

**TOWN OF SELMA
REGULAR COUNCIL MEETING
NOVEMBER 8, 2016**

PRESENT: Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember Tommy Holmes, Councilmember William Overby, Councilmember Mark Petersen, Town Manager Jon Barlow, and Town Attorney Alan “Chip” Hewett.

OTHER STAFF PRESENT: Finance Director Karen Johnson, Planning/Economic Development Director Julie Maybee, Police Chief Richard Cooper, Fire Chief Phillip McDaniel, and Town Clerk Brenda Thorne.

CONVOCATION: Mayor Oliver called the meeting to order at 6:00 p.m. and declared a quorum was present. Mayor Oliver opened with a prayer.

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

APPROVAL OF AGENDA: Mayor Oliver requested that Ann Williams be added under the Open Forum/Citizens’ Request; “Food for Fines Week” be added under the Town Manager’s Report; and the Closed Session be deleted.

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

CONSENT AGENDA:

Minutes
Regular Council Meeting – September 13, 2016
Regular Council Meeting – October 11, 2016
Closed Session Meeting – October 11, 2016

Mayor Oliver reminded Council that the September 13, 2016 Regular Council Meeting Minutes were removed last month so that she could reword one of the items, and Attorney Hewett had some issues that could be dealt with in a work session.

Mayor Oliver provided the substitute text that was to be considered for page 35, paragraph 9.

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

**RECOGNITIONS/
PRESENTATIONS:**

There were no recognitions or presentations.

**OPEN FORUM/
CITIZEN’S REQUESTS –**

Rev. Ricky Evans of 1320 Crookers Nub Road, Middlesex, NC, thanked Council for allowing him to speak this evening. He said

**Rev. Ricky Evans, Pastor
of Branch Chapel Free
Will Baptist Church:**

that he had received several phone calls after Town Council's October 11, 2016 meeting. He said that Councilmember Overby made a statement regarding a church passing out water at Railroad Days. Rev. Evans stated that the Johnston County report stated that there were two key words missing, which were ingredients and water. He said that Branch Chapel was giving out free water, and wanted to assist in any way to get the problem taken care of. Rev. Evans stated that he understood that the Town was going to investigate it. He had a bottle of the water that was distributed at Railroad Days, and a copy of the invoice. Rev. Evans stated that he just purchased five bottles of water from IGA, which did not have the word ingredients on them. He said that he would like to have the issue clarified, and if they have not done anything wrong, they would like to have a statement regarding that.

Councilmember Overby stated that the investigation was not against Branch Chapel Church. He said that the Town has rules and regulations that Parks and Recreation has to follow as required by the Johnston County Health Department. Councilmember Overby stated that his intent was to have the process and procedures looked into. He said that most anything that is sold or given out has to have a label with the ingredients on it.

Rev. Evans stated that if they did not do anything wrong, they want it clarified, and if they did do something wrong, they would like to make that right.

Town Manager Barlow stated that this was outside anything that the Town would regulate. He said that he thought it was more of a Health Department issue.

Mayor Oliver stated that she did contact Anita McMullen, who is with the North Carolina Department of Agriculture. She said that things that are given away free are considered "not in commerce", which means that they do not have to follow the labeling requirements.

Rev. Evans asked for a statement clarifying that they did not do anything wrong.

Mayor Oliver stated that she would write a brief letter to bring closure to the issue.

**Ann Williams, 405 N.
Massey Street, Civic
Center Update:**

Ann Williams of 405 North Massey Street, Selma, NC stated that she wanted to update Town Council on two things regarding the Civic Center. She said the first item was the zoning permit that they were asked to pursue. She said that Mr. Jerry Ball, a surveyor, was hired to do the site plan. Ms. Williams stated that a zoning permit application has been picked up, and would be filled out by Mr. Hubert Holt.

Ms. Williams stated that last month, Mr. Tom Hinnant and she asked the Johnston County Commissioners for a donation to the project. She said that she understood the funding cycle for them. Ms. Williams stated that if you want funding from the Johnston County Commissioners, you should see them in the spring. She said that she explained to them that the committee wanted to apply for a couple of grants, and needed funds to match what they were asking for. Ms. Williams stated that at the Johnston County Commissioners meeting on November 7, 2016, a motion was made by Commissioner Ted Godwin to give the project \$30,000. She said that his motion passed unanimously.

**PUBLIC HEARINGS –
Quasi-Judicial Public
Hearing for Kinder
Morgan Southeast
Terminals, LLC for 4383
Buffalo Road for
Consideration of a Special
Use Permit:**

Planning/Economic Director Julie Maybee stated that an application has been received from Jamie Chapman of Kinder Morgan Southeast Terminals, LLC for a special use permit to install an 80,000-barrel tank at 4383 Buffalo Road, Selma. She said that this was a quasi-judicial public hearing with the protocol being the announcement of the request, affirmation, opening the public hearing, staff presentation, applicant presentation, comments for and against, applicant rebuttal, cross-examination, staff recommendations, closure of the public hearing, council deliberation, and decision.

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

Planning/Economic Director Maybee requested that the staff report, special use permit application, excerpt of the Planning Board's October 3, 2016 meeting minutes, maps, and PowerPoint presentation be incorporated into the record as Appendix A, which is attached hereto and by reference incorporated herein.

Planning/Economic Director Maybee stated that included in the staff report was a copy of the application. She said that included in the application was the addition of an 80,000-barrel tank, which is approximately 60 feet in height and 105 feet in diameter. Ms. Maybee stated that it also included driveway improvements to site staging, improvements to the office and employee parking, increased dike capacity, and modification to two existing tank roofs to store gasoline.

Town Attorney Hewett swore in Planning/Economic Director Julie Maybee, Fire Chief Phillip McDaniel, and Jamie Chapman of Kinder Morgan Southeast Terminals, LLC.

Planning/Economic Director Julie Maybee

We have a copy of the site plan, and here is where they plan on adding the tank. This property is located in the General Industrial

Zoning District, because of that bulk storage that is why a special use permit is needed, and this is the reason why this request is here. Looking off of Buffalo Road, the tank is located in the back. They are also looking at increasing the dike capacity and modifying two existing tanks to store gasoline. In the General Industrial Zoning District, for this type of facility, it needs to be enclosed with a security fence; this site is. In addition, this site is monitored 24/7. Based on information provided by the applicant, the tank meets or exceeds state or federal requirements, and also they have an emergency operations plan for this facility, and has been approved by the Fire Chief and is on record. It will be updated to reflect these proposed changes. Just to give you an idea, looking at an aerial photograph of the property for the first request. This is where this site is located off of Buffalo Road. The surrounding land uses, we have a lot of other tank storage facilities, and undeveloped land in that area. It is not within a flood plain; it is within the Neuse River Watershed. The property when you look at our zoning map begins on Industrial, the area in purple off of Buffalo Road. When we look at our Future Land Use Plan off of Buffalo Road, it is all shown as Industrial. One thing in our ordinance as a special use permit, the minimum setbacks for a tank from the property line is a minimum of 250 feet. The Council can waive that requirement if the proposed structure meets or exceeds state or federal requirements, and the public's safety will not be greatly compromised by the reduction of the setback. Just to reiterate the fact about this facility and it being enclosed, and that it is monitored, and it does meet or exceed state requirements. The Fire Chief will address that shortly, and during the process of updating the plan, if the special use permit is approved.

The Planning Board met and looked at this request, and they recommended approval of the special use permit. In the staff report is Exhibit #2, a copy of the application and findings of fact. The Planning Board accepted the applicant's findings of fact as their own, and they also recommended approval in the reduction of the setbacks to how it is presented on the site, and also recommended that they comply with the requirements of the Fire Chief.

Jamie Chapman, Director of Engineering at Kinder Morgan at 1000 Winwald Concourse, Alpharetta, GA

I don't have much to add from a project background. Ms. Maybee covered it very well. I don't have any changes since we met with the advisory board, but I will go over some of the findings of fact just to reiterate a few things.

On the application we were asked to talk about our project and make sure we were able to meet all applicable specific conditions pertaining to the proposed use to make sure they will be satisfied, and of course they will. We must not only meet our standards, but we are closely monitored by local, state, and federal regulations.

The access or entrance and exit drives, the question was will they be sufficient in size and properly located to ensure automotive and pedestrian safety and special access in case of fire or emergency. The design will improve truck movement and safety. We actually have bought some property just north of the project site here. We bought an acre of land to extend the property area so that we could properly access it, and also we would have good fire access from that location as well. We are increasing the amount of truck space that we can queue trucks on the property to keep them off of Buffalo Road as well. We are able currently in our plan to stage 22 trucks in there, whereas right now, we are doing well short of that.

The third question that was asked was were all necessary public and private facilities and services will be adequate to handle the proposed use. Yes, they are adequate. The tank diameter falls under the requirements that the Town has set of 120 feet diameter tanks. As long as you keep them under that diameter, the fire flow capacity is adequate for that. I know the Chief will address that as we talk to him. Reminder that this tank is 105 feet in diameter, that is what we are talking about.

Number four, the location and arrangement of the use on site, screening, buffering, landscaping will not impair the integrity or character of the adjoining properties. Our tank spacing is dictated by NFPA 30 of the National Fire Protection Association. It gives us our setbacks from property lines and from other tanks. As Ms. Maybee has already referred to, there is a local variance that we also meet to keep the tanks similar to how the other tanks are on site and how most of the tank farms are set up in the area.

Then the last question, the use or development conforms to the general plans of the physical development of the planning jurisdiction. Yes. It is consistent with the existing use and zoning plan for the Town.

I can answer any questions that you have.

Councilmember Mark Petersen

This is kind of a gee whiz sort of maybe edification there. You've got a dike system around there. How many barrels will that dike system hold back?

Jamie Chapman

The NFPA dictates the capacity of your dikes in case you do have that catastrophic event. That dictates that it will hold 110% of the largest tank at your facility. So our largest tank currently at the facility is a 55,000 barrel tank. The site holds well beyond that, but with this new 80,000 barrel tank that will be a new standard

that we can hold. We can contain 88,000 barrels, and we are well beyond that. We hire consultants to figure those things out. Our dikes are five to six feet around the site, and they have to account for grading of the site as well.

Councilmember Mark Petersen

Okay. Thank you.

Mayor Pro-Tem Jackie Lacy

I need some clarification. What's the difference between ethanol and gas? I mean this is a gas farm, but ethanol is gas too, right?

Jamie Chapman

That's correct. I'll take a stab at that one, but the ethanol is a replacement for a certain portion of your fuel. There are many opinions on whether or not that helps or hurts your car, or gets you any further down the road. It has been approved by the federal regulations that you can put up to 10% ethanol into your car. Your car needs a certain octane of gasoline for that engine to run, and ethanol doesn't interfere with that. So, that is why we are allowed to put ethanol into gasoline.

Mayor Pro-Tem Jackie Lacy

So you have ethanol and gas.

Jamie Chapman

Correct. At this particular facility, Tank #6 is an ethanol tank. All the other tanks are either gasoline (regular or premium) or diesel as well. So those are the products that we run out of this facility.

Mayor Oliver

I noticed in the Planning Board meetings, they were talking about interchanging the tanks from some would be diesel, and then they could be ethanol, and then they could be gasoline. So I take it there are no different tank requirements for any of those, or anything that has to be done at the time they are switched out for another product.

Jamie Chapman

Correct. We are undergoing our air permitting process, because of the air quality standards of North Carolina. We have to meet standards for certain emissions that we have at the facility, and when you change products, you change your emissions. Just naturally certain products have more than the others. So, in all of our facilities, we try to go ahead and get the permit for regular gasoline, which is the highest emissions that you would have. We try to design our tanks to keep those emissions under a specific limit. What we have done here is we will permit everything for gasoline, but we are changing some products because of our business development changes to where we have more throughput of gasoline versus throughput of diesel. There's more customers

who want ethanol in their gasoline, or they want ethanol by itself. So, that changes just with the business environment, and that is why we change products and tanks sometimes.

Mayor Oliver

Are there any other questions for Mr. Chapman?

Councilmember Mark Petersen

Is there a life cycle for these tanks?

Jamie Chapman

That's a good question. I don't have an answer for that. I'm not a specialist on that, but there are inspection requirements that are federally monitored as well. Those inspection requirements include a five-year physical inspection of the external tank, and every ten years, we actually drain the tank, we take it out of service for about a month, and we inspect the interior. We go over the floors, we go over all the wells, and if we see any deficiencies, they are addressed at that point immediately.

Mayor Oliver

Thank you very much. Ms. Maybee let me ask, is Mr. McDaniel going to be speaking, and would he be under the public comments, or would he be speaking later?

Planning/Economic Director Julie Maybee

He would speak at this time.

Mayor Oliver

Okay, thank you.

Fire Chief Phillip McDaniel

Thank you for your time. Up to this point, Kinder Morgan has met everything they need to meet. They are a good partner for us. They have got four facilities in Selma at this time. This is basically just expanding one, in a few minutes another one. Obviously, we are not all the way into the process at this time. This is the first point of the process, but we've talked about all of what their requirements are going to be. We are moving away from single tank fire protection to fire protection that handles all the things, which is over the tank. Not trying to get too technical, but they have agreed to purchase the needs for that. Great question Ms. Jackie on the ethanol gasoline. From a fire protection standpoint, let me tell you how it affects the Town of Selma in our budget. Gasoline, diesel fuel, those type of carbons like that take 1% foam, the ethanol takes 3%. Which means it triples the amount of foam. That's the big, ugly tanks you see on the back of our trucks. From that standpoint, it costs us more to provide that protection. Currently, we carry 2,600 gallons of foam approximately. This tank would require about 2,650. So it is right at our max. In a

perfect world, we would have twice that. We are working to get to that point. Baby steps, but we have made some big leaps in the past few years, but to this point, they have met or exceeded all my expectations. I would concur with, I think their finding has meet the request of the Fire Chief. They have done that to this point.

Councilmember William Overby

If there needed to be a case of having to use the foam, have we got back up in the County.

Fire Chief Phillip McDaniel

Not in the County. In the State we do. We have mutual aid agreements with the entire state, but Greensboro specifically, Greensboro, Fayetteville, Charlotte, Wilmington, and Selma. That is your larger petroleum tank farms. Greensboro is a phone call away, 2 to 2 ½ hours. Sounds like a long time, but this is not a house fire. We are going to jump on these, and put these out real quick. They would be on the way with our second supply. Third part would be Fayetteville. Even though Fayetteville is a little closer, Greensboro would be our first option. So, that would be our second and third supply.

Councilmember William Overby

So, my point I'm trying to get to is we need to start taking another look at our Fire Department's operations, right?

Fire Chief Phillip McDaniel

Absolutely. Like what I just said, and I'm not trying to change the subject, but Charlotte, Greensboro, Wilmington, Selma. There is a big difference. If there is a short, it is in manpower. We are set; I don't want to take that away from their project. Their project is going great, and their fire protection is going to be in order before this tank is in operation. Also, I think the second part of this one was changing those two tanks. No concern on our side from changing those two tanks over.

Mayor Oliver

Thank you. Is there anyone else who wishes to speak for? Anyone who is here to speak against? Okay, there is no need then for an applicant rebuttal or cross-examination. So, we are back to Ms. Maybee for staff recommendation.

Planning/Economic Director Julie Maybee

Staff recommends approval of the special use permit, and recommends that the applicant's findings of fact be adopted as your findings of fact as they are stated in the application on Exhibit #2, and also that the variance of the setbacks be approved as they have shown on their submitted site plan based on the information provided this evening.

Mayor Oliver

Do you want the findings of fact approved separately?

Planning/Economic Director Julie Maybee

Whatever way is fine. In the past, we have done it individually.

A motion was made by Mayor Pro-Tem Jackie Lacy and seconded Councilmember Mark Petersen to close the public hearing. Motion carried unanimously.

A motion was made by Mayor Pro-Tem Jackie Lacy and seconded by Councilmember Tommy Holmes to accept the findings of fact as shown in Exhibit 2. Motion carried unanimously.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to approve the special use permit. Motion carried unanimously.

A motion was made by Mayor Pro-Tem Jackie Lacy and seconded by Councilmember Tommy Holmes to approve the setback variance as shown on the submitted site plan. Motion carried unanimously.

**Quasi-Judicial Public
Hearing for Kinder
Morgan Southeast
Terminals, LLC for 4086
Buffalo Road for
Consideration of a
Special Use Permit:**

With no additional speakers, Attorney Hewett advised that all prior witnesses were still sworn and under oath.

Planning/Economic Director Maybee stated that the procedure was the same as in the previous application, and requested that the staff report, special use permit application, excerpt of the Planning Board's October 3, 2016 meeting minutes, maps, and PowerPoint presentation be incorporated into the record as Appendix B, which is attached hereto and by reference incorporated herein.

Planning/Economic Director Julie Maybee stated that this request was for 4086 Buffalo Road, Selma, and consisted of the addition of one-20,000 barrel tank that is approximately 48 feet in height and 60 feet in diameter, an extension of a dike, and modification of a roof on one existing tank to store gasoline. She said that the property is located in two zoning districts with the front portion where the facility is located is zoned Heavy Industrial and the back portion is zoned Residential/Agriculture Low Density. Ms. Maybee stated that this facility was also enclosed by a security fence that is monitored 24/7. She said that the proposed tanks meet or exceed state and federal requirements based on the submitted information. Ms. Maybee stated that an emergency operation plan has been developed and approved by the Fire Chief, and is on record. She said that it would be updated to reflect the proposed change upon approval of the special use permit. Ms. Maybee stated that the property was not located in any flood plains, but was located in the Neuse River Basin. She said that the terminal

facilities setbacks were the same as in the previous request where they need to meet a minimum of 250 feet, unless Council finds that the proposed structure meets or exceeds state and federal requirements that public safety would not be greatly compromised by the reduction in the setbacks. Ms. Maybee stated that the Planning Board considered this request and recommended approval of the special use permit, recommended that the applicant's findings of fact be approved as their own, comply with the requirements of the Fire Chief, and recommended approval on the setbacks as presented on the submitted site plan.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to open the public hearing. Motion carried unanimously. 6:38 p.m.

Attorney Chip Hewett

Mr. Chapman, I know you have to go through the findings of fact 1 through 5, but for the benefit of Council, explain the difference between the first project and second. What is the difference for Council's benefit?

Jamie Chapman, Director of Engineering at Kinder Morgan at 1000 Winwald Concourse, Alpharetta, GA

This is a much smaller, much more simple project. This project is basically building a new 20,000 barrel tank. Changing the product out from diesel to go to premium. There are a couple other things associated with those items. We've got to change some loading arms at the rack, but those are minor compared to the basic gist of, we need a new 20,000 barrel ethanol tank.

Mayor Pro-Tem Jackie Lacy

They are on the same property.

Jamie Chapman

This is a different property from the other one. This is 4086 I believe. That is our property, and there is no new property that we are acquiring.

Attorney Chip Hewett

Council would have to give 1 through 5 findings of fact are in that they are substantially similar to the first SUP. Do you have any questions as to the findings of fact?

Councilmember William Overby

No.

Mayor Oliver

If not, we can proceed.

Councilmember William Overby

I just want to ask one question on the special use permit. The other one had a building for one area and this one doesn't. Can you tell me why this one doesn't.

Jamie Chapman

Sure, I can explain that. One of the scope items is that we are putting a new driver's room in for the truck drivers that come in. We are going to give them their own room with their own restroom, and fax machine and copy machine facilities. So that is 150 square feet; whereas, the other facility, we won't have that.

Attorney Chip Hewett

On your findings of fact 1 through 5, do you need to amend, alter or change; or are you comfortable as they have been presented.

Jamie Chapman

I did look through those earlier, and they are basically the same as the last one.

Attorney Chip Hewett

All the evidence presented is received into evidence. Council, have you got any questions?

Mayor Oliver

Any additional questions Council? Thank you Mr. Chapman.

Attorney Chip Hewett

Chief for the record, your report.

Fire Chief McDaniel

For the record, and you tell me if this okay, I have the same report. One thing that I will add, maybe it will help you, is comparison of these tanks to what you see, I know you are not familiar with diameter. But the largest tank we have on any facility is 120 feet in diameter. This one is 60. So, that kind of gives you scale. The other one was 105. Other than that, that's okay.

Attorney Chip Hewett

Has anybody else got any questions?

Mayor Oliver

Now, we go to public comments. Anyone else wishing to speak for? Anyone who wishes to speak against the request? Okay, we do not need applicant rebuttal or cross-examination. We go back to Ms. Maybee for staff recommendation.

Planning/Economic Director Julie Maybee

Staff concurs with the Planning Board's recommendation, findings of fact, and, also the waiver from the setbacks.

Councilmember William Overby

Ms. Maybee, I had a question on the drawing that you put in there. You said earlier that there was no development in the area. Is this the correct spot in this one, that you have labeled one.

Planning /Economic Director Julie Maybee

Yes.

Councilmember William Overby

So it is right next to another tank? Am I right?

Planning/Economic Director Julie Maybee

Yes, directly across, yes sir. It does comply with our Future Land Use Plan where it talks about we should promote the tank farm.

A motion was made by Mayor Pro-Tem Jackie Lacy and seconded by Councilmember Mark Petersen to close the public hearing. Motion carried unanimously. 6:43 p.m.

A motion was made by Councilmember Mark Petersen and seconded by Councilmember Tommy Holmes to accept the findings of fact as shown in Exhibit #2. Motion carried unanimously.

A motion was made by Councilmember Mark Petersen and seconded by Councilmember Tommy Holmes to accept the waiver from setbacks. Motion carried unanimously.

A motion was made by Councilmember Mark Petersen and seconded by Councilmember Tommy Holmes to approve the special use permit. Motion carried unanimously.

**Set Public Hearing for
Text Amendment for
Landscaping:**

Planning/Economic Director Maybee stated that the Planning Board considered at its last meeting an amendment to the Town's ordinance dealing with foundation landscaping. She said that the ordinance references a minimum of five feet of landscaped area between the building and parking area. Ms. Maybee stated that the Planning Board recommended deleting that provision from the ordinance, and staff requests that a public hearing on the text amendment be scheduled for December 13, 2016, Regular Council meeting at 6:00 p.m.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to schedule a public hearing for the landscaping text amendment for December 13, 2016. Motion carried unanimously.

**Appearance Committee
Business/Residential
Contest:**

Planning/Economic Director Maybee advised Council that the Appearance Committee would be having its Annual Holiday Decorating Contest. She said that judging would be on December 15, 2016, starting at approximately 5:30 p.m. She said that if they knew of any residential or commercial/industrial properties to be nominated to please let the Appearance Committee know. Ms. Maybee stated that there would be forms available on the Town's website and at Town Hall, which would need to be turned in by December 13, 2016. She said that in each category, first place would receive \$75, second place \$50, and third place \$25.

**Unified Development
Ordinance (UDO)
Update:**

Planning/Economic Director Maybee stated that in 2015, there was a presentation by Division of Community Assistance. She said that they reviewed the Town's ordinance provisions, and made some recommendations. Ms. Maybee stated that one of the items was to reorganize the structure of regulations logically by topic and for easy use. She said that this was one of the big items. Ms. Maybee stated that when they are trying to encourage businesses to expand and attracting others to make our development regulations and provisions easier to follow. Ms. Maybee stated that quality landscaping and visual screening standards is a part of the development regulations. She said another thing was to look at the Town's zoning districts for uniformity, and table of permitted uses. Ms. Maybee stated that they were looking at each of the zoning districts to see what use was appropriate for that district. She said that one of the most important things was to make sure that the Town's ordinances and provisions were consistent with the NC General Statutes.

**Set Joint Meeting Date
for Town Council/
Planning Board
Workshop on UDO:**

Planning/Economic Director Maybee stated that she had discussed having a joint workshop with the Planning Board, and asked for Council's consideration of a December 1 or December 5, 2016 meeting.

Council agreed to schedule a joint Town Council/Planning Board meeting for December 5, 2016 at 6:00 p.m. to review the UDO.

**TOWN MANAGER'S
REPORT AND
RECOMMENDATIONS –
Review and
Consideration of an
Amendment to the MOU
for Water Supply to
Selma Crossings by
Johnston County:**

Town Manager Barlow stated that in November 2011, the Town of Selma and Johnston County entered into a Memorandum of Understanding (MOU) for the purpose of providing water to Selma Crossings in the event development did occur. He said that the original term was for five years, and requires one-year renewals after that. Mr. Barlow recommended keeping the contract the same as the original MOU, and would renew it annually from this point forward.

A motion was made by Councilmember Overby and seconded by Councilmember Mark Petersen to approve the extension of the contract for one year. Motion carried unanimously.

**Review and
Consideration of a
Contract with Hank
Hoomani for engineering
Services for the Selma
Civic Center:**

Town Manager Barlow stated that a contract with Hank Hoomani was being presented for Council's consideration for engineering services for the Selma Civic Center. He said that last month a recommendation was made from the Civic Center Committee to accept the lowest bid of \$15,000 for engineering services. Mr. Barlow stated that Attorney Hewett has reviewed the contract with some minor changes. He said those changes were in the contract that was being presented tonight. Town Manager Barlow recommended that the Town enter the contract in the amount of \$15,000 with Hoomani Engineering.

Councilmember Overby asked if there was a way to put in the contract that funding would come from a special fund instead of letting it be shown as it is with the Town of Selma paying for everything.

Town Attorney Hewett stated that he did not think that Mr. Hoomani was concerned with how the Town funds the project. He said that the Town gets to direct where the funds come from.

A motion was made by Councilmember Mark Petersen and seconded by Mayor Pro-Tem Jackie Lacy to accept the contract from Mr. Hank Hoomani for \$15,000 with the funding coming from the Civic Center line item. Voting Yes: Mayor Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember Tommy Holmes, and Councilmember Mark Petersen. Voting No: Councilmember William Overby.

**Consideration of the
Acquisition of a Knuckle
Boom Truck:**

Town Manager Barlow stated that in the current fiscal year budget, Council approved the acquisition of a knuckle boom truck for Public Works. He said that in the budget, the cost was estimated to be about \$150,000. Mr. Barlow stated that Public Services Director Alex Fuller in his investigations found a truck available from Public Works Equipment & Supply for \$138,990. Mr. Barlow stated that the truck was recently spec'd for the City of Hamlet, NC. He said that NC General Statutes allow Towns to use a piggyback method of acquiring equipment. Mr. Barlow recommended that the Town use the piggyback method to purchase this vehicle from Public Works Equipment & Supply for \$138,990.

A motion was made by Councilmember Mark Petersen and seconded by Mayor Pro-Tem Jackie Lacy to accept the bid from Public Works Equipment & Supply for \$138,990 for a knuckle boom truck. Motion carried unanimously.

**Consideration of Award
for Bank Financing of a
Knuckle Boom Truck:**

Town Manager Barlow stated that the Town would need financing for the knuckle boom truck that was just previously approved. Finance Director Johnson solicited bids from several lending institutions and received one bid from KS Bank. He said that he had not intended to begin debt service this year, but the quote for

financing at 60 months at 1.55% was good. Mr. Barlow recommended using the savings between the budgeted amount (\$150,000) versus the purchase price (\$138,990) and go ahead with debt service. He said that that the Town would save \$700 on interest payments by not waiting until next year to start the debt service. Mr. Barlow recommended entering into a financing agreement with KS Bank for 60 months at 1.55% with equal monthly payments of \$2,409.75.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to accept the loan payment from KS Bank and begin installment payments this fiscal year. Motion carried unanimously.

**Review and
Consideration of
Committee
Appointments:**

Town Manager Barlow stated that last month; Council was presented with a list of a number of committees, which had members with terms that were expiring. He said a number of citizens that were interested in filling some of those positions have come forward with applications.

Appearance Commission:

Town Manager Barlow stated that the Appearance Commission, which has a three-year term, has one vacant position and five terms expiring. He said that Pauline Brown was seeking reappointment and Timmy Strickland has requested to fill the vacant position.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to reappoint Pauline Brown and appoint Timmy Strickland to the Appearance Commission. Motion carried unanimously.

**Recreation Advisory
Board:**

Town Manager stated that the Recreation Advisory Board has two vacant positions. He said that an application was received by Molly Stone-Sapir.

A motion was made by Councilmember William overby and seconded by Councilmember Tommy Holmes to appoint Molly Stone-Sapir to the Recreation Advisory Board. Motion carried unanimously.

SURF Review Board:

Town Manager Barlow stated that the SURF Review Board has three vacant positions with three applications submitted by Brad Cooper, Larry Stancil, and Charles Hester. Mr. Barlow stated that the bylaws of this Board stipulates that some of those positions come from various community seats, such as First Citizens Bank, a Planning Board member, and a Selma Merchants' Association member. He said that Town Council could waive that requirement and accept the three applications.

Mayor Oliver asked if the SURF Review Board and Revolving Loan Committee could be merged. She said that there were some

of the same people on both committees, and both dealt with financial funds.

Councilmember Overby asked that the discussion of merging the two committees be tabled until the next meeting.

A motion was made by Councilmember William Overby to appoint Brad Cooper, Larry Stancil, and Charles Hester to the SURF Review Board.

Mayor Oliver stated she would like to see someone from the Historic Properties Commission on the SURF Review Board.

Councilmember Overby stated that he did not have a problem with that as long as they amended the bylaws to add another position. He said that he had made a motion to accept the appointments as presented. Councilmember Overby stated that if they decide to combine the two committees, they could add the additional person at that time.

Mayor Pro-Tem Jackie Lacy seconded the motion. Motion carried unanimously.

Marketing Committee:

Town Manager Barlow stated that a request was received from Spook Joyner of the American Music Jubilee for Jeffery Hamilton to take his position on the Marketing Committee.

A motion was made by Councilmember Mark Petersen and seconded by Mayor Pro-Tem Jackie Lacy to appoint Jeffery Hamilton to the Marketing Committee. Motion carried unanimously.

Planning Board/Board of Adjustment:

Town Manager Barlow stated that Jennifer Edwards was seeking reappointment to the Planning Board and Board of Adjustment.

A motion was made by Councilmember Mark Petersen and seconded by Councilmember William Overby to approve the reappointment of Jennifer Edwards to the Planning Board and Board of Adjustment.

Historic Properties Commission:

Town Manager Barlow stated that Amy Whitley has applied to serve on the Historic Properties Commission.

A motion was made by Councilmember Mark Petersen and seconded by Councilmember William Overby to approve the appointment of Amy Whitley to the Historic Properties Commission. Motion carried unanimously.

Mayor Oliver asked for an updated list of the committees and their members.

**Fiscal Year 2015/2016
Draft Audit:**

Town Manager Barlow presented to Council the fiscal year 2015/2016 Town of Selma draft audit. Mr. Barlow stated that some of the data was missing. He said without the data, they could not submit the audit in final form. Mr. Barlow stated the OPEB Actuarial Study (Employee Benefits), and they have to perform an analysis of the Town's future liabilities for the Town providing health insurance for current retirees and Selma employees that still work for the Town that would receive that benefit in the future.

Town Manager Barlow stated that Council requested last year to see the financials before the audit is submitted to LGC. He said that the auditor would be here in December to present it Council and submit it to the LGC. Mr. Barlow stated that the Town should get an unmodified opinion, which is the best report that the Town could get. He said that letter could not be given until all the data is received. Mr. Barlow stated that in December, Council would see the whole package.

Mr. Barlow reviewed with Council a couple of highlights. He said that on page 6 was the balance sheet for the General Fund. Mr. Barlow reviewed the list of fund balances. He said that there was about \$2.45 million that is available for appropriation in the General Fund.

Mr. Barlow stated that on the next page, the General Fund reflects a net change in fund balance of \$369,000. He said that was an increase in the fund balance.

Mr. Barlow stated that pages 11 and 12 showed the cash flow from operating expenses for enterprise funds for water, sewer, and electric. He said that looking at cash flow was important, which was enough revenue coming in to meet operating expenses going out on an annual basis. Mr. Barlow stated there was \$183,000 under water, \$377,000 under sewer, and about \$650,000 under electric for a total of \$1,210,000, which was the net cash revenues operating expenses greater than expenditures, which was good and important. He said that when you add in noncapital financing activities and capital related financing activities, it reduced the net cash, but the funds were still cash positive. Mr. Barlow stated that last year, water and electric were negative cash flows. He said that this year, all three were cash positive.

Mr. Barlow stated that these were things he wanted to point out as improvements in the fund balance and cash position in the enterprise funds. He said that Council would get an unmodified opinion from the auditor, which was a good letter to get.

Mayor Pro-Tem Lacy asked how the CDBG Project Fund fit in.

Town Manager Barlow stated that the auditors needed to do a single audit on the Town's CDBG. He said that the Town spent \$244 last year that was not accounted for on postage, which there was a budget line item included for this year. Mr. Barlow stated that was the Ricks Road Project for rerouting of the pump stations around from Preston Street and Ricks Road.

Mayor Oliver stated that one thing that she questioned was for when the auditor was present was the findings of fact. She said that when you add up in terms of misstatements or corrections that were required, you come to a total of \$3,719,000, which was off in the \$18.5 million budget. Mayor Oliver stated that about 20 percent of the Town's dollars at some point were in statement being corrected.

Mr. Barlow stated that the auditor would do a better job explaining when closing out the budget year what he expects Finance to have done. He said that many things happen after June 30th that have to be closed out not in the next fiscal year.

Councilmember Petersen questioned compensated absences on page 20.

Town Manager Barlow stated that employees are paid for accrued vacation, but were not paid for accrued sick leave.

Councilmember Overby stated that Council should take a look at "Take it or lose it".

Town Manager Barlow stated that the employees do not lose it. He said that when an employee retires, any unused sick leave goes toward the addition to the employee's length of service. Mr. Barlow stated that other Towns that are in the local government retirement systems accept that leave.

Councilmember Overby asked if employees could give their sick leave to other employees.

Mr. Barlow stated that the Town does have that policy.

Councilmember Petersen asked if the audit report could be scheduled for a work session instead of a regular Council meeting. He said that the last meeting was lengthy, and could be a meeting unto itself.

Town Manager Barlow stated that Council could have a work session for the audit report at 5 p.m. and have the regular meeting at 6 p.m.

**FEMA Resolution
Designating Applicant
Agent:**

Town Manager Barlow presented a resolution to Council for entities requesting reimbursement funds from FEMA for damages and expenses related to Hurricane Matthew. He asked that Public Services Director Alex Fuller and he be authorized to submit requests on behalf of the Town.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to approve Town Manager Barlow and Public Services Director Alex Fuller as designated applicant agents for the Town of Selma. Motion carried unanimously.

**Consideration of
Additional Gazebo
Galleria Dates:**

Town Manager Barlow stated that Council originally authorized fall dates for the inaugural Gazebo Galleria season. He said that the Town was at the end of that, and wanted Council to extend the event by two more dates. Mr. Barlow requested that November 19 and December 17, 2016. He said that the November 19th location would be at the previous location behind Town Hall, and the December 17th would be at the Depot.

A motion was made by Councilmember Mark Petersen and seconded by Councilmember Tommy Holmes to extend the Gazebo Galleria dates to November 19 and December 17, 2016. Motion carried unanimously.

Budget Amendments:

Finance Director Karen Johnson stated that budget ordinance amendment #6 was to set up a line item for the purpose of repurchasing of cemetery plots.

Town Manager Barlow stated that there was a provision in the Town's ordinance that allows for someone to re-sell a cemetery plot, and the Town would buy it back.

Councilmember Overby stated that he would like to look at that ordinance, because that individual could not re-sell it outside.

Town Manager Barlow stated that the Town has repurchased the plot.

Town Attorney Hewett stated that the provision for the Town buying back the plots prevents someone from reselling the plots at a much higher price. He said that when someone purchases plots, they could designate whom those lots go. Attorney Hewett stated that the problem occurs when someone wants to transfer outside.

Town Council requested that this be addressed at a future work session.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to approve Budget Ordinance Amendment #6. Motion carried unanimously.

**TOWN OF SELMA
BUDGET ORDINANCE AMENDMENT # 6
FISCAL YEAR 2016/2017**

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 8th day of November 2016 that the Town Budget adopted on June 20th 2016, for FY 2016/2017 is hereby amended and adopted:

Section I. To amend the General Fund (Fund 10) for unanticipated/unbudgeted revenues and expenses during FY 2016. The Town's General Fund (Fund 10) accounts are to be amended as follows:

| <u>Account No.</u> | <u>Debit</u> | <u>Credit</u> |
|---|--------------|-------------------|
| 10-6400-4910 Repurchase of Cemetery Plots (E) | 2,000.00 | Increase |
| 10-3990-0000 Fund Balance Appropriated (R) | | 2,000.00 Increase |

Section II. Copies of this Budget Ordinance Amendment 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 8th day of November 2016.

Finance Director Karen Johnson stated that budget ordinance amendment #7 was for the purpose of adding Civic Center donations. She said that she was also fixing the expenditure of the Town Hall debt.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to approve Budget Amendment #7. Motion carried unanimously.

**TOWN OF SELMA
BUDGET ORDINANCE AMENDMENT # 7
FISCAL YEAR 2016/2017**

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 8th day of November 2016 that the Town Budget adopted on June 20th 2016, for FY 2016/2017 is hereby amended and adopted:

Section I. To amend the General Fund (Fund 10) for unanticipated/unbudgeted revenues and expenses during FY 2016. The Town's General Fund (Fund 10) accounts are to be amended as follows:

| <u>Account No.</u> | <u>Debit</u> | <u>Credit</u> |
|---|--------------|-------------------|
| 10-4190-7503 Town Hall KS Debt (E) | 48.00 | Increase |
| 10-4190-7504 Town Hall KS Debt (E) | 5,092.00 | Increase |
| 10-3990-0000 Fund Balance Appropriated (R) | | 5,140.00 Increase |
| 10-4190-3512 Selma Civic Center Renov (E) | 1,000.00 | Increase |
| 10-3833-0003 Donations to Selma Civic Ctr (R) | | 1,000.00 Increase |

Section II. Copies of this Budget Ordinance Amendment 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 8th day of November 2016.

Finance Director Karen Johnson stated budget ordinance amendment #8 was to receive funds for fire protection.

A motion was made by Councilmember Tommy Holmes and seconded by Councilmember William Overby to approve Budget Ordinance #8. Motion carried unanimously.

**TOWN OF SELMA
BUDGET ORDINANCE AMENDMENT # 8
FISCAL YEAR 2016/2017**

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 8th day of November 2016 that the Town Budget adopted on June 20th 2016, for FY 2016/2017 is hereby amended and adopted:

Section I. To amend the General Fund (Fund 10) for unanticipated/unbudgeted revenues and expenses during FY 2016. The Town's General Fund (Fund 10) accounts are to be amended as follows:

| <u>Account No.</u> | | <u>Debit</u> | <u>Credit</u> |
|--------------------|------------------------------|--------------|-------------------|
| 28-4340-2600 | Supplies (E) | 8,340.00 | Increase |
| 28-3434-0000 | Contributions - Terminal (R) | | 8,340.00 Increase |

Section II. Copies of this Budget Ordinance Amendment 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 8th day of November 2016.

Finance Director Karen Johnson stated that budget ordinance amendment #9 was to balance the account to removing funds from printing to dues and subscriptions.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve Budget Ordinance Amendment #9. Motion carried unanimously.

**TOWN OF SELMA
BUDGET ORDINANCE AMENDMENT # 9
FISCAL YEAR 2016/2017**

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 8th day of November 2016 that the Town Budget adopted on June 20th 2016, for FY 2016/2017 is hereby amended and adopted:

Section I. To amend the Sewer Fund (Fund 61) for unanticipated/unbudgeted revenues and expenses during FY 2016. The Town's Sewer Fund (Fund 61) accounts are to be amended as follows:

| <u>Account No.</u> | <u>Debit</u> | <u>Credit</u> |
|---------------------------------------|--------------|----------------|
| 61-7110-3410 Printing (E) | | 85.00 Decrease |
| 61-7110-5300 Dues & Subscriptions (E) | 85.00 | Increase |

Section II. Copies of this Budget Ordinance Amendment 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 8th day of November 2016.

Financial Statements:

Town Manager Barlow stated that the Town was one-third way through the year. He said that everything looked like it should be. Mr. Barlow stated that expenditures were exceeding revenues, which were typical for this time of the year due to property taxes not coming in until the December-January timeframe.

Mr. Barlow stated that the Water Fund was good. He said that the water revenues and expenditures were both at 36%. Mr. Barlow stated that the Water Fund was a little behind, but thought it would pick back up in the spring.

Mr. Barlow stated that the Sewer Fund looked good. He said the revenues were greater than expenditures by about \$300,000. Mr. Barlow stated that the Electric Fund was about \$374,000 in revenues greater than expenditures.

Mr. Barlow also reviewed with Council the year-to-year comparison numbers for the General Fund, Water, Sewer, and Electric. He said that the Central Depository was about \$300,000 more than the previous year.

Councilmember Overby asked Mr. Barlow to review the sewage cap.

Town Manager Barlow stated that in the Sewer Capital Reserve, \$0.25 per 1,000 of water billed goes into this account.

Councilmember Overby stated that year-to-date shows only \$246.

Town Manager Barlow stated that was the difference in what was raised this year compared to last year.

Request for “Food for Fines Week” by the Selma Public Library:

Town Manager Barlow stated that each year the Selma Public Library has a “Food for Fines Week”, which is scheduled to be held December 12 – 17, 2016. He said that the Library will accept one perishable item for each dollar in fines.

A motion was made by Councilmember William Overby and second by Councilmember Tommy Holmes to declare December 12 – 17, 2016 as “Food for Fines Week”. Motion carried unanimously.

**TOWN ATTORNEY’S
REPORT:**

Town Attorney Hewett asked Council what they wanted to do with the pending Ergonomics civil action. He said that they could proceed with a judgment or dismiss it.

It was the consensus of Town Council to move forward.

**MAYOR’S REPORT &
RECOMMENDATIONS –
WRAL SkyCam Update:**

Mayor Oliver stated that Town Manager Barlow was working with WRAL to get a SkyCam for the downtown area. She said that Mr. Barlow would have details on that at the December meeting.

**Uptown Selma Property
Owners’ Meeting:**

Mayor Oliver stated that they needed to reschedule the Uptown Selma property owners’ meeting that was scheduled for last week. She said the rental property owners meeting is scheduled for November 17th.

It was the consensus of Council to schedule the uptown property owners’ meeting for November 21, 2016.

Mayor Oliver stated that both meetings would be held in the Jernigan Building at 6:00 p.m. with light refreshments.

**Selma Rental Property
Owners Meeting (11/17 at
6 pm):**

This item was combined with Uptown Selma property owners’ meeting.

Transportation Updates:

Mayor Oliver stated that the Upper Coastal Plain RPO reprioritized the projects for the strategic plan for transportation for the next five to ten years. She said that Council would shortly be getting a copy of that list.

Arms Around Selma:

Mayor Oliver stated that the “Arms Around Selma” event would be Saturday, November 19, 2016, and would meet at 8:00 a.m. at Selma Elementary School.

Mayor Oliver advised Council at Smithfield-Selma High School on November 11, 2016, there would be a special salute to Veterans.

Christmas Parade:

Mayor Oliver stated that the Selma Christmas Parade would be on December 6, 2016 at 7:00 p.m.

Town Manager Barlow stated that the Town has acquired a new Christmas tree. He said that it would be placed in the plaza area in front of Town Hall. Mr. Barlow stated that he would like to schedule a tree lighting at 6:30 p.m. just before the parade.

**Set December Work
Session to Begin
2017/2018 Planning:**

Meetings scheduled earlier in the meeting.

**COUNCILMEMBERS'
REPORT &
RECOMMENDATIONS:**

Councilmember Petersen stated that he wanted to commend Warren Stancil for the fencing that was installed on his property at South Raiford Street.

Councilmember Petersen stated that Johnston County Commission Tony Braswell would be the guest speaker for the Veterans Day Event at Smithfield-Selma High School.

ADJOURNMENT:

With no further business, a motion was made by Mayor Pro-Tem Jackie Lacy and seconded by Councilmember Tommy Holmes to adjourn. Motion carried unanimously.

The meeting adjourned at 8:01 p.m.

BRENDA W. THORNE, Town Clerk