

February 3, 2023

TO: SMITHFIELD TOWN COUNCIL

FROM: LESLEY G. KING
TOWN CLERK

SUBJECT: INFORMATIONAL REPORT FOR THE FINANCE COMMITTEE MEETING
HELD ON MONDAY, JANUARY 23RD, 2023.

The Finance Committee met on Monday, January 23rd, 2023, at 3:15 p.m. at the Smithfield Center located at 220 North Church Street, Smithfield Virginia. Committee members in attendance were Mr. Randy Pack, Chair; Mr. Michael Smith and Ms. Valerie Butler, Vice Mayor. Other Council members present were Mr. Wayne Hall, Mr. Jeff Brooks, Mrs. Renee Rountree and Mr. Steve Bowman, Mayor. Staff members present were Mr. Michael Stallings, Town Manager; Ms. Lesley King, Town Clerk; Ms. Ellen Minga, Town Treasurer; Mr. William H. Riddick, III, Town Attorney; Mr. Alonzo Howell, Chief of Police; 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 were Mr. Bill Davidson, Mr. Rick Bodson, Mr. Henry McBurney, and Ms. Martha Russ. There was no media present.

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

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

1. RFP – Recommendation to Award Historic Guidelines and Entrance Corridor Overlay District Guidelines Update – Town staff posted a Request for Proposals (RFP) for a consulting group to update the Historic District Guidelines and the Entrance Corridor Guidelines. Both documents have not been updated since 2005. Three proposals on the project were received from the following consultants: PaleoWest, Commonwealth Preservation Group, and Summit Design and Engineering Services. Town staff has reviewed the proposals and believe PaleoWest offers the best overall value. Their references indicated outstanding work and were very pleased with the final product.

Town staff reviewed final products completed by the company and were pleased with their content and appearance. Town staff reached out to the references provided by the Commonwealth Preservation Group; however, a response was not received. Additionally, Town staff has previously worked with Summit Design and Engineering Services, and although satisfied with their work, they did require increased assistance from Town staff to accomplish the final product. The Town Attorney stated that the Town's current historic guidelines are excellent; however, the primary concern from the Historic Board has to do with materials. Old houses are very expensive to keep up and there has been a lot of advancements in types of materials that can be used on historic homes, that is not currently allowed in the existing guidelines. This is one of the biggest reasons for updating the guidelines. Vice Mayor Butler asked how the three proposals compared in pricing. Mrs. Clary stated that all three firms met the scope of work in the RFP. She explained that one of the things that PaleoWest included in their example was guidelines on what to do if you live in a historic district and you want to make changes to your home. BHAR will work with the awarded firm to assist in the development of the updated guidelines. Staff's recommendation to award the Historic Guidelines and Entrance Corridor Overlay District Guidelines Update to PaleoWest will be placed on Town Council's agenda for consideration at their February 7th, 2023 meeting.

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

- a. Lewis Construction of Virginia, Inc. - \$ 20,882.00
This invoice from Lewis Construction of Virginia, Inc. for progress billing for a valve replacement at Drummonds Lane and Cedar Street. Committee recommends sending invoice to Town Council for consideration at their meeting on February 7th, 2023.
- b. Harrellsville Metal Works, Inc. \$ 60,267.50
This invoice from Harrellsville Metal Works, Inc. is for the construction of a metal building to house the Public Work's Vac Truck. This was a budgeted item. Committee recommends sending invoice to Town Council for consideration at their meeting on February 7th, 2023.
- c. Nostoss SS Contractors, LLC \$ 85,722.50
This invoice from Nostoss SS Contractors is for the Wilson Road Water Storage Tank Rehabilitation project. Committee recommends sending invoice to Town Council for consideration at their meeting on February 7th, 2023.
- d. Kimley Horn and Associates \$ 24,078.66
This invoice from Kimley Horn Associates is for the Wilson Road Water Storage Tank Rehabilitation project. Committee recommends sending invoice to Town Council for consideration at their meeting on February 7th, 2023.

e. Axon Enterprises, Inc. \$ 61,470.00

This invoice from Axon Enterprises, Inc. is for the body cams, tasers, and in-car cameras. Committee recommends sending invoice to Town Council for consideration at their meeting on February 7th, 2023.

f. Robinson, Farmer, Cox Associates, PLLC \$ 32,000.00

This invoice from Robinson, Farmer, Cox Associates is for Audit Services for FY 2021-2022. Committee recommends sending invoice to Town Council for consideration at their meeting on February 7th, 2023.

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

1. November Financial Statements – Ms. Minga reported that the November Financial Statements were posted to the agenda yesterday and the December Financial Statements are still in draft format. They have had a busy month. Unfortunately, with the delay in the tax billings they are also reflecting delayed collections on the financial statements, so the revenues are reporting lower than usual this time of year. Ms. Minga stated that she did check and through Friday, January 20th staff has posted \$2,113,000 in Real Estate tax collections which is 99% of the budget. They have also collected \$215,412.00 of the refuse collection fees which is 98% of budget. She stated that she is not going to go into personal property because they are not due until the end of January. Looking at other Local Taxes they look like they are below budget; however, the majority of it is due to timing. Business Licenses are not due until April 15th, and Meals Tax and Transient Occupancy Tax are due quarterly. Mr. Pack asked if the Town had ever considered changing Meals Tax and Transient Occupancy to monthly payments. Ms. Minga stated that staff has talked about it, and it would present a more consistent stream of revenue. She explained the biggest impact would be when they have to do year-end accruals. Vehicle Taxes are included in the Personal Property bills so that is not due until the end of January. Miscellaneous revenues are exceeding budget at this time because the Town sold property at the corner of James and Washington Street. Governmental Virginia looks like it is high because it is again a timing issue. We received all of our personal property tax relief from the state in August in the amount of \$240,794. The Town has received two quarters of the 599 Funds for the law enforcement assistance program. On the expense side the only department you will see that is a little higher than expected in the Isle of Wight Museum. This is largely due to the gift shop expenses. The reprinting of the Sig Dashiell book was approved last fiscal year; however, it was just paid this fiscal year. Also, contributions are typically paid in full and at this time we have paid the IOW Arts League, The Friends of the Smithfield Library, and Western Tidewater Free Clinic. Regarding the Highway Fund, which is state funded, staff has hit that pretty hard so we will need to slow down for the remainder

of the fiscal year. Water and Sewer Funds seem to be tracking as expected for this time of year. There is some increase particularly in the Escrow Fees due to the collection of pro-rata fees. The Water Fund is also starting to take in some availability fees. Staff has met with Draper Aden, and we are getting ready to get started on a rate study to look at the Town's fees and rates for utilities.

2. December Cash Balances / VML Investment Pool Update – Ms. Minga reported that cash balances as of December 31st, 2022, was very strong with a total increase of all funds from prior month in the amount of \$1,918,439. The largest increase was the General Fund in the amount of \$1,729,401.00. This is due to the collection of real estate taxes. Ms. Minga explained what intercompany balance transfers come from. Regarding the VIP Investment Pool this is the second month in a row that the Town has had a market value increase. WATER = \$24,658.71; Water Debt Service = \$957,256.66; Water Capital Escrow Availability Fees = \$520,389.81; Water Treatment Plant Escrow = \$11,654.92; Water Deposit Account = \$82,811.36; Water Development Escrow = \$221,458.19; **Subtotal Water = \$1,818,229.65.** Sewer = \$535,697.77; Sewer Development Escrow = \$487,194.59; Sewer Capital Escrow Availability Fees = \$1,091,533.67; Sewer Compliance = 3,106,868.44 **Subtotal Sewer = \$5,221,294.47; Highway = (\$90,596.07);** General Fund = \$16,792,407.17; Payroll = \$84,257.55; Money Market General Fund Towne Bank = \$38,921.03; General Fund Capital Escrow = \$218,353.19; Certificate of Deposit Police Dept (24 months) = \$37,444.49; Special Project Account = \$581,319.67; Pinewood Heights Escrow = \$23,208.69; Windsor Castle Acct = \$7,017.17 **Subtotal General Fund = \$17,782,928.96; TOTAL ALL FUNDS = \$24,731,857.01.**

VIP Investment Pool = \$530,336.47

3. Town-Owned Property Sale – Bee Street – The Town of Smithfield received a written request from the resident located at 630 Bee Street to purchase the Town-owned property immediately west of their property, identified as TPIN 21A-08-035. The parcel is approximately 0.16 acre and is located at the rear of the Lakeside Heights subdivision, off Great Spring Road. The resident has made an offer of \$500 to purchase the property. For context, the County has the property assessed value as \$1,600.00 (as of 1/10/23). According to the IOW County Parcel viewer, the lot is approximately 5,372 square feet in size, and currently zoned Downtown Neighborhood Residential (DN-R). As a platted lot, it is buildable. The resident is currently storing various “items” on Town Property and received a notice to remove the items. Concurrently, the resident was attempting to apply for a business license. Staff denied the business license application request until the violation issue is resolved. Town staff has verified there are no current or future plans for the parcel, owned by the Town, immediately west of 630 Bee Street. Mr. Smith asked if staff knows what the property was originally used for if it is Town owned. The Town Manager stated that he is not sure. It has been vacant as long as he can remember. Mr. Pack expressed concern over why the Town would want to sell the property. The Town Manager stated that other than it being one less thing that staff would have to maintain,

now that we know it is Town property, there is really no reason to sell the property. The Town Manager explained that if the adjacent property owner was to purchase the property it would not solve his violation issue. This lot is large enough to build a structure on it. The Town Attorney stated that it is a legally platted lot so if someone can meet the setbacks it is buildable property. He stated that there are people out there that would pay market value for the property because they could build an affordable house on this lot. The Town Attorney suggested getting an appraisal and list it for sale at market value. Town Council directed staff to order an appraisal and reach out to the adjacent property owner to let him know the plan is to put the lot up for sale at market value. The resident at 630 Bee Street is still required to address the zoning violation that was issued within the sixty days he was allowed.

Meeting Adjourned @ 3:43 p.m.