

December 30, 2022

TO: SMITHFIELD TOWN COUNCIL

FROM: LESLEY G. KING  
TOWN CLERK

SUBJECT: INFORMATIONAL REPORT FOR THE FINANCE COMMITTEE MEETING  
HELD ON TUESDAY, DECEMBER 27<sup>TH</sup>, 2022.

The Finance Committee met on Tuesday, December 27<sup>th</sup>, 2022, at 3:19 p.m. at the Smithfield Center located at 220 North Church Street, Smithfield Virginia. Committee members in attendance were Mr. Randy Pack, Chair; Ms. Valerie Butler, and Mr. Michael Smith, Vice Mayor. Other Council members present were Ms. Beth Haywood, and Mrs. Renee Rountree. Also in attendance was newly elected Town Councilmembers Mr. Steve Bowman and Mr. Jeff Brooks. Staff members present were Mr. Michael Stallings, Town Manager; Ms. Lesley King, Town Clerk; Ms. Ellen Minga, Town Treasurer; Mr. Chris Meier, Deputy Chief of Police; Ms. Ashley Rogers, Director of Human Resources; Mr. Wayne Griffin, Town Engineer; Mr. Jack Reed, Director of Engineering and Public Works; Mrs. Tammie Clary, Director of Community Development and Planning; Ms. Amy Novak, Director of Parks and Recreation; Ms. Judy Winslow, Director of Tourism. Also in attendance was Mr. Mr. Bill Davidson. The media was represented by Mr. Stephen Faleski of "The Smithfield Times".

Finance Committee Chair, Mr. Randy Pack, called the meeting to order.

A. **MATTERS DISCUSSED BY COMMITTEE WHICH WILL BE ON THE COUNCIL AGENDA**

1. IFB – Fuel Delivery Services Contract – Recommendation of Award – The Town Manager explained that an Invitation for Bid (IFB) was issued to provide diesel fuel delivery services on an as needed basis as well as emergencies. The Town only received one proposal in response to the advertised IFB and it was from Tidewater Petroleum Cooperative, Inc. The bid was thoroughly reviewed based on the scope of service and it was determined that Tidewater Petroleum Cooperative, Inc. meets the Town's requirements. Town staff recommends awarding the Fuel Delivery Services contract to Tidewater Petroleum Cooperative, Inc. Ms. Haywood asked if it was unusual to only get

one bid. The Town Manager stated that in some cases yes but considering the size of the Town it is sometimes difficult to get people to bid on what would be a relatively small contract. Also, with fuel prices right now they may also be hesitant to lock into a price. Committee recommends sending this item to Town Council for consideration at their January 3<sup>rd</sup>, 2023 meeting.

2. IFB – Town Hall Roof Replacement – Recommendation to Award – The Town issued an Invitation for Bid (IFB) to provide a cost to replace the roof at Town Hall. The Town received two qualified proposals in response to the advertised IFB. The two bids received were thoroughly reviewed based on the scope of work. It was determined that MJM Roofing Contractors Corporation was the lowest responsive and responsible bidder; therefore, Town staff recommends awarding the Town Hall Roof Replacement project to MJM Roofing Contractors Corporation. Bid results were included in the agenda posting. Committee recommends sending this item to Town Council for consideration at their January 3<sup>rd</sup>, 2023 meeting.

3. RFP – Vehicle Maintenance Services – Recommendation to Award – The Town issued a Request for Proposals (RFP) for the Town's Vehicle Maintenance Services contract as the current contract held by Smithfield Auto and Truck Center is void due to the sale of their property. Proposals were received from the following: Dave's Service Center, Jones Auto and Repair, and Barton Ford. The evaluation committee thoroughly evaluated the proposals received based on the criteria in the RFP. The highest-ranking offeror was Dave's Service Center. Town staff recommends award of the Vehicle Maintenance Service Contract to Dave's Service Center. Mr. Pack stated that the Town used Dave's Service Center prior to the contract with Smithfield Auto and Truck and was satisfied with their work at that time. Committee recommends sending this item to Town Council for consideration at their January 3<sup>rd</sup>, 2023 meeting.

4. Invoices Over \$20,000 Requiring Council Authorization

a. Lewis Construction of Virginia, Inc. - \$ 24,537.50  
This invoice from Lewis Construction of Virginia, Inc. for progress billing for the Pagan Point Phase II. Committee recommends sending invoice to Town Council for consideration at their meeting on January 3<sup>rd</sup>, 2023.

b. Land and Coates, Inc. \$ 23,666.00  
This invoice from Land and Coates, Inc. is for two mowers to be used by the Town's Public Works Department. This was a budgeted item. Committee recommends sending invoice to Town Council for consideration at their meeting on January 3<sup>rd</sup>, 2023.

c. Kimley-Horn and Associates \$ 20,651.065  
This invoice from Kimley Horn and Associates is for the Wilson Road Water Storage Tank Rehabilitation project. Committee recommends sending invoice to Town Council for consideration at their meeting on January 3<sup>rd</sup>, 2023.

**B. MATTERS DISCUSSED BY COMMITTEE WHICH WILL NOT BE ON THE COUNCIL'S AGENDA.**

1. November Cash Balances / VML Investment Pool Update – Ms. Minga reported that total cash balances increased by \$493,472. There was a decrease of \$43,134.32 in the Sewer Fund and \$341,849 in the Highway Fund. When you look at the Highway Fund on the spreadsheet it actually looks like it has a negative balance; however, that is where funds have been forwarded from the General Fund in advance of the next quarterly payment from the state. The increase in the General Fund is due to intercompany transfers from Water, Sewer, and Highway and the collection of \$ 427,000 in Real Estate revenues before month end. The VIP Investment Pool reflected a positive momentum for November with earned income of \$578.19 and current month unrealized gain of \$2,366.58. Cash Balances still look very strong.

WATER = \$51,596.84; Water Debt Service = \$929,220.76; Water Capital Escrow Availability Fees = \$506,743.29; Water Treatment Plant Escrow = \$11,654.72; Water Deposit Account = \$88,648.74; Water Development Escrow = \$216,616.82; **Subtotal Water = \$1,804,481.17.** Sewer = \$524,864.07; Sewer Development Escrow = \$482,347.14; Sewer Capital Escrow Availability Fees = \$65,920.00; Sewer Compliance = 3,062,820.14 **Subtotal Sewer = \$5,140,862.60; Highway = (\$185,453.43);** General Fund = \$15,092,143.85; Payroll = \$53,998.89; Money Market General Fund Towne Bank = \$38,917.73; General Fund Capital Escrow = \$218,330.93; Certificate of Deposit Police Dept (24 months) = \$37,444.49; Special Project Account = \$581,220.90; Pinewood Heights Escrow = \$24,453.28; Windsor Castle Acct = \$7,017.17 **Subtotal General Fund = \$16,053,527.24; TOTAL ALL FUNDS = \$22,813,417.58.**  
**VIP Investment Pool = \$529,118.48**

2. Additional Items Discussed –

Personal Property Tax Bills: Ms. Minga stated that she was told today, after being told the bills were mailed out on December 19<sup>th</sup>, that they have not yet been printed and mailed. Ms. Minga explained that when she initially sent BMS the file to have the Personal Property tax bills printed she was asked if the Town wanted to have an insert placed in the envelope with a new due date. Ms. Minga declined to have the insert placed in the envelopes because she had not asked for authorization to have the due date extended past December 31<sup>st</sup>. Apparently, the representative at BMS misunderstood, and thought the no insert meant the Town was going to wait to print bills once we receive a new file with a new due date on them. Ms. Minga stated that by the following Thursday, December 22<sup>nd</sup> when she had not received her own personal property tax bill she reached back out to BMS to get a update and did not hear anything back from them until today. So, at this time they are being printed; however, the bills will still have the old due date on them. To get the new date on them they would have to redo the entire file and go through all the reconciliations again. An insert written by the Town Treasurer is being included with the bills from the original file that was given to BMS. The due date of January 31<sup>st</sup>, 2023 has been advertised via, Facebook, the Town's website and the Smithfield Times. Ms. Minga stated that she met with a representative of BMS before she realized that our Personal Property Taxes had not gone to production. The representative

explained that there were three reasons for all their issues this year. Number one, they did not have enough staff and they tried moving people around to cover the jobs they had but that did not work out well. Number two, they had one large piece of equipment that broke down. Number three, they had a large government contract that they were being fined for everyday their job was not completed so it took precedence over other jobs. Ms. Minga asked the representative what will prevent this from happening again next year. The representative from BMS stated that they would not have the government contract next year and would be making some additional staff changes. Ms. Minga stated that she and the Town Manager met with the Commissioner of Revenue for Isle of Wight County and a representative of the Town of Windsor to discuss the very difficult tax year as for all. Discussion was held on looking at other firms and opportunities for printing tax bills next year. The Town Manager stated that staff administratively made the decision to extend the due date to January 31<sup>st</sup>; however, it will be on Town Council's agenda to officially ratify the date extension. Mrs. Rountree asked if staff could officially document the reason the tax deadline needed to be extended. Ms. Minga explained that as soon as she approved the bills on December 12<sup>th</sup> the bills were posted to their counter system, so they have been online for people to pay; although that is still a problem because residents need to know what their bill number is to pay it online. Town staff has been assisting a lot of people over the phone so online payments can be made. Bills can also be paid in person for those that want to pay their bills by the end of the calendar year. Mrs. Rountree expressed concern about the credit card fee that is added to payments that are made online. The Town Manager explained that the fee is charged so the Town recoups its money and everyone is paying their tax amount. If you pay with a credit card it is a convenience for you to do that. If the Town does not charge a fee to do that the Town would have to discount your taxes to pay with a credit card. So, the fee is charged so that everyone pays their full tax amount. Ms. Minga stated that another thing that needs to be discussed soon is Real Estate. In the weekly discussions that staff has had with MUNIS the Town is going to need to change our Real Estate due date in order to make the MUNIS conversion work with Isle of Wight County. The Town of Windsor has gone to billing Real Estate in June and Personal Property in December. The reason for this is that the County bills on a fiscal year from July 1<sup>st</sup> thru June 30<sup>th</sup> and the Town bills on a calendar year from January 1<sup>st</sup> thru December 31<sup>st</sup>. This will be a change that will require approval from Town Council. Mrs. Rountree asked about the \$33.00 fee on the tax bills for vehicle decals that the taxpayer no longer gets. Ms. Minga stated that most all localities still charge this fee. Ms. Minga explained that in the past you would actually get a decal that went on your car; however, eventually a lot of the larger localities started doing away with the physical decal. The fee was continued because it is a significant revenue source. If the Town ever decided to do away with this fee then we would need to figure out a way to replace this revenue. Mrs. Rountree asked if staff would research what it would cost to do away with the \$33.00 vehicle decal fee and some possible replacement revenue sources. Mrs. Rountree also asked for a monthly update on the progress on the MUNIS conversion.

Meeting Adjourned @ 3:49 p.m.