

**TOWN OF SELMA
WORK SESSION MEETING
JANUARY 21, 2016**

Present: Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember Mark Petersen, and Town Manager Jon Barlow.

Councilmember Tommy Holmes, and Councilmember William Overby were not able to attend.

Others Present: Rocky Lane of Sanford Holshouser, Planning Director Julie Maybee, Police Captain Ronald Daniels, Electric Utility Director Donald Baker, Fire Chief Phillip McDaniel, Finance Director Karen Johnson, Interim Human Resource Director Susan Sult, and Interim Town Clerk Brenda Thorne.

Economic Development Strategic Plan – Rocky Lane of Sanford Holshouser Economic Development Consulting: Mayor Oliver stated that this presentation was a document that Town Council has been awaiting, and was looking forward to incorporating its recommendations into the Town’s budget.

Mr. Rocky Lane of Sanford Holshouser Economic Development Consulting presented and reviewed with Town Council the following Strategic Economic Development Plan Update for Selma, North Carolina.



2016 Update to Strategic Economic
Development Plan

Summary of Findings



Economic and Demographic Profile

- Population
- Population by Age Cohort
- Income
- Housing
- Education
- Labor Force
- Employment by Industry
- Employment by Occupation

Preparedness Assessment (SWOT)

Strengths

2004

- Transportation corridors
- Proximity to Raleigh
- Location (NY-FL mid-point)
- Availability & cost of real estate
- Downtown
- Local government support
- American Music Jubilee

2015

- Transportation corridors
- Town government positive in promoting growth-major emphasis on economic development
- Location
- Community focus on healthcare
- Availability & cost of real estate
- Hospital/medical facilities
- JCCC/workforce development
- Workforce
- Certified Sites

Weaknesses

2004

- Lack of vision
- Poverty
- Workforce
- Gateways
- Crime/poor security
- County ED Office

2015

- Housing-quality & high % of rentals
- High % of poverty
- Perception of public schools
- Gateways/lack of aesthetic upgrades
- Crime
- Lack of ED product (sites & buildings)
- Outdated, cumbersome ordinances
- Electric rates (expected to improve)

Opportunities

2004

- Complete Oak Tree Park
- Capitalize on I-95 location
- Tourism/Retirement development
- Clayton Bypass
- Oil terminal spin-off businesses

2015

- Bailey Feed Mill
- Exit 97 Development-Eastfield
- Selma as a destination
 - Leverage JR's, DeWayne's
 - American Music Jubilee
 - Eastfield
- Downtown
- Tank farm
- Promote/market Certified Sites
- Duke buy-out/reduced electric rates
- Enhance business friendly attitude & ordinances
- Expansion (BRE) Program

Threats

2004

- Workforce
- Crime & drugs
- Excessive environmental/governmental regulations
- Delay of Clayton Bypass

2015

- Regressive/negative attitude apathy/status quo
- Aesthetics
- Outdated, cumbersome ordinances
- Age of I-95
- Workforce
- Not keeping economic development as a priority
- Loss of downtown business
- Poor self image as a town

Economic Development Support Programs

2004

Excellent

- Downtown Development
- Community College Programs

Adequate +

- Parks & Recreation
- Arts & Culture

2015

Excellent

- Community College Programs

Adequate +

- Parks & Recreation

2004

Adequate

- Public Education
- Workforce Development
- Tourism Development
- Retail Development
- Transportation Improvements
- Small Bus./Entrepreneurial Dev.

Adequate -

- Beautification

2015

Adequate

- Public Education
- Tourism Development
- Downtown Development
- Small Bus./Entrepreneurial Dev.
- Arts & Culture

Adequate-

- Workforce Development
- Retail Development
- Transportation Improvements
- Beautification

Economic Development Priorities

2004

- 1) Existing B & I Support
- 2) Marketing & Advertising
- 3) Product Development
- 4) Retail Development
- 5) Retirement Development

Other:

- 6) Gateways
- 7) Tourism/Entertainment
- 8) JCEDC Efforts
- 9) Incentives

2015

- 1) New Business Recruitment
- 2) Existing B & I Support
- 3) Retail Development
- 4) Marketing & Advertising
- 5) Residential Development
- 6) Business Park Development

Other:

- 6) Downtown Development
- 7) Certified Sites
- 8) Support of Public Schools

Economic Development Product Review

Sites and Acreage

Selma	Smithfield	Benson	Clayton	Four Oaks
158 (CS)	92 (CS)	87	161	184 (CS)
55(CS)	104	78	56	70
119	76	63	49	
113	66	47	32	
52	59	35	31	
	46	18	23	
	43	14		
	36			

Buildings and Square Footage

Selma	Smithfield	Benson	Clayton	Four Oaks
N	177,421	67,298	293,964	N
O	89,615	43,500	90,000	O
N	29,135	4,560	74,100	N
E			58,000	E
			39,840	
			33,125	

Surrounding Counties

Sites:

- Franklin: 74, one certified, 278 acres is the largest, two industrial parks
- Wake: 32, one certified, 996 acres is the largest, two industrial parks
- Harnett: 18, none certified, 847 acres is the largest, two industrial parks
- Nash: 26, none certified, 505 acres is the largest, two industrial parks
- Sampson: 10, none certified, 1,161 acres is the largest, one industrial park
- Wayne: 2, none certified, 125 & 400 acres, two industrial parks
- Wilson: 15, none certified, 1,318 acres is the largest, two industrial parks

Buildings:

All Counties above have multiple buildings listed on AccessNC, in various sizes from over one million square feet of manufacturing WH/DC to small retail and office space. However, as Selma has no buildings listed, it is non-competitive in this area.

Preparedness Recommendations Review

- | | |
|--|--|
| <p>1) Existing Business & Industry Support
Good interaction with Existing Business, but no formal program</p> <p>2) Marketing and Advertising
Materials need enhancements
Website-good features-video link</p> <p>3) Product Development
Excellent Progress</p> <p>4) Retail Development
Mixed progress, excellent potential</p> <p>5) Retirement Development
Considered Certified Retirement Community</p> | <p>6) Gateways
Some aesthetic improvements</p> <p>7) Tourism/Entertainment
Some Growth, room for additional growth</p> <p>8) JCEDC
Excellent progress</p> <p>9) Incentives
Utilized in the past, need a more formalized policies</p> |
|--|--|

Targeted Industry Sector Review and Verification

2004

- Distribution and Logistics
- Biotechnology
- Healthcare Services
- Recreation and Tourism
- Retail Development
- Business Services

**All sectors continue to be viable
for the Town of Selma.**

Marketing Plan Review

1) Marketing Strategies

Recommended multiples strategies centered on the town's location

Emphasized in some areas, but no overarching strategy

Collaborative Efforts: Town of Smithfield

Smithfield-Selma Area Chamber

Johnston County EDC

Research Triangle Partnership

Johnston County Visitors Bureau

ElectriCities

2) Client Response Materials

Needs standardization and aesthetic enhancements

3) Target Industry Sectors

Targets made known to JCEDC

Mixed results

4) Website

Recommended adding sections on business & industry and Economic Dev.

- + Current website very attractive
 - + Tabs for Economic Development & "What New Business Need to Know"
 - + Link to videos on Certified Sites
- Readability needs enhancement

- 5) Existing Business
 - Good interaction and contacts with existing business, but not formal program
 - 6) Retail Development
 - Good progress
 - Potential of Eastfield
 - 7) Tourism Development
 - Some Progress
 - Eastfield potential
 - 8) Virtual Shell Building
 - No action and do not recommend moving forward on this element
-
- 9) Internal Marketing Strategies
 - Spokesperson
 - Regular presentations
 - Annual Report
 - Wide distribution

Recommendations and Action Plan

1. Develop and Initiate an External Marketing Campaign
2. Johnston County Community College
3. Retail Development
4. Amusement/Entertainment Development
5. Existing Business and Industry
6. Retirement Development
7. Residential Development
8. Incentives

Recommendations and Action Plan

9. Beautification/Gateways
10. Town Image
11. Public Education
12. Collaborative Efforts with Smithfield and other Municipalities

Benchmarking the Program

Business Recruiting

- Number of leads developed
- Number of prospect packages sent
- Number of client visits

Existing Business Support

- Number of calls to local businesses
- Problems/Barriers to growth identified
- Unmet needs identified
- Expansion potentials identified
- New company targets identified
- Appreciation events

Marketing

- Materials developed
- Website improvement
 - Hits on economic development pages
- Prospects contacted

Retail Development

- Number of potential sites identified
- Plans developed with Eastfield
- Gap Analysis completed
- Retailers identified from GA contacted

Benchmarking the Program

Residential Development

- Housing inventory conducted
- JCCC housing needs determined
- Developer meeting conducted

Public Relations

- Number of press releases
- Number of public meetings
- Number of presentations
- Annual Report

Mr. Lane thanked Town Council for the opportunity to present this plan. Mr. Lane asked if anyone had any questions.

Mayor Oliver stated that she appreciated the information and the way it was shared.

**2016-2017 Budget –
High Level Requests
from Council:**

Mayor Oliver stated that there were a number of items from the report that they just heard that should be considered.

Town Manager Barlow stated that the first thing he likes to do when kicking off the budget appropriation season was to get the high level input from Town Council as to what they would like to see focused on in the draft budget that would be presented later in April or May. He said that as with any Town, resources were limited. Mr. Barlow stated that it makes his job easier when he could present a draft that takes into consideration what Town Council considers to be important. He said that information could be relayed back to the department heads, which are getting ready to get their budget forms from Finance. Mr. Barlow asked Town Council for ideas for items for possible inclusion in the next budget. Town Council recommended the following items be potentially considered into the 2016-2017 Budget:

- Resurfacing of Tennis Courts at Harrison
- Additional Staff for Planning/Economic Development
- Updated/New Marketing Materials
- Website Design
- PEG Channel
- American Legion Building Renovation/Entertainment/PARTF Grant Application
- Formal Business and Industry Retention Program/Incentives
- Prioritized Street Paving List
- Drainage Projects
- Electrical System Upgrades
- Town of Selma 150th Anniversary
- Appearance Committee – Wayfinding
- Smart Grid Initiative
- Street Sidewalks
- Community Events

Mayor Oliver asked about the new Town Hall, and if there would be a Phase I and Phase II.

Town Manager Barlow stated that they do not have a Phase II, but stated that there probably needed to be one.

Mayor Oliver stated that at the last Council meeting, they talked about

the sound system. She asked if it would be done in time before the next budget year. Mayor Oliver asked if they needed to put some dollars in the 2016-2017 budget.

Town Manager Barlow replied that the Interim Town Clerk had already sent the RFP out.

Mayor Oliver asked if they would get that in March.

Town Manager Barlow stated that they would have it in February or March.

Councilmember Petersen asked for an email copy of that RFP.

Mayor Oliver asked if the RFP should be put on the Town's website.

Mayor Oliver asked that the public notices that are in the paper be placed on the Town's website. She said that there was a place for in online, but they were not there.

Town Manager Barlow stated that there was no costs to post, just someone to keep up the website.

Mayor Pro-Tem Lacy stated that the *Tracks* newsletter could put the progress the Town was making like Rock Lane had mentioned.

Town Manager Barlow stated that they updated Council every month on the Strategic Plan.

Mayor Oliver stated that she would like to see the Tracks newsletter evolve to more of an economic development focus than just Parks and Recreation on the back page. She said addresses a small portion of the community; not saying that was not important, but highlight major things that are happening.

Town Manager Barlow stated that it would better market the Town.

Councilmember Petersen asked what the Town does for a technology refresh.

Town Manager Barlow stated that a pilot testing cloud computing program starts on Monday with a sample of employees. He said that a part of the Town's contracted cost with VC3 was the inclusion of maintenance of new hardware and software, and to rotate out the hardware on a timely basis.

Town Manager Barlow asked about the tax, water, sewer and electric rates when preparing the budget.

Mayor Oliver stated that the operating assumption would be no tax increase; no increase in anything until Council gets the details.

Town Manager Barlow stated that he understood.

**Chicken Coop
Ordinance Request
from December
Council Meeting:**

Mayor Oliver stated that Town Council had a recent request at its December Council meeting from a resident who wanted the Town to allow chicken coops within the Town's limits. She said that Town Council wanted at that time to refer the conversation to a work session.

Mayor Oliver stated that at that time, no thoughts were expressed. She said that the information was taken to be discussed at a work session to see if Town Council wanted to move further with this request.

Mayor Oliver stated that a letter was written to the editor of the *Selma News*, which addressed the noise and other things. She said that the statements that was mentioned was that chicken coops in Selma differ from chicken coops in Cary. Mayor Oliver stated that she could not support it because of the conditions that surround it. She said that this might be one item that could be revisited in five to ten years. Mayor Oliver stated that if the Town approved such an ordinance, it would have to be monitored, which includes more code enforcement. She said that this was a concern to her and the demand that it put on staff. Mayor Oliver stated that another concern was the bird flu, and the possible exposure of the community to that.

It was the consensus of Town Council to not pursue an ordinance amendment that would allow chicken coops within the Town's limits at this time.

Mayor Oliver stated that the results would be relayed at the next Town Council meeting with a formal motion at that time.

**Review of Revised
Boarded Up
Windows/Doors
Ordinance for
Residential
Properties:**

Mayor Oliver stated that before them was a revised ordinance for boarded up windows and doors for residential properties. She said that Attorney Chip Hewett advised the Town to make a statement about the length of time that they could be up. She said that time needed beyond that could be requested through Town Council. Mayor Oliver stated that the Attorney Hewett added in 11-33, "No residential dwelling unit shall be partially or totally boarded up for a period in excess of 60 days."

Town Manager Barlow stated that this applies to residential. He said the other piece of this was what to do with commercial. He said that

Planning Director Maybee had put that piece in there from part of the building code, which is separate from the minimum housing code. Mr. Barlow stated that this would be how unsafe buildings would be dealt with on the commercial side. He said that the Town does have the ability to deal with commercial buildings, but not through the Town's minimum housing code. Mr. Barlow stated that it would be through building inspections.

Mayor Oliver asked Town Council if there was anything that they would like for staff to pursue regarding boarded up windows or doors for the housing code amendments before the February Town Council meeting.

Mayor Pro-Tem Lacy stated that she agreed with it, and sixty days was long enough.

Mayor Oliver stated that she agreed.

Mayor Pro-Tem Lacy asked about the plexiglas.

Mayor Oliver stated that Attorney Hewett was trying to keep it as crisp, clear, and clean as possible.

Town Manager Barlow stated that plexiglas would still be considered as boarded up. He said that they were not saying that a certain material needed to be used, but rather, they have 60 days.

With no further discussion, Mayor Oliver stated that this would be considered at the February Council meeting.

**Feedback on Quality
of the Audit
Presentation:**

Mayor Oliver stated that she had heard from various Councilmembers comments regarding the audit presentation. She said that it was not about the content, but about the presentation, organization, material, length of time, summary, etc.

Mayor Oliver stated that it was a very long presentation. She said that typically auditors summarize, which would have helped. Mayor Oliver stated that this was the first audit for the Town by this firm, and might have been trying to talk through some of their process. She said that overall, it was a good audit, but it did not come across. Mayor Oliver stated that there was no statement of whether it was good or bad. She said that there was a lot of discussion regarding the new GASB rules, but it was in different sections.

Councilmember Petersen stated that he was concerned about the timing of it, and when it is held. He said that this items should not be held during a Regular Town Council Session. Councilmember Petersen stated

that it should be held during a Town Council Work Session so that you do not have people waiting for something else to come up.

Mayor Oliver stated that she would like for Town Council to have the opportunity to review the audit before it goes to the LGC.

**Police Coverage for
Downtown Area:**

Mayor Oliver stated that the request for discussion regarding Police coverage in the downtown area was prompted by some of the break-ins in and comments by business owners thinking that more police presence and protection was needed in the downtown area.

Councilmember Petersen stated that he thought something needed to be done since there were two things recently.

Mayor Oliver stated that there were a number of incidents all over Johnston County. She said that in the interest of time, she recommended that this discussed at the next work session when there was a full Council.

**State Health Plan
for Retirees:**

Town Manager Barlow presented the following overview to Town Council.



STATE HEALTH PLAN FOR
RETIREES



OVERVIEW

HISTORY

- Legislation was recently adopted to allow Local Governments to participate in the State Health Plan.
- At its November 10, 2015 Regular Meeting, the Council passed a resolution for the Town of Selma to participate in the NC State Health Plan for Teachers and State Employees (SHP).

HISTORY (cont'd)

- On January 4, 2016, Staff was notified by the State Health Plan that the Town of Selma had been accepted to participate in the SHP effective March 1, 2016.
- We gave formal notification to all Employees and Town Council Members covered by the BCBSNC Health Plan that their current BCBSNC health plan will end at midnight on February 29, 2016.

HISTORY (cont'd)

- In the very near future, State Health Plan staff will set up meetings to enroll employees and their covered dependents in the SHP for coverage beginning March 1, 2016.

PRE-65 RETIREES

- We also gave formal notification to the Town's twelve Pre-65 Retirees that their current BCBSNC health plan will end at midnight on February 29, 2016, and that they must enroll in alternative health coverage by **February 15, 2016**, as the State Health Plan does not provide health insurance coverage for retirees.

PRE-65 RETIREES(cont'd)

- Retirees of Local Government are not eligible for enrollment in the State Health Plan (House Bill 154).
- The termination of the Pre-65 Retirees' Blue Cross Blue Shield plan is a qualifying event for enrolling in alternative coverage.
- Pierce Group Benefits has partnered with The Cason Group (Oliver Thompson, Agent) to provide guidance to the Pre-65 Retirees in making this transition.

PRE-65 RETIREES(cont'd)

- Retirees of Local Government are not eligible for enrollment in the State Health Plan (House Bill 154).
- The Town of Selma must carve the Pre-65 Retirees out of the Healthcare Coverage Plan.
- These individuals will have to acquire insurance through www.healthcare.gov (a/k/a the "Affordable Care Act" or "ACA").

PRE-65 RETIREES(cont'd)

The “Affordable Care Act” (a/k/a ACA) Plans are based on:

- Age;
- Zip Code; and
- TOTAL Household Income (ACA will compare to past five years’ tax returns)

Please note that the below numbers for the cost of each Current Pre-65 Retiree were provided to the Town of Selma by the Cason Group.

PRE-65 RETIREES(cont'd)

- Premiums for smokers will be higher than for non-smokers.
- These Pre-65 Retirees **DO NOT** qualify for any subsidy since their coverage is subsidized for them by the Town.

EXCERPT FROM PERSONNEL POLICY

SECTION 4. RETIREMENT:

“Any Full-time Town of Selma employee hired on or before August 21, 2014, who retires while employed with the Town, in accordance with the regulations established by the North Carolina Local Government Retirement System **and have 20 years of service with the Town of Selma,** shall be provided with group health insurance on themselves **at no cost.**” (Page 28)

INDIVIDUALS CURRENTLY ELIGIBLE FOR RETIREMENT WITH 20 YEARS OF SERVICE

<u>EMPLOYEE NAME (NICKNAME)</u>	<u>DEPARTMENT</u>	<u>HIRE DATE</u>	<u>YEARS OF SERVICE</u>
BAKER, BILLY D	ELECTRIC	09/25/1991	24
BAKER, DONALD W	ELECTRIC	10/29/1984	31
CARTER, JOSEPH L (JOE)	PARKS & RECREATION	06/29/1983	32
COOPER, RICHARD A	POLICE	07/18/1995	20
DANIELS, RONALD L	POLICE	04/19/1990	25
HOOKS, HARVEY G (GREG)	ELECTRIC	07/12/1993	22
PEARCE SR, BOBBY R	PUBLIC WORKS	01/30/1991	24
PEEDIN, RICHARD M	ELECTRIC	08/26/1987	28

CURRENT PRE-65 RETIREES

Age of Pre-65 Retiree	Blue LOCAL 1000 (Limited Network)	Blue VALUE 1000 (Local Network with Duke Medicine and WakeMed)
49	\$ 678.02	\$ 686.08
50	\$ 709.81	\$ 718.26
52	\$ 775.78	\$ 785.02
55	\$ 886.27	\$ 896.82
56	\$ 927.20	\$ 938.24
58	\$ 1,012.65	\$ 1,024.70
59	\$ 1,034.51	\$ 1,046.82
60	\$ 1,078.63	\$ 1,091.46
63 (2)	\$ 2,346.42	\$ 2,374.96
64 (2)	\$ 2,384.58	\$ 2,412.96
Total for 12 Pre-65 Retirees	\$ 1,833.87	\$ 1,975.32
NEW ANNUAL COSTS:	\$142,006.44	\$143,703.84
Current Pre-65 Retirees	\$(82,023.84)	\$(82,023.84)
INCREASED ANNUAL COST:	\$ 59,982.60	\$ 61,680.00

CURRENT BCBSNC PLAN

BCBSNC PPO BLUE OPTION (80/20)

- Town pays the premiums for its Full-Time Employees (72) and Pre-65 Retirees (12)
- Per Employee/Pre-65 Retiree Premium is \$569.61 (multiplied by 84)
 - Monthly Cost: \$ 47,847.24
 - Annual Cost: \$574,166.88

COMPARISON OF EMPLOYEES ONLY COVERAGE

CURRENT PLAN (80/20 PPO Blue Option)	SHP 70/30 TRADITIONAL PLAN
Monthly Cost: \$ 41,011.92	Monthly Cost: \$ 33,384.96
Annual Cost: \$492,143.04	Annual Cost: \$400,619.52
	Monthly Savings: \$ 7,626.96
	Annual Savings: \$ 91,523.62

COMPARISON OF PRE-65 RETIREES TO COMPARABLE ACA PLANS

PLAN NAME:	ESTIMATED ANNUAL COST:
Current Plan (Pre-65 Retirees Only cost)	\$ 82,023.84
Blue LOCAL 1000 (limited Network)	\$142,006.44
Blue VALUE 1000 (Duke Medicine & WakeMed)	\$143,703.84

SAVINGS vs. EXPENSES

EMPLOYEES ONLY:	ANNUAL PROJECTED COST
<u>CURRENT 80/20 POS Plan for Employees (72)</u>	\$ 492,143.04
LESS SHP 70/30 Standard Plan (72)	\$ 400,619.52
SHP SAVINGS FOR EMPLOYEES ONLY:	\$ 91,523.52
PRE-65 RETIREES ONLY:	ANNUAL PROJECTED COST
<u>CURRENT 80/20 POS Plan for 12 Pre-65 Retirees Only:</u>	\$ 82,023.84
Blue LOCAL 1000 Local Network (limited Network ACA Plan):	\$ 142,006.44
INCREASED COST LOSS FOR PRE-65 RETIREES ONLY:	\$ 59,982.60
<u>CURRENT 80/20 POS Plan for 12 Pre-65 Retirees Only:</u>	\$ 82,023.84
Blue VALUE 1000 Local (Duke Medicine and WakeMed ACA Plan):	\$ 143,703.84
INCREASED COST FOR PRE-65 RETIREES ONLY:	\$ 61,680.00

Mayor Oliver asked Town Council if there was anything that they would like to be researched between now and the next Council meeting.

Town Manager Barlow advised Council that the expense of the retiree insurance coupled with the savings on the employee insurance, the Town would have a net savings of about \$32,000 a year. He said that over time, the Town's savings should grow.

Adjournment:

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

The meeting adjourned at 7:56 p.m.

BRENDA W. THORNE, Deputy Clerk