 p.m.

Members present:

T. Carter Williams – Mayor

Michael Smith – Vice Mayor

Valerie Butler

Randy Pack

Beth Haywood

Wayne Hall

Members Absent:

Denise Tynes

Staff members present:

Michael Stallings - Town Manager

Lesley King – Town Clerk

William H. Riddick, III – Town Attorney

Ashley Rogers – Human Resource Director

Renee Rountree – newly elected TC member

There were no citizens present. The media was not represented.

Mayor Williams welcomed everyone to the meeting. All stood to recite the Pledge of Allegiance.

Swearing in of the Re-Elected Town Council Members and the Newly Elected Town Council Member:

The Isle of Wight County Clerk of Court, Kathleen Torrence, swore in Mike Smith, Randy Pack, and Renee Rountree.

Upcoming Meetings and Activities:

July 3rd - Town Administrative Offices Closed in Observance of Independence Day

July 4th - 9:30 p.m. – Fireworks Display @ Heritage Park Fairgrounds

July 7th - 6:30 p.m. – Town Council Meeting

Public Comments:

The public is invited to speak to Council on any matter, except scheduled public hearings. There will be a separate sign-up sheet for public hearings. For public comments, please use the

appropriate sign-up sheet and include your preferred method of contact. Comments are limited to five (5) minutes per person. Any required response from the Town will be provided in writing following the meeting.

There were no public comments.

Resolution to Adopt Proposed Budget for Fiscal Year 2020/2021:

Councilman Pack stated that the budget has been reviewed and properly advertised. He made a motion to adopt the proposed budget for FY 2020/2021. Vice Mayor Smith seconded the motion. Mayor Williams asked if there was any further discussion.

Mayor Williams stated that he would like to review recycling and trash pickup. It is his understanding that the budget currently includes trash pickup. The Town Manager stated that was correct. He stated that the Town could charge the fee for trash collection and do away with recycling. Mayor Williams stated that he is in favor of doing away with recycling; but he would like to see a detailed letter to citizens explaining the change. He explained that trash cost \$224,500.00 per year. Recycling cost \$137,090.00 and is burned by the Chesapeake Power Company. He is not in favor of having Town residents paying for their own trash pickup. The Town citizens have to pay Isle of Wight County taxes and Smithfield taxes. Trash pickup is part of what their taxes pay.

Mayor Williams explained that the Town is paying \$200,000.00+ to operate the museum. The reason the Town operates the museum is because it was cut from Isle of Wight County budget. The Town took over the expenses so it would not have to close. The museum is owned by the County. They are in charge of everything that happens with the museum. The Town pays money to keep it up. He stated that the Town could go back to the County and have them take the expense part back. Chairman Pack stated that could happen for the next budget cycle. The Town Manager stated that the Town covers payroll, communications, supplies, and advertising. The building is covered by Isle of Wight County.

Councilman Pack explained that the Mayor proposed to pay for trash pickup but eliminate recycling. The cost to the Town is \$224,500.00 if recycling is eliminated. There is a motion on the floor to pass the budget as is. Chairman Pack withdrew his previous motion to approve the budget and Vice Mayor Smith withdrew his second. The Town Manager stated that the \$224,500.00 would have to come out of reserves. The cost to citizens would be \$6.01 per month for trash pickup without recycling and \$9.70 per month with trash and recycling pickup. The options for collection of the fee would be on the utility bills or through the tax bills. The decision has not been made yet. Vice Mayor Smith stated that he would be fine with paying \$1.50 per week for someone to pick up his trash. An explanation to the citizens would go a long way for them in understanding the reasons it is necessary. It is a total of \$72.12 per year per household.

Chairman Pack stated that the Town has \$350,015.00 budgeted for revenue for trash and recycling. If the Town eliminates recycling at \$137,090.00, reserves would have to fund \$212,925.00. It is a lot of money out of reserves and will make the Town in the hole for next year's budget.

Mayor Williams suggested that the Town fund it this year and revisit it next year. He stated that it would be fine to take it out of reserves for one year.

Councilman Pack stated that next year's budget is going to be tight. He has been sharing occupancy and meal's tax numbers with the Town Treasurer. When she looks at the Town's 4th quarter, she will be shocked. His typical occupancy tax for one month is approximately \$23,000.00. April's occupancy tax for his business was \$928.00. It is money that the Town is not going to have. The cash reserves the Town has now do not need to be spent frivolously. He stated that they need to spend them wisely on things the Town needs. The 4th quarter money that the Town Treasurer had planned on is not going to be there. She will not know that until July 20th if everybody pays on time.

The Town Manager stated that increasing the meal's tax by ¼% would increase revenue by \$65,000.00. The Town currently has a 6 ¼% meal's tax. Most localities are at least at 6 ½% for meal's tax. A meal's tax increase has not been advertised for this budget.

Vice Mayor Smith asked if the budget could be amended in the coming year. The Town Attorney stated that it can be amended at any time. Any amendments would have to be properly advertised.

Councilman Hall made a motion to eliminate recycling from the 2020/2021 budget and the Town would continue to pay for trash pickup. It could be revisited next year. Mayor Williams seconded the motion. Councilman Pack asked if there was any further discussion. The Town Attorney stated that the motion would be to pass an amended budget removing recycling and removing the revenue for funding trash pickup and recycling pickup and paying for the difference from reserves to be revisited next year. Councilman Pack called for the vote.

On call for the vote, six members were present. Councilman Pack voted nay, Councilwoman Butler voted aye, Vice Mayor Smith voted nay, Councilwoman Haywood voted nay, Councilman Hall voted aye, and Mayor Williams voted aye. There were three votes against the motion and three votes in favor of the motion. The Town Attorney stated that a tie fails.

Chairman Pack stated that it seems everyone is on board with removing recycling. How to fund trash collection is the issue. The Town can pay for it out of reserves for a year or pass the expense along to the Town residents. Chairman Pack asked the Town Manager if the Town could fund contributions through the CARES Act. The Town Manager stated that some of them could possibly be paid by the CARES Act. He did not know if all would qualify. The Western Tidewater Free Clinic and Christian Outreach both provide services to people impacted by COVID. He did not think the YMCA could be funded through the CARES Act. He would have to look into the other ones.

Councilwoman Butler asked about the expenses for tourism. It is a County entity. She asked what the expense of \$274,000.00 is for. The Town Manager explained that the Town covers half of tourism's operating budget. There is a MOU in place for that. The Town Attorney explained that the Town Council, years ago, deemed it important to have an active Tourism Bureau in Smithfield. The County was not inclined to fund it to the level that the Town felt necessary. The Tourism offices are housed in a rental property owned by a private business. The Town Manager stated that it could be revisited. The Town pays 50% of the operational costs but

receives about 80% of the services. Councilwoman Butler stated that the County does not have much tourism. The Town Attorney explained that it is the reason they did not want to fund it. Councilwoman Butler stated that tourism and the museum are costing the Town almost \$500,000.00 per year. The museum is not profitable. She stated her amazement at how much free stuff is given away with the Town being so small. She explained that trash pickup is a fee that is passed on to the citizens in other municipalities. Mayor Williams stated that most other municipalities do not have double taxes. The Town Attorney stated that the Council could compare the combined rate to other localities. The Town residents are taxed by the County and the Town. The County rate is .85 per \$100 and the Town rate is .19 per hundred for a total of \$1.14 per hundred. Vice Mayor Smith stated that the Town gets taxed twice; but it is not double what the County is. The Town Attorney stated that Norfolk is \$1.25. Some parts of Virginia Beach are as high as \$1.48.

Councilman Pack stated that if not for COVID then there would not be an issue. When the Town took over the museum from Isle of Wight County, it was a three-year agreement which is now over. The Town should try to return the museum to the County. It would save the Town \$200,000.00. Mayor Williams agreed. Councilwoman Haywood stated that the Town and the County may be able to share the expense.

Chairman Pack stated that a large portion of the budget is funded out of reserves. Trash collection is not the only item that was being funded from reserves. Reserve funding is being used to balance the budget.

Vice Mayor Smith asked if the Town Manager knew how much money the CARES Act might cover. The Town Manager stated that it has to be something that is not already budgeted and it cannot fill revenue gaps. It has to fit into one of the categories relating to COVID. He believes it may be difficult. The Town may be able to reduce the budgeted amount for the contributions and possibly make it up with the CARES Act. Councilman Pack stated that it might cover the Western Tidewater Free Clinic contribution of \$40,560.00 and Christian Outreach at \$12,650.00. The Town Manager stated that he would need to discuss it with the County. It has to be approved.

Councilman Pack stated that the Town may want to holdoff on the professional fees for the dam. Vice Mayor Smith asked how much time was allotted for the dam repairs. The Town Manager stated that the Town Engineer is waiting to hear from Draper Aden. They are working on the cost estimates for different options. DEQ will make the timeframe requirements. Mayor Williams stated that DEQ would be aware that the Town would not have the money. It could probably wait a year.

Councilman Pack asked about the unfilled employee positions. The Town Manager stated that there would be a little savings from the Utility Director position since the Town promoted from within. There will be a savings for the next six months. The Chief Deputy Treasurer position is currently unfilled with plans to fill it soon. The Town has a couple of groundkeepers positions open also. There are also a couple of officer positions that the Town is actively recruiting for.

The Town Manager stated that the Town could fund trash collection until January and then revisit it then. The financial picture might be improved by then. Councilman Pack stated that would cost \$100,000.00 until January. Work on the dam could be delayed in the budget. However, the Town still has approximately \$960,000.00 from reserves until any decisions are made about amending the budget. The Town Manager stated that the bulk is one-time spending tied to Pinewood or other projects for the Town. Mayor Williams stated that Pinewood should be done in 2021. It will be a savings in the budget once that project is completed. Councilman Pack stated that 1% of the meal's tax money funds Pinewood. The meal's tax funds will not be available due to COVID. The Town may not have all the money needed for the next twelve months. He believes the Town should be very conservative for now.

Mayor Williams stated that he would like for the Town to continue to pay for trash pickup for the citizens. Vice Mayor Smith stated that other municipalities already charge for trash collection. The Town is now faced with a pandemic which is something that is unprecedented. Councilman Pack stated that trash collection will only be \$6.01 per month or \$72.12 per year. He made a motion to amend the budget by eliminating the cost of recycling collection from both revenues and expenses and pass the once a week trash collection fee to residents. Vice Mayor Smith seconded the motion. Mayor Williams called for the vote.

On call for the vote, six members were present. Councilman Pack voted aye, Councilwoman Butler voted aye, Vice Mayor Smith voted aye, Councilwoman Haywood voted aye, Councilman Hall voted nay, and Mayor Williams voted nay. There were two votes against the motion. The motion passed 4-2.

Virginia Retirement System Resolution for Enhanced Hazardous Duty Benefits:

Chairman Pack explained that the resolution increases the hazard pay for first responders from a 1.7% contribution to a 1.85% contribution. He made a motion to approve this resolution. Councilman Hall seconded the motion. Mayor Williams called for the vote.

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

New Business:

Motion to Award Mowing Services Contract to Escape 2 Eden Landscaping, LLC:

Councilwoman Haywood explained that the contract for mowing would be good for one year. She made a motion to approve the contract. Councilman Pack seconded the motion. Mayor Williams called for the vote.

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

Motion to Award Landscaping Services Contract to Escape 2 Eden Landscaping, LLC:

Councilwoman Haywood explained that the contract is for landscaping services for the next year. She made a motion to approve the contract. Councilman Hall seconded the motion. Mayor Williams called for the vote.

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

Old Business:

There was no old business.

The meeting was adjourned at 7:08 p.m.



T. Carter Williams - Mayor



Lesley King – Town Clerk