

**TOWN OF SELMA  
REGULAR COUNCIL MEETING  
JUNE 9, 2015**

**PRESENT:** Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmembers Eric Sellers, Tommy Holmes and William Overby, Town Manager Jon Barlow, Town Attorney Alan “Chip” Hewett and Town Clerk Cynthia Richardson.

**OTHER STAFF PRESENT:** Planning Director Julie Maybee, Finance Director Kim Batten, Fire Chief Phillip McDaniel, Police Chief Richard Cooper, Public Works Director Alex Fuller, Parks and Recreation Director Joe Carter and Deputy Clerk Brenda Thorne.

**CONVOCATION:** Mayor Oliver called the meeting to order at 6:00 p.m. in the Selma Jernigan Building and declared a quorum present.

Johnston County Commissioner Ted Godwin offered the invocation.

**PLEDGE TO FLAG:** Mayor Pro-Tem Jackie Lacy led in the pledge of allegiance to the flag.

**APPROVAL OF AGENDA:** Mayor Oliver stated that she would like to have the discussion of the Proposed Fiscal Year 2015/2016 Town of Selma Budget moved to the last item under the Town Manager’s Report due to the potential length of the discussion.

Town Manager Barlow stated that he would like to have Agenda Item 8h, Assigning Values for Taxation, removed from the Agenda and would be added to the July 14, 2015 Agenda. He said this would give him time to do more research.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve the agenda as amended. Motion carried unanimously.

**CONSENT AGENDA:**

**Minutes**  
Work Session Meeting – May 4, 2015

A motion was made by Mayor Pro-Tem Jackie Lacy and seconded by Councilmember William Overby to approve the consent agenda as presented. Motion carried unanimously.

**RECOGNITIONS/  
PRESENTATIONS –  
Recognition of Parks  
and Recreation Staff,**

Councilmember Overby was joined by Parks and Recreation Director Joe Carter, and they presented plaques to both Mr. Daniel Newsome and Mrs. Helen Newsome for their work with the Recreation Department. He said that Mrs. Helen Newsome had

**Mr. Daniel Newsome  
and Mrs. Helen  
Newsome:**

worked for the Recreation Department for about 10 years, and Mr. Daniel Newsome had worked for the Recreation Department for about 12 years. Councilmember Overby read the plaques, which both stated, “Having given unselfishly of his/her time and assistance in providing leisure recreation, and activities that led to a better quality of life for all the citizens of the Town of Selma through the Parks and Recreation Department.”

Parks and Recreation Director Joe Carter stated that before he hired Mr. and Mrs. Newsome, they did volunteer work for the Recreation Department for eight to ten years. He said that they have made his job easier over the years. Mr. Carter stated that he appreciated everything that they have done for his department and for the Town.

Mrs. Newsome thanked Mr. Carter for all the support that he has given to her family over the years.

**OPEN FORUM/  
CITIZENS’ REQUESTS:**

No one present wished to address Council.

**PUBLIC HEARINGS –  
Public Hearing to  
Consider Application to  
Local Government  
Commission for  
Financing of the Town  
Hall Renovation  
Project:**

Town Manager Barlow stated that the purpose of this public hearing was to receive citizen comments regarding the application to the Local Government Commission for the financing of the Town Hall Renovation Project. He said that anytime a Town in North Carolina proposes to use installment financing or to acquire a loan to improve real property, the Town is required to go through an application process through the Local Government Commission, as well as having a public hearing, and getting input to Council on the idea of financing that is required. He said that this was just one piece of the process that the Town must go through to submit an application to the Local Government Commission. Mr. Barlow stated that once the application was complete, which he hoped would be completed tomorrow morning, it would be taken to the Local Government Commission to be put on its July Agenda for consideration.

Mr. Barlow stated that the Town was proposing to renovate the former First Citizens Bank building into a Town Hall. He said that the request to the Local Government Commission would be to not to exceed \$400,000 for the renovation of this project.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to open the public hearing. Motion carried unanimously. 6:13 p.m.

With no one present to address Council, a motion was made by Councilmember Eric Sellers and seconded by Councilmember

William Overby to close the public hearing. Motion carried unanimously. 6:14 p.m.

**Request to Set Date for a Public Hearing for a Special Use Permit for a Solar Farm on Yelverton Grove Road, Smithfield, NC – Narenco/ Mr. Michael Cox; Property Owned by Roberts and Wellons:**

Planning Director Julie Maybee stated that Narenco/Michael Cox and property owners Roberts and Wellons, Inc., have requested a special use permit to place a 5 MW AC fenced solar farm on a proposed 39-acre lot on Yelverton Grove Road, Smithfield, NC. She said that no associated buildings would be constructed.

Ms. Maybee stated that the property is located in the Town’s extra-territorial jurisdiction, and is zoned R-20. She said that a special use permit is required for a solar farm in an R-20 residential zoning district.

Ms. Maybee stated that the special use permit was considered by the Planning Board at its May 26, 2015 regular meeting.

Planning Director Maybee stated that Chapter 7, Article VI, Section 17-122 of Selma’s Municipal Code states: “Prior to approving any special use permit, the Town Council shall conduct a quasi-judicial public hearing where sworn testimony and evidence may be offered by the applicant and any interested party...”

Ms. Maybee requested Council to conduct a quasi-judicial public hearing and consider the special use permit at the next Council meeting scheduled for Tuesday, July 14, 2015.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve a request to conduct a quasi-judicial public hearing on July 14, 2015 at 6:00 p.m. in the Jernigan Building located at 110 East Anderson Street to receive citizen comments regarding the special use permit application of Narenco/Michael Cox and property owners Roberts and Wellons, Inc. for the installation of a solar farm at 88 Yelverton Grove Road, Smithfield, NC. Motion carried unanimously.

**Request for Town Clerk to Investigate a Voluntary Annexation Petition and to Set a Public Hearing Date for 4451 Buffalo Road, Property Owned by Roberts and Wellons, Inc.:**

Planning Director Julie Maybee stated that an owner-initiated voluntary annexation petition was filed by Roberts and Wellons, Inc. She said that the proposed 15+ acre lot was located at 4451 Buffalo Road, Selma, NC. She said that it was contiguous with the Town limits.

Ms. Maybee stated that on March 10, 2015, a special use permit was approved by Town Council for a solar farm at 4451 Buffalo Road, Selma, North Carolina “...on the condition that the contiguous property be voluntary annexed into the Town limits including the 15 acres for the solar farm.”

Ms. Maybee advised Council that a quasi-judicial hearing was scheduled for Phase II of the Solar farm on June 11, 2015 since this was a major modification of the initial special use permit.

Ms. Maybee requested Council to direct the Town Clerk to investigate the voluntary annexation petition, and requested approval of a resolution fixing the date of the public hearing for July 14, 2015 at 6:00 p.m.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve the Resolution Directing the Town Clerk to Investigate the voluntary annexation petition of Roberts and Wellons, Inc. Motion carried unanimously.

**RESOLUTION DIRECTING THE CLERK TO  
INVESTIGATE A PETITION RECEIVED  
UNDER N.C.G.S. 160A-31**

**WHEREAS**, A petition requesting annexation of an area described in said petition was received on June 9, 2015 by the Selma Town Council; and

**WHEREAS**, N.C.G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the Town of Selma Clerk before further annexation proceedings may take place; and deems it advisable to proceed in response to this request from Roberts and Wellons, Inc. (approximately 15 acre parcel [proposed] located at 4451 Buffalo Road, Selma, NC.)

**NOW, THEREFORE, BE IT RESOLVED** by the Selma Town Council of the Town of Selma, NC that:

The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Selma Town Council the result of her investigation.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve the following resolution fixing the date of the public hearing for July 14, 2015. Motion carried unanimously.

**RESOLUTION FIXING DATE OF PUBLIC HEARING  
ON QUESTION OF ANNEXATION  
PURSUANT TO G.S. 160A-31**

**WHEREAS**, a petition requesting annexation of an area described herein has been received; and

**WHEREAS**, the Town Council has, by resolution, directed the Town Clerk to investigate the sufficiency of the petition; and

**WHEREAS**, certification by the Town Clerk has been made.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Selma that,

Section 1. A public hearing on the question of voluntary annexation of the area described herein will be held at the Selma Jernigan Building, 110 East Anderson Street, Selma, NC at the Town Council meeting starting at 6:00 p.m. on July 14, 2015.

Section 2. The area proposed for annexation is described on Exhibit D-1 attached.

**DULY ADOPTED THIS THE 9<sup>TH</sup> DAY OF JUNE 2015.**

Councilmember Tommy Holmes stated that he was concerned about allowing all the solar farms round Town. He said that the Town is going to become blocked in, and would not be able to expand. Councilmember Holmes stated that Council needed to take this into consideration before taking in anymore solar farms.

**Proposed Fiscal Year  
2015/2016 Town of  
Selma Budget:**

Town Manager Barlow presented a copy of the draft budget ordinance for the 2015/2106 fiscal year. He said the purpose of this public hearing was to gather comments from citizens regarding the budget. Mr. Barlow stated that all the funds are balanced, and there were no proposed rate increases for taxes, water, sewer, and electric.

A motion was made by Councilmember William Overby and seconded by Mayor Pro-Tem Jackie Lacy to open the public hearing regarding the proposed 2015/2016 Town of Selma Budget. Motion carried unanimously. 6:21 p.m.

With no one present to address Council, a motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to close the public hearing. Motion carried unanimously. 6:22 p.m.

**TOWN MANAGER'S  
REPORT &  
RECOMMENDATIONS –  
Discussion of Fiscal  
Year 2015/2016 Town of  
Selma Budget:**

**Review of Financial  
Reports:**

Mayor Oliver requested at the beginning of the meeting in the Approval of the Agenda that this item be moved to end of Town Manager's report.

Town Manager Barlow stated that included in the Town Council package was a summary report ending May 15, 2015 summarizing all four funds.

Councilmember Sellers questioned if he was looking at eleven months of revenue and ten months of expenditures.

Town Manager Barlow stated that was correct for sewer and electric funds.

Town Manager Barlow stated that the General Fund looks good. He said that the Town was eleven months into the fiscal year. Mr. Barlow stated that the Town was operating well on a cash basis with revenues exceeding expenditures. He said that tax collections of real property and motor vehicles have been a little better. Mr. Barlow stated that the general franchise tax is a quarterly distribution with one-quarter left, and that is at 82%. He said that the Sales and Usage tax was right where it is supposed to be at 93%. Mr. Barlow stated that refuse collections were good. He said that everything was in line.

Mr. Barlow stated that the Water Fund was doing well. He said that the Water Fund has had a tremendous turnaround from the previous past couple of years. Mr. Barlow stated that the Water Fund was operating at about \$230,000 on the positive cash basis.

Mr. Barlow stated that he could not say the same about the Sewer Fund. He said that the year-to-date comparison looked better. Mr. Barlow stated that compared to last year; the Town was about \$258,000 to the good. He said that the Sewer Fund was operating at break-even, where last year it was \$250,000 in the hole.

Councilmember Sellers stated that the break-even was with ten months expenses and eleven months of revenues. He said that the last rate increase just took effect. Councilmember Sellers stated that the Fund was better, and they need to keep a close eye on this fund.

Town Manager Barlow stated that the Electric Fund in the last few years has not gone in the right direction. He said that the Electric Fund seems to be at the same point as it was last year. Mr. Barlow

stated that the new rate study would be implemented this year and get this fund back on the right track. He said that they have not secured a loan for the new electric bucket truck, but does have the expenditure in convert.

Councilmember Sellers stated that when the rate study was complete, they would need to address the decline in the Electric Fund.

**Review of Budget  
Amendments for Fiscal  
Year 2014/2015 –  
Budget Amendment  
#28:**

Finance Director Kim Batten stated that Budget Amendment #28 was for the General Fund. She said that it was a clean-up item and is reappropriating funds. Ms. Batten stated that the Departments in this amendment include the Recreation Department, Police Department, and Governing Body.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve Budget Ordinance Amendment #28 for fiscal year 2014/2015. Voting Yes: Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, and Councilmember Eric Sellers. Voting No: Councilmember Tommy Holmes and Councilmember William Overby. Motion carried.

**TOWN OF SELMA  
BUDGET ORDINANCE AMENDMENT # 28  
FISCAL YEAR 2014/2015**

BE IT ORDAINED by the Town Council of the Town of Selma, County of Johnston, State of North Carolina, and Meeting in Budget Session this 9<sup>th</sup> day of June 2015 that the Town Budget adopted on June 24<sup>th</sup> 2014, for FY 2014/2015 is hereby amended and adopted:

Section I. To amend the General Fund (Fund 10) for unanticipated/unbudgeted revenues and expenses during FY 2015. The Town’s General Fund (Fund 10) accounts are to be amended as follows:

Account No.	Debit	Credit	
10-6200-2512 Non-Highway Diesel #2 (E)	600		Increase
10-6200-2590 Gasoline (E)		600	Decrease
10-5100-4990 Equipment/Not Capital (E)	6,000		Increase
10-5100-5400 Capital Outlay – Vehicles (E)		6,000	Decrease
10-4100-3990 Contract Services (E)	1,100		Increase
10-4100-3910 Legal Advertising (E)		1,100	Decrease
10-5100-3530 Maint. & Repair – Auto (E)	2,402		Increase
10-3350-0400 Insurance Proceeds (R)		2,402	Increase

Section II. Copies of this Budget Ordinance Amendment # 28 shall be furnished to the Town Clerk, the Budget Officer, and the Finance Officer, and shall be available for public inspection and audit.

Adopted this 9<sup>th</sup> day of June 2015.

**Budget  
Amendments #29  
and #30:**

Finance Director Kim Batten stated that Budget Amendments #29 and #30 were amendments to loan the Sewer Fund \$250,000 from the Water Fund for fiscal year 2014/2015. She said that the sewer operations were already at 104% and needed to be balanced. Ms. Batten stated that a payment of \$100,000 back to the Water Fund has been appropriated in the Sewer Fund for fiscal year 2015/2016. She said that the Water Fund last fiscal year loaned the Sewer Fund \$600,000. Ms. Batten stated that the grant the Town recently received for the Noble Street Interceptor Project stated that the Town's contribution towards the project must be \$30,768. She said of the \$250,000, \$75,000 would be put into the Noble Street Interceptor Project Fund (Fund 30). She said that this fund would get that project up and going.

Councilmember Sellers stated that the sewer rates were just increased, and the Town is still in the hole. He said that it was hard to comprehend lending money to something that is losing money. Councilmember Sellers asked for Town Manager Barlow's comments.

Town Manager Barlow stated that Council increased the rates this year to take care of a long-term problem. He said that the problem is not going to resolve itself this year. Mr. Barlow stated that he could see changes due to the rate changes made in late 2014/2015. He said that this increase would prove itself beneficial so long as the wastewater treatment costs do not continue to escalate.

Councilmember Sellers asked with just the May increase, what was the projected conditional revenue that would be created in budget year 2016 based on the increase that was seen in May.

Town Manager Barlow stated that it was projected to be a \$400,000 increase.

Councilmember Sellers asked if there were any other options.

Town Manager Barlow stated that there were no other options. He said that the Town has to have funds. Mr. Barlow stated that the Town could not operate on an unbalanced budget. He said the Town is obligated to have a balanced budget.

Councilmember Sellers asked if there were any indications of how the Town's auditors would view these transfers.

Town Manager Barlow stated the auditors would just state the facts. He said that the Local Government Commission gets their report from the auditor. Mr. Barlow stated that the Local Government Commission is already aware of the Town's issue with its Sewer Fund. He said that they were just as concerned as the Town was.

Councilmember Sellers thanked Mr. Barlow for addressing issue. He said that this was something that Mr. Barlow had not created, but was something that he inherited. Councilmember Sellers stated that the Town has to keep working on infiltration. He said that he realized that this was a multi-year project.

Councilmember Overby asked why the Water and Sewer Funds were split.

Town Manager Barlow stated that the Town sold some revenue bonds for a sewer project. He said that one of the covenants in the bond restrictions was that the Town had to separate the two funds. Mr. Barlow stated that the Town had to show that the water rates were high enough to pay the debt service on the bonds. He said that it was a USDA requirement.

Finance Director Kim Batten stated that the Local Government Commission is watching this. She said that she had to send them financials as of to date, as well as the current budget that is proposed and the budget message. Ms. Batten stated that they are watching this very carefully.

Councilmember Overby stated that the Noble Street Project is not going to get the Town out of the hole.

Town Manager Barlow stated that it would not, but it would be a big step in the right direction. He said that area is detreated and has had a lot of I and I.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve Budget Ordinance Amendment #29 for fiscal year 2014/2015. Voting Yes: Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember Eric Sellers, and Councilmember William Overby. Voting No: Councilmember Tommy Holmes. Motion carried.

**TOWN OF SELMA  
BUDGET ORDINANCE AMENDMENT # 29  
FISCAL YEAR 2014/2015**

BE IT ORDAINED by the Town Council of the Town of Selma, County of Johnston, State of North Carolina, and Meeting in Budget Session this 9<sup>th</sup> day of June 2015 that the Town Budget adopted on June 24<sup>th</sup> 2014, for FY 2014/2015 is hereby amended and adopted:

Section I. To amend the Water Fund (Fund 60) and Sewer Fund (Fund 61) for unanticipated/unbudgeted revenues and expenses during FY 2015. The Town's Water Fund (Fund 60) and Sewer Fund (Fund 61) accounts are to be amended as follows:

Account No.	Debit	Credit	
60-3390-0000 Fund Balance Appropriated (R)		250,000	Increase
60-7110-8500 Loan Issued – Sewer Fund (E)	250,000		Increase
61-3930-0000 Loan Proceeds – Water Fund (R)		250,000	Increase
61-7110-6000 Loan Issued – Noble St. Interceptor Project – Fund 30 (E)	75,000		Increase
61-7140-3991 Wastewater Treatment /JoCo (E)	175,000		Increase

Section II. Copies of this Budget Ordinance Amendment # 29 shall be furnished to the Town Clerk, the Budget Officer, and the Finance Officer, and shall be available for public inspection and audit.

Adopted this 9<sup>th</sup> day of June 2015.

Finance Director Kim Batten stated that this amendment #30 was for the Noble Street Interceptor Project.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve Budget Ordinance Amendment #30. Motion carried unanimously.

**TOWN OF SELMA  
BUDGET ORDINANCE AMENDMENT # 30  
FISCAL YEAR 2014/2015**

BE IT ORDAINED by the Town Council of the Town of Selma, County of Johnston, State of North Carolina, and Meeting in Budget Session this 9<sup>th</sup> day of June 2015 that the Town Budget adopted on June 24<sup>th</sup> 2014, for FY 2014/2015 is hereby amended and adopted:

Section I. To amend the Noble Street Interceptor Project Fund (Fund 30) for unanticipated/unbudgeted revenues and expenses during FY 2015. The Town's Noble Street Interceptor Project Fund (Fund 30) accounts are to be amended as follows:

Account No.	Debit	Credit	
30-3800-0000 Town’s Contribution (R)		30,768	Increase
30-3801-0000 Loan Proceeds – Sewer Fund (R)		44,232	Increase
30-8140-1990 Engineering (E)	74,000		Increase
30-8140-1992 Administrative (E)	1,000		Increase

Section II. Copies of this Budget Ordinance Amendment # 30 shall be furnished to the Town Clerk, the Budget Officer, and the Finance Officer, and shall be available for public inspection and audit.

Adopted this 9<sup>th</sup> day of June 2015.

**Budget Amendment #31:** Finance Director Kim Batten stated that in review of the sewer revenues as of to date with the expenditures, the sewer basic charges had increased by \$50,000. She said that when revenues increase, a few items were chosen to reflect those expenses.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve Budget Ordinance Amendment #31. Motion carried unanimously.

**TOWN OF SELMA  
BUDGET ORDINANCE AMENDMENT # 31  
FISCAL YEAR 2014/2015**

BE IT ORDAINED by the Town Council of the Town of Selma, County of Johnston, State of North Carolina, and Meeting in Budget Session this 9<sup>th</sup> day of June 2015 that the Town Budget adopted on June 24<sup>th</sup> 2014, for FY 2014/2015 is hereby amended and adopted:

Section I. To amend the Sewer Fund (Fund 61) for unanticipated/unbudgeted revenues and expenses during FY 2015. The Town’s Sewer Fund (Fund 61) accounts are to be amended as follows:

Account No.	Debit	Credit	
61-7140-1220 Overtime (E)	2,500		Increase
61-7140-3991 Wastewater Treatment/JoCo (E)	90,000		Increase
61-7110-1210 Salaries & Wages (E)		34,500	Decrease
61-7110-1810 FICA & Medicare (E)		4,000	Decrease
61-7110-1820 NC Municipal Retirement (E)		4,000	Decrease
61-3714-5100 Sewer Charge/Basic (R)		50,000	Increase

Section II. Copies of this Budget Ordinance Amendment # 31 shall be furnished to the Town Clerk, the Budget Officer, and the Finance Officer, and shall be available for public inspection and audit.

Adopted this 9<sup>th</sup> day of June 2015.

**Consideration and Selection of General Contractor for New Town Hall Renovation:**

Town Manager Barlow stated that the firm, Oakley Collier Architects, was hired to administer the renovation project for the new Town Hall. He said that Oakley Collier recently put the project out for bid to interested contracting firms. Mr. Barlow stated that the Town received eight different bids from general contractors. Mr. Barlow stated that the low bidder was Vortex Construction Company at \$359,349. He said that the loan that has been requested was for \$400,000. Mr. Barlow recommended entering into contract negotiations with Vortex for the renovation of the new Town Hall Building and for it to be contingent on the Local Government Commission's approval of the Town's application.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve the bid from Vortex Construction Company at \$359,349 contingent upon the loan approval by the Local Government Commission. Motion carried unanimously.

**Consideration of Bank Financing Proposals for the Renovation of Town Hall:**

Town Manager Barlow stated that assuming the Town enters into a contract with Vortex, the Town would need to obtain financing from a bank for the new Town Hall Renovation Project. He said that the Town has solicited bids and received three proposals. Mr. Barlow stated that BB&T has the best proposal. He said that the way BB&T structured the loan, would result in the Town paying less interest over the 15-year loan.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve a resolution for a financing agreement with BB&T for the new Town Hall Renovation Project. Motion carried unanimously.

**Consideration of Bank Financing Proposals and Resolution Authorizing the Financing of a Bucket Truck for the Electric Department:**

Town Manager Jon Barlow presented to Council a resolution to award financing of bucket truck for the Electric Department. He said that the truck was ordered about eight months ago, and delivery was imminent. Mr. Barlow stated that Finance solicited and received proposals for financing of the truck. He said that Council did approve the purchase not to exceed \$160,000. Mr. Barlow stated that First Citizens declined to participate, Four Oaks Bank quoted 2.16%, and KS Bank quoted 1.24%. Mr. Barlow recommended approval of a resolution for a financing agreement with KS Bank.

A motion was made by Councilmember William Overby and seconded by Councilmember Eric Sellers to approve the financing agreement with KS Bank at 1.24% for a term of five years for a bucket truck for the Electric Department. Motion carried unanimously.

**Consideration of an  
Amendment to the  
Inventory Policy from  
\$5 to \$25:**

Town Manager Jon Barlow stated that the current Town policy for tracking an item in inventory is any item that exceeds \$5. He said that this value has not been modified in years; however, the number of items to inventory now exceeding \$5 has grown tremendously. Mr. Barlow stated that as part of the audit process, staff has to produce a list of items in inventory, and the auditor would test for accuracy. He said that this process is very time consuming given the number of small items that have to be counted as inventory. Mr. Barlow stated that there were many items such as copper wire, transformers, poles, fixtures, electric meters, valves, etc. that should be tracked as inventory, but small hardware items such as bolts, brackets, and repair couplings really do not need to be included. He said the time and effort by staff and the audit to count these items is not worth the expense.

Mr. Barlow recommended that Council raise the cost to inventory items exceeding \$25. He said that this would cut out small items like repair couplings, nuts, bolts, and brackets.

Mayor Oliver asked if the Town's auditor was made aware of the requested change.

Town Manager Barlow stated that the auditor actually made the recommendation.

Councilmember Overby stated that he did not believe that the Town had its hands on its inventory issues. He said that \$5 to \$25 was a big jump. Councilmember Overby stated that he would recommend an increase from \$5 to \$10.

Mayor Oliver recommended increasing the tracking of inventory items from \$5 to \$15 for this year, and suggested getting a recommendation from the auditor for the following year.

A motion was made by Councilmember William Overby and seconded by Councilmember Eric Sellers to approve the increase from \$5 to \$15 for tracking of inventory items, and to obtain the advice of the Town's auditor for the next fiscal year. Motion carried unanimously.

**Assigning Values for  
Taxation:**

Town Manager Barlow requested at the beginning of the meeting in the Approval of the Agenda section that this item be removed for future discussion.

**Presentation of Paving List for Fiscal Year 2015/2016:**

Town Manager Barlow presented Council with a table that summarizes the priority streets that need resurfacing. Mr. Barlow stated that the streets were bundled in accordance with the expected revenues for the Powell Bill Fund.

Public Works Director Alex Fuller stated that he has assessed the conditions of each of these streets. He said that there were several streets on this list that were on the list from two years ago.

Mayor Oliver stated that she would like to discuss this further at an upcoming work session at a more detailed level. She said that one issue she has when she looks at the list is the first group of streets are not the streets with the most traffic or are the most visible from an appearance prospective.

Public Works Director Alex Fuller stated that the first group has a thinner layer of asphalt, and was more critical than others with a thicker layer. He said that one thing the Town could consider, but it is not required, is having some geotechnical work done.

Mr. Barlow advised Council that no action was needed for this item, but was for informational purposes only.

<b>2015 TOWN OF SELMA STREET RESURFACING PRIORITIZATION</b>			
Street Name	Section	Length (ft)	Notes
W Preston St.	Ethel to West	775	1 <sup>st</sup> Group
Chestnut St.	Entire Street	1,535	1 <sup>st</sup> Group
Primrose St.	Entire Street	1,135	1 <sup>st</sup> Group
Walnut St.	Entire Street	2,240	1 <sup>st</sup> Group
Center St.	Entire Street	1,430	2 <sup>nd</sup> Group
W Elizabeth St.	Entire Street	1,175	2 <sup>nd</sup> Group
Third Ave.	Entire Street	920	2 <sup>nd</sup> Group
W Dr MLK Jr Way	S Pollock to S Green	1,430	2 <sup>nd</sup> Group
W Waddell St	N Massey to N Raiford	360	3 <sup>rd</sup> Group
Ethel St	W Dr MLK to W Noble	350	3 <sup>rd</sup> Group
S Brevard St	W Dr MLK to W Noble	330	3 <sup>rd</sup> Group
W Railroad St	N Green to Center	2,000	3 <sup>rd</sup> Group
E Griswold St	Entire Street	2,210	3 <sup>rd</sup> Group

**Strategic Plan Update:**

Town Manager Jon Barlow stated that he wanted to make Council aware of a couple of things in the strategic plan. He said that under infrastructure, bids were opened on June 4<sup>th</sup> for the Town Hall Project. Mr. Barlow stated that an application should be completed and ready to go to the Local Government Commission tomorrow, June 10<sup>th</sup> for consideration at its July meeting.

Town Manager Barlow stated that in the information technology section, VC3 was identified as the preferred vendor, and has been included in the 2015/2016 budget.

Town Manager Barlow stated that under the Personnel System and Benefits, Phase II of the Classification Study has been presented to Council, and has been included in the 2015/2016 budget. He said that the Merit Performance Evaluation System should be implemented by fiscal year 2016/2017.

Town Manager Barlow stated that Mr. Rocky Lane of Sanford Holshouser conducted the focus group meetings for the Economic Development Strategic Plan Update. He said that there was excellent participation by those groups.

**Discussion of Fiscal  
Year 2015/2016 Town of  
Selma Budget:**

Town Manager Jon Barlow stated that after the May 28<sup>th</sup> Budget Work Session, there were a number of requests for more information and clarification on some of the budget numbers. He said that he put a list together in no specific order.

Mr. Barlow stated that Council did have the required public hearing. He said from this point forward, Council could still make changes to the proposed 2015/2016 Town of Selma Budget. Mr. Barlow stated that Council could take this information and make decisions at the next work session with adoption sometime later this month. Town Manager Barlow reviewed the following:

General Fund

- Request to add three firefighter positions; one a year over the next three years;
- Reduce Scope of Fire Department Driveway Project by \$20,000;
- Increase Fire Inspection Revenues by \$3,000;
- Delete Computer Expense from Library \$3,000; and
- Reduce Recreation Capital Outlay Truck by \$6,000

Water Fund

- Add 20% of Firefighter Salary and Benefits \$8,783

Sewer Fund

- No proposed Changes

Electric Fund

- Delete Cost of Service Study Expense \$20,000

Town Manager Barlow reviewed other information requested during the Budget Work Session.

### Quotes

- Security Gate at Water Plant – Manual fence quoted by Seegars at \$4,000 to \$4,400 for a 20 to 30 foot fence;
- Two Pickup Trucks –  
Public Works/Powell Bill truck priced as a standard cab under State contract - \$19,000;
- Recreation Truck priced as a crew-cab with four-wheel drive. Reduced to standard size truck at the same price as the Public Works truck - \$19,000; and
- Batwing Mower – Quoted price was about \$19,000 but does not include freight and set-up. Leave as budgeted at \$25,000.

### Other Information

- Powell Bill Traffic Control Expense: \$2,000 for a small enclosed trailer to keep traffic cones, stands, lights, etc. stored and secure; and
- Boys and Girls Club Parking lot lease: Town continues to pay \$1,200 annually; lease expired in 2005. Town needs to renew lease if they wish to continue to use the parking lot.

Mayor Oliver requested a map of the property of the Boys and Girls Club building showing the parking area. Mayor Oliver and Councilmember Overby asked that the lease be discussed at a future work session.

Town Manager Barlow stated that there was a question on the fee schedule regarding the 3-phase medium general service and 3-phase large general service. He said that the fee schedule from 2013/2014 has the rate at \$25.00. Mr. Barlow stated that this current year, the rate was reduced to \$24.20, which was 3.3%. He said that was the amount of the gross receipts tax that the Town was charged on electric. Mr. Barlow stated that effective July 1, 2014, North Carolina reduced gross utilities tax and created a 7% sales tax. He said that rate was correct, and it is the rate that the Town was using today.

### **TOWN ATTORNEY'S REPORT –**

#### **Update on Condemnation:**

Town Attorney Chip Hewett stated that he wanted to give an update on the condemnation that was in process against the property located at 905 West Walnut Street. He said that Ms. Lemon was sued individually as well as the mortgage company. Attorney Hewett stated that two previous letters that were sent to Town Council by Ms. Lemon were on file in the Johnston County Courthouse. He said that because Ms. Lemon had filed those letters, he had to proceed by summary judgement.

Attorney Hewett stated that he was getting an affidavit signed by the Planning Director, and would proceed by summary judgment. He said this would be a court order to tear the house down. Attorney Hewett stated that the case is expected to be heard before the Court on June 29<sup>th</sup>. He said that there has been no significant work in the house. Attorney Hewett stated that unless otherwise directed, he would proceed to court on June 29<sup>th</sup> for ruling by a Superior Court Judge.

Attorney Hewett advised Council that he would be away on vacation June 15<sup>th</sup> through June 19<sup>th</sup>. He said that Attorney Frank Wood would be available if anyone should need anything.

**MAYOR’S REPORT  
AND  
RECOMMENDATIONS –  
Committee  
Appointments:**

Mayor Oliver stated that she mentioned at the last meeting that she would be meeting with the Historical Home Owners to see if there was any interest to restart the Historic Properties Commission. She said that all the terms expired in November 2014. Mayor Oliver stated that Ms. Cathy Gutierrez and Mr. Ray Jaklitsch have agreed to canvas those who were on the committee plus a few others.

Mayor Oliver asked that the application of Mr. Ray Jaklitsch be approved tonight so that he and Ms. Gutierrez could work together on the Historic Properties Commission. Mayor Oliver stated that applications have also been received from Ms. Dina Flowers and from Mayor Pro-tem Jackie Lacy. Mayor Oliver stated that Ms. Flowers had recently resigned from the Planning Board.

Mayor Oliver stated that Mayor Pro-Tem Jackie Lacy could not be considered for the Historic Properties Commission because she was overloaded by committees, which has a maximum of two appointments.

A motion was made by Councilmember William Overby and seconded by Mayor Pro-Tem Jackie Lacy to approve the appointment of Mr. Ray Jaklitsch to the Historic Properties Commission. Motion carried unanimously.

A motion was made by Councilmember William Overby and seconded by Mayor Pro-Tem Jackie Lacy to approve the appointment of Ms. Dina Flowers to the Historic Properties Commission. Motion carried unanimously.

Mayor Oliver stated that the Harrison Advisory Committee began in 2011, and was formed for the purpose of selecting who would occupy the building, which is now the Harrison Senior Center. She said that their work was complete. Mayor Oliver stated that Council needed to declare the committee inactive as a time bound

committee, or leave it as inactive in case there is any other discussion regarding the Harrison Campus.

A motion was made by Councilmember Tommy Holmes and seconded by Mayor Pro-Tem Jackie Lacy to declare the Harrison Advisory Committee as inactive. Motion carried unanimously.

Mayor Oliver stated that the Citizens Advisory Committee was not included on the Committee Appointments list, and questioned if it should be activated. She said that it was designed to be the voice of citizens. Mayor Oliver asked Council to give it some thought for the July meeting.

Mayor Oliver stated that it has been discussed to have another community visioning meeting to build off the meeting that was held last fall.

Mayor Oliver reminded Council of the June 15<sup>th</sup> meeting with the North Carolina Legislature. She said the transportation would be leaving the Greater Smithfield-Selma Chamber of Commerce Office at 2:45 p.m.

Mayor Oliver reminded Council of the Special Council Meeting on June 11, 2015 for the public hearings for solar farms. She also reminded Council of the Endless Yard Sale on June 19<sup>th</sup> and 20<sup>th</sup>.

Mayor Oliver stated that a “Bit and Grain” blog is being started in North Carolina. She said that it was a blog that was doing one narrative story about North Carolina every week. Mayor Oliver asked for anyone to let her know of any stories that they might be interested in.

Mayor Oliver stated that there was a Ribbon Cutting Ceremony today at Platform Design.

**General Comments:**

Council agreed to schedule a special budget meeting on Tuesday, June 16, 2015 at 3:30 p.m.

**COUNCILMEMBERS’  
REPORT AND  
RECOMMENDATIONS:**

Mayor Pro-Tem Jackie Lacy thanked Council for their help with the Walnut Grove Cemetery.

**CLOSED SESSION:**

Town Attorney Hewett advised Council that they needed to go into closed session per N.C.G.S. 143-318.11 (4) to discuss an economic development issue. He informed everyone that he was not sure if action would be taken.

A motion was made by Councilmember Tommy Holmes and seconded by Councilmember William Overby to go into closed session. Motion carried unanimously. 7:51 p.m.

Council returned to regular session at 8:13 p.m.

A motion was made by Councilmember Tommy Holmes and seconded by Councilmember William Overby to approve an investment not to exceed \$18,000 to electrical improvements at Dewayne's. Motion carried unanimously.

**ADJOURNMENT:**

With no further business, a motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to adjourn. Motion carried unanimously.

The meeting adjourned at 8:15 p.m.

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BRENDA W. THORNE, Deputy Clerk