

**TOWN OF SELMA
WORK SESSION
JERNIGAN BUILDING
110 EAST ANDERSON STREET
MAY 26, 2016**

MEMBERS PRESENT:

Mayor Cheryl Oliver, Mayor Pro-tem Jackie Lacy, Councilmember William Overby, Councilmember Mark Petersen, and Town Manager Jon Barlow.

Councilmember Tommy Holmes was unable to attend.

Other staff present: Finance Director Karen Johnson, Planning Director Julie Maybee, Fire Chief Phillip McDaniel, Police Chief Richard Cooper, Code Administrator Tomeka Moore, and Interim Town Clerk Brenda Thorne.

CALL MEETING TO ORDER:

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

**FISCAL YEAR 2017 BUDGET DISCUSSION –
Presentation of Prioritized
Paving/Resurfacing Projects:**

Mayor Oliver stated that all of tonight's items revolve around the budget. She said that they hope to have a final version at the June Council meeting for approval. Mayor Oliver stated that there are a variety of items, that would not be resolved tonight, but staff could research and bring back the information needed.

Town Manager Barlow stated that there were two lists that were being presented with the first being a prioritization for unpaved streets, and the second being the prioritization of paved streets. Town Manager Barlow stated that last year, Town Council decided to take care of the remaining unpaved streets in Town. He said the idea was to do one a year with Winston Circle being on this year's project list. Mr. Barlow stated that would be coming up soon as a separate project since it was not just a resurfacing project.

Mayor Oliver asked if it were possible to do both Winston Street (1) and Richardson Street (2) since Richardson was the shortest on the list.

Town Manager Barlow stated that depended a lot on what has to be done to bring the street up to standard, which included how much drainage work and subgrade work that had to be done, what kind of soils they were dealing with, and what kind of design work had to be done to make it a street. He said that it might be short, but could be difficult piece to improve. Mr. Barlow stated that staff could get preliminary estimates so that they could consider more than one for next year.

Mayor Oliver stated that she would like to see the estimates. She said that they have the Powell Bill funding that is not included in the General Fund. Mayor Oliver stated that she would like to see if they gain any efficiencies by doing more than one. She said that when they get to number four, it is about double what each of the first three are. She said that she would be

curious to see what the costs were for the first three, particularly one and two.

Town Manager Barlow stated that he would get the costs to do all seven so that they would have an idea of what the next two to seven years are going to look like to pave these streets. He said that issues that needed to be considered were if they were going to have to require any right-of-way, storm drain work, or curb and gutter to make it to minimum standards. Mr. Barlow stated that this could be quite expensive.

Town of Selma Paving Prioritization for Unpaved Streets		
Priority	Street Name	Length (ft)
1	Winston Circle	317
2	Richardson St. (Sellers to Godwin)	264
3	Graves St. (Oak to Waddell)	317
4	Stokes/Hare Street	634
5	Sellers St. (Anderson to Richardson)	634
6	Debnam Lane	475
7	Pine Street	634

Town Manager Barlow stated that the next page was the current year’s resurfacing prioritization list, and items highlighted in yellow are items that recently went out for bid, and the contract was awarded just a few days ago. He reviewed a prioritized map that was drafted by Public Works Director Fuller. Mr. Barlow stated that this gives an idea of the asphalt rating from 0 to 5. He said that is going to change from year to year. Mr. Barlow stated that something might happen in a year that all of a sudden the street is becoming a problem that they did not notice the year before. He said that it has to be looked at each year, and not assume that it is not going to change.

Councilmember Overby stated that some of the Town’s projects like the sewer rehabilitation project on Noble Street could change the priority of it as well.

Town Manager Barlow stated that when they start looking at the sewer projects, they need to think about the street projects at the same time. He said that it did not make any sense to start a street project on a street that they knew would need to be dug up to replace a sewer line.

2015 Town of Selma Street Resurfacing Prioritization			
Rating*	Street Name	Section	Length (ft)
4.5	W Dr. MLK Jr. Way	S Pollock to S Green	1,430
4	W Preston St.	Ethel to West	775
4	Chestnut St.	Entire Street	1,475
4	W Elizabeth St.	N Green to Walnut	1,175
4	Walnut St.	River Rd. to 1 st Ave.	1,425
4	Center St.	Entire Street	1,430
4	Primrose St.	Entire Street	780
4	Third Avenue	Entire Street	819
4	W Waddell St.	US 301 to N Raiford	360
4	Ethel St.	W Dr. MLK to W Noble	350
4	W Railroad St.	N Green to Center	2,000

4	E Griswold St.	Entire Street	2,210
4	S Sumner St.	W Dr. MLK to Noble	350
*Rating of street condition on a scale of 0 – 5 with a rating of 5 most severe			

**Presentation of Potential I&I
Project Locations:**

Town Manager Barlow stated that the Town knows that it has an inflow and infiltration (I&I) problem. He said that Council could pick any of the ten. He said that these were based on the smoke tests. Mr. Barlow stated that there were other things to consider, such as street projects. He said that sometimes smoke testing does not tell the whole story. Mr. Barlow stated that manholes were a real problem. He said that there were a lot of hand-built brick manholes that if you look inside, the conditions that the bricks have to live in, such as the gases, are being eaten up quickly. Mr. Barlow stated that smoking does not tell the story of the condition that the manholes are in, which could be a huge issue. He said that the service connections and what they are made of is a real problem. Mr. Barlow stated that on Sharpe Street there are a lot of dips in the street, which are old service lines coming off the main from Noble Street. He said that over time, they are collecting dirt, which is going into the service line and the streets are going with it. Mr. Barlow stated that like that should be a priority, and Sharpe Street is on this list. He said that he had talked with the Public Director about not piece milling, but doing a whole section from manhole to manhole that would take care of everything on that street.

Mayor Oliver asked if they had talked about Waddell Street. She said that last year there was work being done at the intersection of Massey and Waddell Streets, and there were like smoke signals being sent in the grassy areas beside Waddell. Mayor Oliver stated that it was on the repaving list, and if that was one that could be looked at. She said that could be further down on the list. Mayor Oliver stated that it was very clear that there was an I&I problem.

Town Manager Barlow stated that where you are seeing the smoke come up, there is old terracotta pipe. He said that is good pipe, but over time, they sag and break and become susceptible to I&I.

Mayor Oliver asked that Town Manager Barlow get with Public Services Director Fuller about 301 to Green Street.

Councilmember Overby asked if they could get an estimate of the cost for all of them.

Mayor Oliver stated that they need that figure, but as they are reworking the budget for the next thing, if you know we do not want to go there for some reason, group it some other way.

Town Manager Barlow stated that on a much larger project and getting some other kind of financing, obviously the sewer fund does not have the ability to do big projects without some other external source of funding. He said that that the Sewer Fund has only about \$40,000 to \$50,000 for spot

I&I projects. Mr. Barlow stated that would only take care about one of these projects. He said that they would need ten times that.

Mayor Oliver stated that in their last conversation, they agreed that \$40,000 seemed low. She said that she was for putting more dollars towards doing something that would allow for all of them to be done. Mayor Oliver stated that she thought everyone was supportive of doing more than \$40,000.

Town Manager Barlow stated that is was \$45,000 for maintenance repair for I&I.

Councilmember Petersen asked if the list continued on after this.

Town Manager Barlow stated that it did.

Mayor Oliver stated that in the presentation that Public Service Director Fuller made there were more.

Town Manager Barlow stated that there was a lot of smoke testing done around Town.

Mayor Oliver stated that there was enough to do a sizeable chunk of work on, and if that exceeded what was listed. She asked if there was a reason why it was cut off, and not listed all.

Town Manager Barlow stated that this was the top ten list.

Mayor Oliver stated if there were not a whole lot more to give them the complete list for future consideration.

INFLOW AND INFILTRATION INVESTIGATION		
Location	Priority	Smoke Source
Lizzie & N Sellers Intersection	1	Catch Basin
Lizzie & N Webb Intersection	2	Catch Basin
608 Lizzie Street	3	Catch Basin
Webb St & Oak St	4	Catch Basin
N Massey & Richardson Intersection	5	Catch Basin
W Richardson St	6	Catch Basin
JR Road	7	SS Manhole
Sharpe St & E Elizabeth	8	Catch Basin
S Massey & W Railroad	9	Catch Basin
404 N Sellers St	10	Catch Basin

Johnston County Utility Rate Comparisons:

Town Manager Barlow stated that in the information being presented for utility rate comparisons, included the proposed electric rate increases for Selma. He said that the electric rate increase was based on the cost of service study model that was done last year, where our rates would need to be July 1, 2016 coming. Mr. Barlow stated that the sewer rate included a proposed 3% rate increase. He said that Benson, Clayton, Smithfield, and

Progress were a snapshot of today. Mr. Barlow stated that he did not include anything that they were proposing for the next fiscal year.

Mayor Oliver asked if the basic fee went up in percentage or if it was the basic kilowatt.

Town Manager Barlow stated that it was the usage; not the basic fee.

Mayor Oliver stated that the consultant's suggestion was over time to keep increasing the base rate, because the overall bill to the customer would not have as much seasonal variability in it. She said that the more you get into that base, the more predictable it is for customers. Mayor Oliver stated that the consultant advised that the Town needed to get up to \$11.21, which would cover cost of service. She said that the consultant also advised the Town to stay as close to cost of service in the figures set for all the components. Mayor Oliver stated that in some cases they were very far away, but some were close. She said that at the time the study was done, the Town's base charge was \$6.53. Mayor Oliver stated that this gets them up to \$7.65. She asked if the base charge needed to be increased a bit more to keep heading toward the \$11.21, because they know it is not covering costs.

Town Manager Barlow stated that he did not have the current schedule of fees with him, but it was highlighted in red in the draft budget, which stated this was an increase. He said that it was not just usage. Mr. Barlow stated that the base rate went up for each customer class. He said that in the proposed budget, it recommended that they go ahead and update that model from Utility Financial Services that did the last cost of service study. He said that their estimate was \$6,000 to update it. Mr. Barlow stated that Electricities has a grant program each year that the Town could spend on certain things. He said that rate studies was one of the eligible costs. Mr. Barlow stated that every calendar year, there is \$5,000 available, which is available now for 2016, but would look at after July 1st.

Mayor Oliver asked if that included not just a refresher of existing, but some addition of scenarios.

Mr. Barlow stated that he thought that would be reasonable. He said they could look at the base fee for Selma compared to other Johnston County towns, Selma was on the low end. Mr. Barlow stated that when you raise the base fee, you are going to lower your energy charges. He said that the base fee takes away fluctuation and flattens out the revenue month to month. Mr. Barlow stated that you have a known more than an unknown based on sales.

Mayor Oliver stated that for cost of service what is proposed if a kilowatt of .1157. She said that at the time the rate study was ran, the cost of service per kilowatt was .1230. Mayor Oliver stated that again, the Town was not recouping. Mayor Oliver reminded Council that the consultant had previously advised that they would not be where they needed to be in two

years, but was looking at a five year view. She asked that they keep in mind that they are not recovering the costs. Mayor Oliver stated that she noticed in the chart where they compare the Towns, Benson has a \$15.00 base fee. She said that she called Mayor Massengill and about the base fee being so high. Mayor Oliver stated that Mayor Massengill advised her that they had some studies done on the overall Town of Benson electric bill, and Mr. Roy Jones of ElectriCities advised Benson that one-half of Benson's monthly electric bill comes from one hour of peak usage. She said that their true base should be \$30.00. Mayor Oliver stated that they moved as many people as they could to load management. She said that their customers with load management have the \$15.00 base fee, and the others have the \$30.00 base fee. Mayor Oliver stated that for new houses, they require load management.

Mayor Oliver asked if the Town had looked at load management on a grand scale like that, and would it help. Mayor Oliver stated that with load management, their 1,000 kilowatt customers saw their bill reduced 9%.

Town Manager Barlow stated that Electric Director Donald Baker was the expert on that. He said that there was software and meters that could communicate and shut down at peak time. Mr. Barlow stated that if they could get some of the large industries off at the peak, it would save a lot of money for the Town. He said that they have the smart electric meters so they could see all this stuff through their software; and control it down to the residence through their load management. Mr. Barlow stated that it was quite an investment.

Mayor Oliver asked if this was something that Mr. Baker could provide input on. She also asked if there were any reasons why it should not be done in Selma.

Town Manager Barlow stated that someone from ElectriCities could come talk to them about it.

Mayor Oliver stated that it might be helpful if they could run the same thing for Selma that they did for Benson. She said that a 9% reduction was a pretty sizeable reduction. Mayor Oliver stated that a lot of people would be glad to have their electric cut off and on periodically to get a 9% reduction.

Councilmember Overby stated that he thought it was more than 9%.

Mayor Oliver stated that was for the 1,000 kilowatt customer, which is a low user customer. She said that when you get to the medium and high users, it should be considerably lower. Mayor Oliver stated that would be in the worst case, the lowest user, so the others should see higher.

Finance Director Karen Johnson stated that someone from ElectriCities would come educate staff and the citizens. She said that when she was in Fremont, it was done there and the people needed to be educated to install a low management switch.

Mayor Oliver stated that she wanted this idea out there, because there might be another way to combat these figures that is different from what they have tried in the past.

Finance Director Johnson stated that at peak, things like air conditioning, heating, and hot water heaters, if electric, are automatically turned off.

Mayor Oliver stated that Selma was perceived as the high-cost provider even though the information before them shows that Selma is not. She said that Selma was in the mix. Mayor Oliver stated that before, Selma was in the red as the highest across the board, which has changed. She said that with the sewer and water charges going up, should they give thought to doing two bills again; one electric bill and one water, sewer, and garbage bill. Mayor Oliver stated that was to try to reduce sticker shock. Mayor Oliver stated that citizens still say that when they get their bill, it is the electric bill, but it is not, it is the utility bill. She said that from a marketing prospective, she thought it would work; but from an operational prospective, they have to know the operational impacts. Mayor Oliver stated that they could use postcards. She said that this could keep them from having so many cutoffs or customer penalties.

Mayor Pro-Tem Lacy stated that she thought it was a good idea.

Councilmember Petersen asked what would it cost from whomever does our billing.

Town Manager Barlow stated that was his first thought. He said that the Town's software would have to be rewritten. Mr. Barlow stated that they would have to have two bill files to separate the electric from the rest. He said that he did not know if this was even doable with the current software.

Mayor Oliver stated that if it was doable, they want to do it. She said that it would make the bill verification exercise easier. Mayor Oliver stated that she needed to know how it would impact the meter reading, Finance Director Karen Johnson, and all the other staff members involved. She said that she did not need an answer tonight. Mayor Oliver stated that she was looking at angles to make people want to live here and be able to live here.

Councilmember Petersen stated that they talked about educating the public, how are they going to let everybody know that there would be two bills.

Mayor Oliver stated that it was clearly all educational. Mayor Oliver stated that with the Town's newsletter, reverse 911, putting it in the newspaper, and radio, she thought it would be perceived positively by the citizens. She said that they know that they are in a County and Town with poverty, and was wondering if it would help those citizens.

Mayor Pro-Tem Lacy stated that the change in the process with this technology could be more costly.

Town Manager Barlow stated that they would have to look at the operational side if it is even possible, and what it would take for ICS to create that separate billing.

Mayor Oliver stated that in terms of timing, they were still looking at getting new billing software, and might be done at the time at the time that they get the new billing software.

Councilmember Petersen stated that could be included in the requirements that they have to be able to bill separately the electric and the other, sewer, water, and garbage.

Councilmember Overby stated that one problem was if a citizen's lights were cut out, the citizen still has water and other utilities.

Town Manager Barlow stated that was the other policy question is that they now look at it as one. He asked if they were going to have two cutoffs. Mr. Barlow stated that this was another operational issue that they would have to deal with.

Mayor Oliver stated that the policy could deal with that either way.

Councilmember Petersen asked if they have to have a deposit for both electric and water.

Councilmember Overby stated that was a good question.

Town Manager Barlow stated that those were things they would have to look at, and set a program.

Mayor Oliver stated that they have that today, but it is all paid at one time. She said that even with new service, they would still be paying it all at one time.

Mayor Oliver stated that it might help the Town to help citizens understand that Selma is not the high tier on the block.

Mayor Oliver asked if there were any comments regarding water.

Mayor Oliver stated that she liked, and it was even truer on the sewer side, a fee per 1000 gallons. She said that was what Smithfield and Benson have. Mayor Oliver stated that Clayton pretty much has it, because they do not start breaking it out until the customer reached 15,000 gallons. She said that Selma has the most convoluted sewer. Mayor Oliver stated that when you look at the basic fee the 0 – 999 gallons is \$7.98 with each additional 5,000 gallons there is an additional basic fee charge of \$5.15.

Town Manager Barlow stated that when a customer hits 5,000, they would get the 5,000 charge plus \$5.15.

Mayor Oliver stated that would be plus the \$9.68 per thousand.

Town Manager Barlow stated that it would \$9.68 per thousand for 5,000 plus \$5.15 on top of that for that block. He said that it was not for each thousand, just one time.

Mayor Oliver stated that at they are looking towards a new billing system, why they would not keep it simple. She said that she was open to reasons why that is not done. Mayor Oliver stated that it seemed some folks were churning along just fine with the basic price per 1,000 gallons.

Councilmember Petersen reviewed the Town of Clayton's water charges.

Town Manager Barlow stated that he thought the base charge in Clayton if they use 0 to 15,000 would be \$10.10. He said that their first 1,000 is \$13.99 and Selma's is \$5.00.

Mayor Oliver stated that she would like to understand why they could not go the simple route. She said that from a billing point of view and from a customer point of view, customers see zero usage if it is less than 1,000, and the next month going up to 2,000 with them stating that their usage did not change that much.

Town Manager Barlow stated that the customer might have used 999 gallons that month, and used one gallon the next month, and they would get charged for 2,000.

Mayor Oliver stated that from a customer prospective, it looked to be more burdensome than it needed to be, and that they were at such a low level. She said that Selma was at the lowest.

Town Manager Barlow stated that over 90% was residential. He said that Selma's customers were less than 5,000 usage. Mr. Barlow stated that with Clayton, there are a lot of industrial users. He said that if Selma had a lot of industrial usage, Selma would have some type of schedule in the 100,000 range. Mr. Barlow stated that Selma's customer usage does not reflect that.

Mayor Oliver stated that as time allows, she would like some feedback on if it could be simplified.

Councilmember Overby stated that sewage was based on how much water is used, which was also complex to figure out. He said that it is not recorded how much sewer goes back. Councilmember Overby stated that the sewage bill was twice the amount of water that they use.

Town Manager Barlow stated that the sewer rates were definitely different from the water.

Councilmember Overby asked how do they know it is being gauged correctly with some citizens that might not be using that much, where others were using more. He said that because they are using water does not mean that they are using the bathroom that many times.

Town Manager Barlow stated that if someone does a lot of lawn irrigation, it does not go down the sewer.

Councilmember Petersen asked if there was a provision for citizens that have a second meter for irrigation.

Town Manager Barlow stated that he did not think that the Town had an irrigation meter rate.

Fire Chief Phillip McDaniel stated that if someone purchases bulk water, the Town would reduce the sewer for like filling of a swimming pool.

Town Manager Barlow stated that most people knew with pools, to contact the Town so that they do not have to pay sewer on that usage. He said that the typical way that is done is if you use a gallon of water, you would be charged for a gallon of sewage, because there are no residential sewage meters.

Mayor Oliver stated that the tiers skew it even more. She said that they would come out better on per gallon.

Town Manager Barlow stated that the tier structure was designed to encourage conservation. He said that the more someone uses, the more they would pay.

Mayor Oliver stated that would be true per gallon. She said that the more they use, the more they pay.

Town Manager Barlow stated that they were trying to discourage high usage with that kind of scale.

Councilmember Overby stated that the Town's infrastructure was pretty bad and was getting rainwater in. He asked how they were factoring that in with the amount of water that is used.

Town Manager Barlow stated that the excess I&I coming in is factored when they look at the sewer budget. He said that based on the flow, because there is a sewer meter at the big pump station that they send to Johnston County. He said that they know what that is, and we know what they bill every month. Mr. Barlow stated that they know what the sales are; and know what we produce at the water plant. He said that they could find out what the Town's loss is. Mr. Barlow stated that they know what Johnston County is billing the Town for per month. He said that what the Town sells and what it gets billed for is usually about twice sewer versus water. Mr. Barlow stated that was the I&I.

Mr. Barlow stated that they are going to charge the Town \$3.50 per 1,000 gallons to treat the water. He said that the Town has to build that cost in just to start, plus everything else to run our equipment, our people, to pay electric bills, do I&I projects, has to go into that rate to fund the Sewer Department.

Councilmember Overby stated that they have a meeting set up with Smithfield and County Manager Hester. He said that they know what the Town's meter is sending out. Councilmember Overby questioned how they could compare that bill that they get back with what went out on the Town's meter. He asked if that could be done.

Town Manager Barlow stated that someone goes and looks at that meter, just like the Town reads the citizens' water meters. He said that staff does not go with them to verify the reading.

Mayor Oliver stated that would be the only way to verify that it is captured correctly.

Town Manager Barlow stated that in the contract that Selma has with Johnston County, they are responsible for having that meter calibrated to that it is within tolerance, and is accurately measuring the flow going through the meter. He said that was done about once a year.

Councilmember Overby stated that he was still skeptical. He said that he did not think that all they are getting charged for is actually leaving Selma going there. Councilmember Overby stated that the County has sewer issues between Selma and the County as well. He said that the County has rainwater infiltration as well. Councilmember Overby stated that they are going to shove that off on all the other towns. He said that they are going to break it up as much as they can so that they do not have to pay for it.

Town Manager Barlow stated that Selma was fortunate to be on this end of the system that there are no other connections above the Town. He said that Johnston County and Smithfield have their own I&I issues. Mr. Barlow stated that Smithfield has 20 to 30 connections on that line going to Johnston County that are not metered, which would be a nightmare. He said that Selma has one meter and one connection. Mr. Barlow stated that it does not matter what goes into the system past the Town's meter. He said that it could not come back and be charged for it. Mr. Barlow stated that all flows in one direction.

Councilmember Petersen stated that if there is inflow on the other side of that. He said that they have got to have some way of knowing how much that is. Councilmember Petersen stated that they could amortize that among all the users and bill them for it.

Town Manager Barlow stated that was probably how it was done.

Councilmember Overby stated that there was not check and balance between what they send and what the Town gets billed for.

Town Manager Barlow stated that other than the meter, that is the cash register and is what the Town is billed on. He said that on the I&I, the Town does not get charged on it per gallon, regardless of what happens downstream. Mr. Barlow stated that they are ultimately getting more inflow, and would cost them more to treat. He said that one day they might have to expand the wastewater plant because of the flow.

Town Manager Barlow stated that Selma has a contractual allocation from them per day. He said that they know what the capacity is that they could handle on a daily average, and they sell that to their customers. Mr. Barlow stated that there was a point where they reach their treatment process. He said that when they reach 80%, then need to plan for plant expansion. Mr. Barlow stated that when you go back to them with capacity, the Town might have to pay more for that additional treatment because of expansion. He said that the Town was okay, and was nowhere near its contractual allocation.

Councilmember Overby stated that he could not say that the Town was okay with it up 3%.

Town Manager Barlow stated that was not based on anything from Johnston County. He said that was all happening on Selma's side of the meter. Mr. Barlow stated that they have got to maintain its system. He said that as the system gets older the I&I is going to get worse. Mr. Barlow stated that every gallon that they could take out of that flow, it would reduce what is spent on treatment costs, and that could be put into operations.

Councilmember Overby stated that he wanted a balance in the treatment and the water that is sent. He said that the meter is reading it, but when they get the bill, he could not tell that this was the gallons that went to them for treatment.

Town Manger Barlow stated that the bill has a previous and current reading.

Mayor Oliver stated that they do not know how those were derived.

Councilmember Overby stated that he did not know how he got them.

Town Manager Barlow stated that they were received off of that meter.

Mayor Oliver asked that they have County Manager Rick Hester come to one of their work sessions. She said that they could hear it from the source, and of any plans that they have for the future.

Town Manager Barlow stated that it would be a good idea to have a field trip to the pump station.

Councilmember Overby stated that if you ride down Buffalo Road, there is a temporary sewage pipe running in the ditches, because theirs is in bad shape.

Town Manager Barlow stated that what they are doing is called bypass pumping. He said that they were doing some I&I projects just like Selma. Mr. Barlow stated that they were going to see that on Noble Street soon. He said that in order to replace the line or put a pipe within a pipe, they have to get the flow off of it from manhole to manhole. Mr. Barlow stated that they would set temporary pumps and pipes up above ground to get that flow off the section they are going to work on.

Councilmember Overby stated that he would like to take the tour, but would also like to have a meeting with County Manager Hester and his staff.

Town Manager Barlow stated that Johnston County Engineer Chandra Coats would conduct the tour of their plant.

Mayor Oliver asked how many bills were being sent out without a capital charge, because their usage was less than 2,000 gallons. She said that she saw this as a cash flow issue.

Town Manager Barlow stated that he thought this was a decision that was made when they set up the capital charge. He said the \$0.25 charge would not be added to that first 999 gallons. Mr. Barlow stated that it could be done. He said that they do know the number of zero users.

Finance Director Johnson stated that she could provide that information in the morning.

Mayor Oliver asked that the information be emailed to Council. She said that it raises a question.

Mayor Oliver stated that she did think that they deliberately made that decision, but when you look back on it, it depends on how many zero usages there are out there.

Mayor Oliver asked that on refreshing the electric rate numbers, if they wanted to wait to make sure they have all the scenarios that they want when they have the consultant rerun the numbers.

Councilmember Overby stated yes.

Town Manager Barlow asked if they wanted to leave the funding in the budget. He stated that they want to do it, but timing was a question.

Councilmember Overby stated that was correct, and timing was a question.

Mayor Oliver stated that the other item that she had was with the two bills, if it would give them the opportunity to have more bill cycles. She said that

she was thinking cash flow. Mayor Oliver stated that there would be operational impacts on that.

Councilmember Petersen asked when staff reads meters, do they do both at the same time.

Town Manager Barlow stated that they do read electric and water at the same time.

Other:

Mayor Oliver stated that the proposed budget has three new staff positions. She asked Council if they had any questions on those.

Mayor Oliver asked Town Manager to speak on all three positions.

Town Manager Barlow stated that in the Electric Department, they are adding one new lineman. He said that it was not only work load related, but it was more of developing a knowledgeable staff. Mr. Barlow stated that the Electric Director's concern was the age demographics of his department. He said that the Electric Department has some very talented staff, but their ages are so that they are not going to be here that long. Mr. Barlow stated that they needed to go ahead and take advantage now while these guys are here with their knowledge to pass that on to these younger guys to be electric leaders in the future. He said that they were trying to look at some succession planning. Mr. Barlow stated that it takes a long time to obtain the level 1, 2, or 3 certification before you can start going up and doing high voltage. He said that was something that just takes time in doing electric.

Councilmember Overby stated that he had a concern. He asked if his department included the meter readers.

Town Manager Barlow stated that the meter readers are in his department.

Councilmember Overby stated that they are reaching their goal as well. He said that he did not want that person to just focus on being a lineman. Councilmember Overby stated that person should be cross trained.

Town Manager Barlow stated that at times, they taken a lineman to help when they are short a meter reader. He said that the more they could do to get these people cross trained, the easier it would be when these people start aging out.

Mayor Oliver asked that since they were not totally low, if they could look at hiring in March 2017 instead of in July 2016. She said that they could start accomplishing what they want to do, but not have the full salary hit this year.

Town Manager Barlow stated that could be started anytime. He said that they are having one retirement on June 30th. Mr. Barlow stated that Richie Peedin was retiring with 30 years of service, and this position was already

a budgeted position. He said the other position was above and beyond, but reality is now because these guys are starting to retire.

Town Manager Barlow stated that the fire position was a continuation of from last year to try and hire one fireman. He said that it takes three firemen to get 24/7 coverage.

Town Manager Barlow stated that the third position was for a Planning Technician. He said that this person would help take the load off what is going on in the Planning Department.

Mayor Oliver asked that the Planning job description be presented at the June meeting.

Councilmember Overby stated that he wanted to emphasize that the fire position affects the homeowners. He said that it helps determine how much insurance is paid.

Mayor Oliver asked if the Town was at a point where this position would make a difference, or if it would be the following year with one more.

Fire Chief McDaniel stated that in order to make a difference, they would need one more year to have that better staff. He said that the goal was 12 people per call. Chief McDaniel stated that this still makes them short.

Mayor Oliver stated that there was currently a job advertisement out for a mechanic position. She asked if the mechanic position was one where they could use local businesses for.

Town Manager Barlow stated that was for the Water Department, more of a water utilities mechanic.

Mayor Oliver stated that she thought the dollars were a little low for the Planning position.

Town Manager Barlow stated that the ad would be written as depending on qualifications.

Mayor Oliver stated that it had been a long time without any increase to the Parks and Recreation staff. She said that the Civic Center was in the works, and Ann Williams has offered to manage it the first year. Mayor Oliver stated that the probable home would be Parks and Recreation for bookings and getting events there. She said that this person could be responsible for getting the Galleria Gazebo going in July or August. Mayor Oliver stated that we have a great Town to have a concert series, but they are running these folks in the ground.

Councilmember Petersen stated that with the Civic Center becomes viable, they would probably have to hire someone. He said that they would need someone who would go out and promote it, and bring things in.

Town Manager Barlow stated that the position title could be Downtown Event Coordinator. He said that this person would not only be responsible for the Civic Center, but the Historic Properties program, Appearance Commission, Railroad Days, and Fourth of July Celebration. He said that this would be more with the event coordinator, and would allow Mr. Carter to focus more on recreation.

Councilmember Overby asked how staff was at the Library.

Town Manager Barlow stated that there were two full-time and one part-time.

Mayor Oliver asked for an updated organizational chart.

Town Manager Barlow stated that he had told the Interim HR Director to hold off until July 1, 2016, because of these new positions pending. He said that he could provide a chart for what they have now.

Mayor Oliver stated that according to the preliminary budget from Johnston County, the tipping fee was increasing from \$16.00 to \$18.00 per ton. She said that she thought from previous discussions that was going to be a nominal impact.

Town Manager Barlow stated that was correct.

Town Manager Barlow stated that there were some questions that came up at the first budget meeting that he wanted to review. He said that the first question was about the battery life of prepay meters. Mr. Barlow stated that so far Electric Director Baker had not seen any issues with them. He said that they have had to send some meters back, but it was not related to them sitting on the shelf for too long.

Town Manager Barlow stated that there was a question about the relocation of area lights, and was listed on the fee schedule at \$47.90. Mr. Barlow stated that according to Electric Director Baker, the fee use to be \$50.00. Mr. Barlow stated that during an electric rate reduction several years ago, this fee was reduced by the same portion. He said that Mr. Baker advised him that he could not move a pole for \$50.00, but in the 30 years he had been with the Town, he has never had to move one.

Mayor Oliver asked what the cost was. She said that it was not a high priority, but the rates needed to reflect the cost of service.

Council agreed to change the rate back to \$50.00.

Town Manager Barlow stated that there was a question about calculation of equal payment on the fee schedule. He said that there was a formula on the fee schedule. Mr. Barlow stated that over 12 months, they would calculate what their bill would be plus a growth factor of 8%. He said that he was

not able to find where that number came from. Mr. Barlow stated that the only thing he could think of was that over time, the assumption is they are going to use more electricity over 12 months. He said that at the end of 12 months when they recalculate the equalization, if it has not grown, it gets set back.

Mayor Oliver asked if there was anyone from ElectriCities that could answer that.

Town Manager Barlow stated that he had not asked ElectriCities yet.

Mayor Oliver requested that they be asked to see if that was what the other towns are doing and if this was a standard practice for today.

Town Manager Barlow stated that he thought it more of a cushion to protect the Town over time.

Mayor Oliver questioned if they were overcharging citizens. She said that in the citizen's case, she would say do away with it, unless they do need it.

Town Manager Barlow stated that there was a question regarding solar panels, and what the Town did as far as giving credit back for excess power generated. He said that the Town does not have a policy. Mr. Barlow stated that someone having solar panels and they generated enough power to cover themselves, and they actually sold some back on the grid.

Mayor Oliver stated that was the question, going back onto the grid, and how does that happen.

Town Manager Barlow stated that the credit they get was the reduction in power that they are charged for (the usage of energy they consume). He said for any excess, the Town does not have a policy. Mr. Barlow stated that the Electric Director Donald Baker does not know of anyone in Town that is doing that.

Councilmember Overby stated that it would take a large amount of panels to get to that point.

Mayor Oliver stated that this raises the question is there a number of solar panels that they deem excessive within a residential area. She asked if someone wanted to make some money, could they put up 20 panels in their yard.

Councilmember Petersen asked if someone wanted to put solar panels on their house, were there any zoning requirements.

Planning Director Maybee stated that she had read that there was a general statute that talks about solar power on residences, and could look into that.

Councilmember Petersen stated that was not a priority.

Mayor Oliver asked if the Town had some houses with solar panels. She said that they might need someone from ElectriCities for input on that.

Town Manager Barlow stated that when they come to discuss the smart grid they could ask about that at that time.

Town Manager Barlow stated that there was a question about underground wire as an inventory question. He said that Mr. Baker has numerous sizes of gauges of wire that he keeps on hand for use in his operation; not one particular size, and not one particular thing he is trying to accomplish. He said that some of it is for new services that he is putting in, and a lot of it is to replace old wire that is either damaged or needs to be replaced.

Mayor Oliver stated that her question on that was more strategic, and if there was a plan for building out and doing more underground wiring around Town. She said that Electric Director Baker was going around Town and updating some of the existing lines.

Town Manager Barlow stated that when he does have the chance to go underground, he would take that opportunity.

Councilmember Overby asked if they could get that wire overnight if the needed it.

Town Manager Barlow that they probably could not get that type of wire overnighted to them. He said that he did not think Mr. Baker was carrying an excess load, but kept enough of everything that he needed of different sizes.

Mayor Oliver stated that she wanted to discuss the tennis court. She said that she was afraid that the court that the Town has is in disrepair. Mayor Oliver questioned if they should build a new one when they cannot maintain the one that they have. She said that she wanted the tennis court, but did not see building a court if they could not maintain it. Mayor Oliver stated that the tennis court at Edgebrook was in poor condition.

Town Manager Barlow stated that Edgebrook needed to be resurfaced. He said that Parks and Recreation Director Joe Carter did ask for that in his budget. Mr. Barlow stated that was in his request to build the one at Harrison and to resurface the one at Edgebrook.

Mayor Pro-Tem Lacy stated that she talked with the senior citizens group, and they were excited about. She said that they would help with the court.

Mayor Oliver asked in what way.

Mayor Pro-Tem Lacy stated financially.

Councilmember Overby stated that he wanted them to be cautious on the court that is going to be resurfaced. He said that it had been resurfaced once and did not hold up.

Mayor Oliver asked what the average expected time to go between resurfacing.

Town Manager Barlow stated that tennis courts were usually cut from the budget. He said that Mr. Carter received a quote for \$18,250. Mr. Barlow stated that he was talking about taking up the asphalt that was there and installing a different product that holds up better.

Mayor Oliver asked if the guarantee those for a number of years.

Town Manager stated that he did not know.

Mayor Oliver asked that to be worked into the contract.

Town Manager Barlow stated that \$60,000 seemed high to build a tennis court at Harrison. He thought that there might be some opportunities with USTA for some grant funding through that organization to build more than one for less than \$60,000.

Councilmember Overby stated that the tennis court in his area is not used.

Mayor Oliver stated that no one can play on it. Mayor Oliver stated that she would use it if it were in good shape. She said that between the grass coming up and uneven surface, it cannot be played on.

Councilmember Overby stated that when it was good, nobody played on it.

Mayor Oliver stated that one thing for reference on the Johnston County Parks and Recreation survey, walking trails was the most desired thing, but did not know where tennis courts were on the list. She said that equal participation from all the towns in the County in terms of the input they received. Mayor Oliver stated that they could look at that, but otherwise did not know how they would go about determining who would use it.

Councilmember Overby asked if it was critical that they do this in this budget.

Mayor Oliver stated that she did not think it was critical.

Mayor Pro-tem Lacy asked Council to think about what they have to offer young people in this Town.

Mayor Oliver stated that people like Tarsha Johnson that coaches at Selma Middle School might be willing to help with instruction. She said that she is always looking for kids. Mayor Oliver stated that she would probably love it as an option for the kids. She said that the good thing about

tennis is that it is a lifelong sport. Mayor Oliver asked that they keep working the numbers to see how it works.

Councilmember Overby asked if they could start with one and build later. He said that they resurface the one at Edgebrook to see how it was going to work before they invest \$120,000 in something that no one might use.

Mayor Oliver stated that was an option. She said that if people really want to play, they will go wherever. She said for those without transportation, one on each side of Town might be better.

Mayor Pro-Tem Lacy stated that kids do not have access to things now. She said that if things were made available to them, it would enhance their activities.

Mayor Oliver asked if there were any CDBG grants that would help with pools and other things to help a community.

Councilmember Overby stated that he did not think the Town would want a pool due to the liability issues.

Town Manager Barlow stated that there was the Parks and Recreation Trust Fund (PARTF).

Mayor Oliver asked Council if they wanted to leave the tennis court in for now.

Mayor Pro-Tem Lacy stated that with them trying to get funding, she thought it would help keep in on.

Mayor Oliver stated to wait to see what CS&S would give, because that could make a difference.

Councilmember Overby asked that they keep in mind the future they discussed, then other could come at that point and time.

Town Manager Barlow stated that he did not have it in the budget to do Harrison and Edgebrook. He asked if they wanted to include the resurfacing of Edgebrook. Mr. Barlow stated that they did not have to spend the funds until they were comfortable. He said that they could set some levels where they would need to have some matching funds before making the investment. Mr. Barlow stated that he thought there was some opportunity to get some matching funds for the Town of Selma.

Councilmember Petersen asked if the matching funds would also cover the resurfacing of Edgebrook. He said that the total project at Harrison would be \$120,000.

Mayor Pro-Tem Jackie Lacy stated that it was two courts for \$60,000.

Councilmember Petersen stated that if you leave the \$60,000 in the budget, and they get matching funds of \$15,000, that would be almost enough to resurface the court at Edgebrook.

Councilmember Overby stated that he did not get the impression that the two courts would be for \$60,000.

Town Manager Barlow stated that Parks and Recreation Director Carter was talking to a contractor, and thought that they were covering themselves.

Councilmember Overby asked for that to be clarified.

Mayor Oliver asked that they be more definitive on the cost, and what the options are for getting matching funds.

Mayor Oliver stated that the next item she wanted to discuss was the Mayor and Town Council salary and benefits. She said that they have had previous discussions about potentially at a point in time ending medical for Town Council. Mayor Oliver stated that the trend in municipalities was to get away from that. She said that in doing so, they were very low in salary. Mayor Oliver questioned if they wanted to suspend major medical and get the salaries more in line with the data they saw from the NCLM.

Councilmember Petersen asked if there was any way to phase it out.

Councilmember Overby stated by the end of the year. He said that they would have to sign a new contract for a new plan by the end of the year.

Mayor Oliver stated that effective January 1, 2017, the health plan would not be available. She asked about dental any of the other offerings. Mayor Oliver stated that at previous meeting, they all supported life insurance, which is a nominal charge.

Mayor Pro-Tem Lacy stated that she has dental.

Mayor Oliver questioned for those that that have it, keep it until the end of their term. She said that for new members, it would not be available.

Councilmember Overby stated that they needed to make it clear that if they decide to take the insurance on their own, it would not be the same price as through the Town.

Mayor Oliver stated that as of January 1, 2017, major medical goes away with the add-ons staying in place until the completion of the Councilmembers terms.

Councilmember Overby asked at the completion of his term, would he have the option to take on the health plan himself.

Town Manager Barlow stated that he could pay for it himself for 18 months through COBRA.

Councilmember Petersen asked if there would be any difference in the contract if the Councilmember paid it as opposed to the Town.

Town Manager Barlow stated that as long as it is a plan, they probably would not care as long as he is a Councilmember. He said that Councilmember Overby was not leaving employment, and the Town is still providing that benefit.

Mayor Oliver stated that she needed to change her prior recommendation to be effective January 1, 2017, any Councilmember could keep major medical coverage until the end of their term at their expense, with the add-ons staying in place and paid by the Town until the completion of the their term.

Mayor Oliver stated that the Town's salaries for Mayor and Councilmembers were very low. She said that the current salaries for Selma was the Mayor's position at \$2,400 and Councilmember's position at \$1,800.

Councilmember Overby recommended increasing the Mayor's salary to \$600 per month and Councilmember's salary to \$400 per month.

Councilmember Petersen stated that he did not think that was out of line.

Mayor Oliver stated that this was not something that is traditionally changed, and did not know that it has ever been changed in the Town of Selma.

Councilmember Petersen asked when they would want the increase to take effect, July 1, 2016 or January 1, 2017.

Mayor Oliver stated that she would do it July 1, 2016, unless Town Manager Barlow saw from a budget perspective that they could not absorb the impact. She said that they might as well get it in place.

Mayor Oliver asked Town Manager Barlow to add those numbers into the budget, and let them know if it works.

Town Manager Barlow stated that staff was trying to implement the employee evaluation system. He said that they just finished training with the department heads and staff to learn how the model was going to work. He said that from a budget standpoint, they need to tie some dollars to performance. Mr. Barlow stated that they needed to put a merit pool of money for them out there to use if they meet their goals. He said that the first year would be a little difficult, and was going to take some education. Mr. Barlow stated that he asked the consultant how he would determine what a good number to use based on payroll. He said that the plan that Selma has is between 0 and 3%. Mr. Barlow stated that it was explained to

his to look at it like a bell curve. He said that 70% of the population was going to fall under 2%, 15% at 0 to 1%, and 15% at 3%. Mr. Barlow questioned what effect that would have of the budget. He said in the General Fund it would be about \$55,000, Water Fund about \$36,000, Sewer \$34,000, and Electric \$25,000 for a total of \$150,000. He said that the payroll was a little over \$1 million.

Mayor Oliver stated it was a starting point.

Councilmember Overby stated that what he understood was it was going to be based on their hire date.

Town Manager Barlow stated that was open for discussion. He said that they could be done all at once or on an anniversary date. Mr. Barlow stated that the anniversary dates were consistent from month to month. He said that if someone has the performance evaluation in July, and they have not had the opportunity to discuss and accomplish goals that had been discussed. Mr. Barlow stated that for the first year, they might need to focus on the job description and discuss the goals for the second year.

Mayor Oliver stated that the goals were really important and recommended that they wait and do everyone towards the end of the year.

Town Manager Barlow stated that if they to evaluate everyone towards the end of the first year, then they went to anniversary date, you might have one a month later.

Councilmember Overby questioned how they were going to backtrack and pick up the ones they missed at the beginning.

Town Manager Barlow asked if they wanted to do a COLA this first year and lay those goals and objectives out for year two.

Councilmember Overby stated no COLA.

Mayor Oliver asked if it would work to do it by department and slant it towards the second half of the year after people were more grounded in the process and the goals for the year, because some of the goals are individual effort with some being team effort.

Councilmember Overby stated that a department with ten or more employees was going to have a difficult time getting all the appraisals done at one time.

Mayor Oliver stated that if it is done by anniversary date, and someone has an anniversary date in August, is that were you communicate the goals, and go more on past performance.

Town Manager Barlow stated that they go on past performance and current job description.

Councilmember Overby stated that will work.

BOARDED UP HOUSE LIST:

Town Manager Barlow stated that in the agenda packet, there was a current list of boarded up houses. He said that the first eleven had a deadline of May 23, 2016 with the other two set for June 6, 2016. Mr. Barlow stated that the ones that have come into compliance were 101 S. Church Street, 801 Primrose Street, 902 W. Anderson Street, and 408 W. Preston Street.

Councilmember Overby asked what was compliant.

Town Manager Barlow stated that they had to take the boards down.

Mayor Oliver asked what Johnston County Inspection does.

Town Manager Barlow stated that if they take the board off, it is in compliance. He said that if they do not, it is forwarded to Johnston County because they do all the minimum housing code enforcement and boarded houses.

Planning Director Maybee stated that they have to be processed like any other minimum housing code violation by trying to abate it.

Mayor Oliver asked how much time that normally was.

Planning Director Maybee stated that generally they do give 30 days for the first notice.

Mayor Oliver asked if someone does not comply. She asked if the County got the fees when the property was not in compliance.

Planning Director Maybee stated that she would follow up on that.

Town Manager Barlow stated that they use the Town's policy.

Councilmember Overby stated that when there is a condemned house that is hazardous to someone, the Town's ordinance states that it must be boarded up.

Town Manager Barlow stated that he did not think the house had to be boarded up. He said that the house had to be brought up to the minimum housing code. Mr. Barlow stated that they have to abate the violation.

Councilmember Overby stated that he saw it in an ordinance that it has to be boarded up.

Planning Director Maybee stated that in another section of the Town's Ordinance it stated that a building is supposed to be secured. She said that she would double check that. Ms. Maybee stated that with this text amendment, it could be secured in a number of different ways, but 60 days

would be the maximum time that it could be boarded up. She said that if it was unsafe, it would be going through the condemnation process.

Councilmember Overby stated that he would like to look at that again.

**REVIEW OF OTHER
MINIMUM HOUSING CASES
PENDING:**

Mayor Oliver stated that on the Code Enforcement Report, she would like to see the comments dated as well as the actions dated.

Mayor Oliver discussed outstanding cases on the report.

Mayor Oliver stated that if they were not seeing any movement with Johnston County that they discuss it when County Manager Rick Hester was here.

Planning Director Maybee stated that there has been a lot of construction, and that department has been short staffed. She said that they were currently advertising for a position. Ms. Maybee advised Council that the Johnston County Inspection's staff was great to work with.

**GENERAL CODE
ENFORCEMENT POLICY
DISCUSSION:**

Town Manager Barlow stated that as of December 31, 2015, 98.5% of the 279 public nuisance cases had been closed. He said that two-thirds were initiated by staff, and one-third by someone calling in a complaint.

Town Manager Barlow stated that with the code rewrite, the general statute where there is a code violation three times within 12 months, the next year they would only have to do it once. He said that would be a part of the rewrite.

Planning Director Maybee stated that she could present at the next Council meeting if they wanted it to be effective this year.

Mayor Oliver stated that the sooner they do it the better. She said that it would be a behavior changer.

Town Manager Barlow concurred.

Councilmember Overby stated that the next meeting was not too far off. He suggested putting it off until the next meeting. Councilmember Overby stated that he understood the importance, but also understood Ms. Maybee's workload was very heavy.

ROUNDTABLE:

Councilmember Overby stated that he had a question for Police Chief Cooper. He asked if the Police station was on camera surveillance like Smithfield 24/7.

Police Chief Richard Cooper stated that it was not. He said that if someone goes to the front lobby after hours, there was a camera that was seen by 911 dispatchers at all times.

Councilmember Overby stated that Smithfield has designated an area in their parking lot for things like Craig's List switching area. He said that this is all on camera. Mr. Overby stated that signs are up stating it was for that purpose.

Police Chief Cooper stated that he could look into it to see what the cost would be.

Councilmember Petersen asked if there was any movement from DMV.

Town Manager Barlow stated that he had received a letter from them late this afternoon and it was a no.

Councilmember Petersen stated that on May 27, 2016 at Selma Memorial Gardens, they would be putting flags on graves. He said that Smithfield-Selma High School's NJROTC would be out there to help put out over 600 flags. Councilmember Petersen stated that there would be a brief ceremony at 12:15. He said that on Monday, at the Johnston County Courthouse, there would be a Memorial Day Remembrance at 11:00 a.m.

Mayor Oliver stated that she received a letter today from DOT regarding a public hearing for the project for widening of Ricks Road would be June 9th.

Town Manager Barlow stated that it was not a public hearing, but an informational meeting in the Jernigan Building to review the project maps.

ADJOURNMENT:

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

The meeting adjourned at 8:22 p.m.

BRENDA W. THORNE, Interim Town Clerk