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**March 10, 2025 – 7:00 p.m.  
Regular Town Council Meeting  
Minutes**

**COUNCIL PRESENT:**

Herbert Hales II, Mayor  
Garrett Stancil, Council Member  
Keith Davis, Council Member  
Beverly Knight, Council Member

**STAFF PRESENT:**

Tony Sears, Interim, Town Manager  
Tymeeka Williams, Town Clerk  
Marcus Burrell- Town Attorney Partner  
James Ayers- Police Chief

**COUNCIL ABSENT:**

Mark Smith, Mayor Pro Tem  
LaWanda Neal, Council Member

**1. CALL TO ORDER**

- Call to Order – Mayor Herbert Hales, II
- Invocation – Council Member Keith Davis
- Pledge of Allegiance- Mayor Herbert L Hales II

**2. PUBLIC COMMENT**

*This portion of the meeting is an opportunity for citizens to speak on any issue concerning the Town of Kenly. Please note that each citizen is limited to a total of 3 minutes\*. Please direct all comments/concerns to the entire council rather than individual members. Further, it should be noted that the Town Council reserves the right to not act on items first presented at this meeting.*

*\*This time may be adjusted based on the number of citizens who wish to speak.*

➤ NONE

**3. ADJUSTMENT/ADOPTION OF THE AGENDA**

1. Adjustments to the Agenda

- **Item 2: Rose Lane Canal bid**
- **Item 3: Sixth Street Repair**
- **Item 5: Electronic Advertising**
- **Item 6: Cybersecurity and Technical Assistance**
- **Item 7: Update on Reclassification by Mr. Paul**

2. Adoption of the Agenda

**ALL ITEMS ON AGENDA WERE ADOPTED BY COUNCIL**

**ACTION:** Motion to adopt the Agenda as Presented

Motion: Council Member Davis

Second: Council Member Stancil

Vote: Unanimous: 3-0

**4. CONSENT AGENDA**

*(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further*

discussion.)

1. Draft Minutes: **February 10, 2025 – Regular Minutes**

**\*\* February 10, 2025: The consent agenda, including draft minutes from previous meetings, was adopted without a closed session. \*\***

**ACTION:** Adopt the Minutes as Presented

Motion: Council Member Knight

Second: Council Member Davis

Vote: Unanimous: 3-0

**5. INTRODUCTIONS AND SPECIAL PRESENTATIONS**

1. NONE

**6. PUBLIC HEARINGS**

1. NONE

**7. NEW BUSINESS**

1. Powell Bill Expenditures: Contracts/ Estimates for Town of Kenly's Street Paving Project

**Presenter: Tony Sears, Interim Town Manager**

*Rose Lane Repair*

- Background: Councilman Smith had previously highlighted the need for repairs due to root damage and drainage issues.
- Bids Received:
  - Ralph Hodge Construction: \$62,079.75, includes full asphalt removal, root removal, ditch cleaning, and tree removal. Work is warranted for a year.
  - Fulford and Jones: \$64,155, includes milling, paving, and new road base but excludes tree removal.
- Decision: Ralph Hodge Construction was favored for being more comprehensive and cost-effective.

*Sixth Street Repair*

- Current Condition: The road is deteriorating, with subsurface failure.
- Bids Received:
  - Fulford and Jones: Two options, \$13,650 for an overlay and \$22,425 for milling and paving.
  - Ralph Hodge Construction: \$12,200 for milling and paving, considered more cost-effective.
  - Funding: The repair will be funded by Powell Bill money.

*Rose Lane Canal Extension*

- Project Scope: Extending from Rose Lane to Wilson, with easements secured.
- Funding: \$70,000 from a \$200,000 legislative appropriation for stormwater management.
- Rose Lane and 6th Street Projects
  - Tony suggested tabling the 6th Street project to prioritize Rose Lane, which is more involved. He proposed discussing details with John Pitts after the meeting to clarify any

outstanding issues.

- Mayor Hales agreed with the approach, the main task is pipe replacement. He suggested a file proceeding for \$12,000 but emphasized the need for professional oversight.

**ACTION:** Table Asphalt/Street Repair Projects until April 14, 2025

Motion: Council Member Stancil

Second: Council Member Davis

Vote: Unanimous: 3-0

## **2. CPA Firms Financial Report Bids to obtain professional services for financial reporting, bank reconciliations, and year-end financial statement preparation for FY22-FY24**

*Presenter: Tony Sears, Interim Town Manager*

- **Current Audit Status**
  - The organization is three years behind on audits. Two firms have submitted proposals to prepare financial statements. Tony ensured both firms bid on an apples-to-apples basis by providing them with the same requirements.
  - Process Explanation: Each year's financial statements must be completed and audited before proceeding to the next. This ensures accuracy and compliance with the Local Government Commission (LGC).
- **Firm Proposals**
  - Beverly Stroud CPA: Beverly Stroud, previously with Isley Group, offering services for \$64, 250 now operates independently with five employees. She has experience with the organization's finances and can work within their financial system.
  - GWI (formerly Isley Group): A large firm with extensive expertise, offering services for \$90,000. They have the manpower and experience to handle the organization's needs.
- **Considerations**
  - Expertise and Familiarity: Both firms are capable of working within the organization's financial system and have the necessary expertise.
  - Cost and Resources: GWI's proposal is higher due to their size and expertise, while Beverly Stroud offers a more personalized approach.
- **Bank Reconciliation**
  - Question Raised: Concerns were expressed about the status of bank reconciliation funds, questioning if bank statements for certain months had not been reconciled internally.
  - Response: It was clarified that reconciling 36 months of statements is a time-consuming process, but the goal is to avoid being a year behind in the future.

Clarification: The year-end financial statements are prepared by the CPA, not internally. The preparation involves compiling documents for the CPA and auditor.

- **Termination of Existing Contract**
  - Discussion: A decision was made to terminate the existing contract with Anthony Tabb due to lack

of communication and progress.

- Action Plan: A letter will be hand-delivered to Anthony Tabb to request all completed work and any outstanding bills.

**ACTION: The council accepted Beverly Stroud's bid**

Motion: Council Member Davis

Second: Council Member Knight

Vote: Unanimous: 3-0

**ACTION: Cancel Contract with Anthony Tabb**

Motion: Council Member Stancil

Second: Council Member Davis

Vote: Unanimous: 3-0

**3. Resolution Authorizing Advertisement of Contract Opportunities Solely by Electronic Means**

- Electronic Advertisement

- Resolution: A resolution was discussed to authorize the advertisement of contract opportunities solely by electronic means due to local newspaper limitations.
- Purpose: This change aims to meet statutory requirements for advertisements and streamline the process for contract bids and planning.

**ACTION: Accept Resolution so Town can Advertise Electronically**

Motion: Council Member Stancil

Second: Council Member Davis

Vote: Unanimous: 3-0

**4. Resolution to approve a Municipal Accounting Services, Cybersecurity and Technical Assistance (NC League of Municipalities)**

*Presenter: Tymeeka Williams; Town Clerk/Tony Sears; Interim Town Manager*

- AIM Program

Overview: The AIM program offers financial and cybersecurity support to small municipalities through federal grants.

Benefits: Provides accounting software, cybersecurity improvements, and technical assistance at no cost.

- Current Status: The town has made significant investments in cybersecurity and financial systems over the past three years.
- Support Offered: The program will test current systems and offer additional support, including audits and financial training.
- Mentorship: The program includes on-site mentorship to ensure proper bank reconciliations and financial practices.
- Target Audience: Geared towards small towns, Kenly was chosen for participation due to its current financial status.

**ACTION: Acceptance of Resolution for NCLM Assistance**

Motion: Council Member Knight

Second: Council Member Davis  
Vote: Unanimous: 3-0

## 5. Insurance Survey Results and Fire Hydrant Improvements

- **Insurance Survey Results**

- Completion and Results: The survey by the Department of Insurance was completed in December, and results were received a few weeks ago. The town maintained a Class 3 rating with a score of approximately 77 points, which is considered solid for the town's size.
- Importance of Rating: A Class 3 rating is beneficial as many industries consider a rating of at least 5 before entering a community. Maintaining this rating is crucial for attracting new businesses.
- Contributing Factors: The town's efforts, including improvements to hydrants and the hydraulic model, positively impacted the rating.

- **Fire Hydrant Improvements**

- Hydraulic Model and Infrastructure: The hydraulic model and upcoming infrastructure improvements, such as standardizing fire hydrant barrel sizes, are expected to solve pressure issues.
- Project Progress: The council has approved funding for fire hydrant replacements, with 90% of hydrants expected to be replaced soon. Valves are being added to the bottom of hydrants, enhancing the system.
- Future Plans: Looping the line on Route 22 is planned, which will benefit the entire tank system by providing multiple water supply routes.

**ACTION: Informational Only**

## 8. OLD BUSINESS

### 1. Resolution for Support of HB24-- RESOLUTION #2025-05

- An Act to Restore the Authority for Local Governments to Initiate Downzoning

*Presenter: Tony Sears-Interim Town Manager*

#### **Overview of House Bill 24**

- Current Regulation: The existing regulation prevents towns from decreasing density or reducing permitted uses on land without the property owner's permission.
- Proposed Changes: HB24 aims to remove restrictions on creating non-conforming uses, allowing towns to enforce new regulations while grandfathering existing uses.
- Non-Conforming Uses: If passed, towns can impose new restrictions, and existing structures will be grandfathered as non-conforming until changes are made.
- Support for HB24: The town supports the bill, with no significant concerns anticipated for smaller municipalities like Kenway.

**ACTION:** Approval of Resolution  
Motion: Council Member Stancil  
Second: Council Member Davis  
Vote: Unanimous: 3-0

## 9. TOWN MANAGER / STAFF REPORTS

### a. Town Manager: Utility Adjustments—

- 600 D Lincoln Drive: resident experienced a leak near the meter box, resulting in a high bill of \$222.62. An adjustment of \$173.89 is recommended.
- 412 West 7th Street: resident had an underground leak fixed by a plumber, leading to a high bill of \$547.37. An adjustment of \$512.65 is recommended.
- Kenly Village: A spigot was left on, causing a high bill of \$233.62. An adjustment of \$222.03 is recommended.
- Standard Procedure
  - All adjustments follow standard procedures, and none of these locations have had previous adjustments.

**ACTION: Approval of All Utility Adjustments**

Motion: Council Member Davis

Second: Council Member Knight

Vote: Unanimous: 3-0

**b. Town Clerk** --- The Kenly Area Chamber of Commerce Bingo Business and Bloom Awards Banquet is scheduled for March 27th at 6 p.m. at the Kenly Scout Center, 14 East 1st Street, Kenly, North Carolina.

c. Town Attorney---**NONE**

d. Department Directors:

**Kenly Police Department-**

- Incident Summary
  - Total incidents: 31
  - Accidents: 8
  - Criminal summons papers served: 10
  - Armed robbery at Dollar Tree under investigation.
  - Domestic disturbances: 14
  - Recovered firearms: 3
  - Larceny cases: 3
  - Trespassing charges: 8
  - Verbal warnings: 5
  - Drug and paraphernalia charges: 16
  - Citations issued: 15
  - Felony charges: 8 (including car break-in suspect now in jail)
  - Misdemeanor arrests: 6
  - Business checks: 397
  - Residential checks: 8100
  - Officer Strickland received the Crisis Intervention Team Officer of the Year award for preventing a suicide.
  - Officer Valadez joined the anti-counterfeit task force.
  - Major Dixon joined the Internet Crime Against Children Task Force.

**10. OTHER BUSINESS**

1. Johnston County Information:

- Annual Work Session (Johnston County Board of Commissioners)
  - Scheduled for March 26th and 27th at the Workforce Development Center.
  - The session will be live-streamed and open to the public.
  - Preliminary property valuation increase for the county is 70.6%.
  - An unusually large number of appeals are being processed, with meetings starting in April.
  
- 1. Council Member Comments
  - Budget Planning
    - Discussions on addressing wants and needs based on available funds will begin in April.
  
    - Keith expressed gratitude for the support received from the town, staff and council during the passing of his mother.

**11. CLOSED SESSION**

**NO CLOSED SESSIONS DURING THE MONTH OF MARCH 2025**

**12. ADJOURNMENT**

a. Adjourn the Meeting

With there being nothing further, the meeting was adjourned at 7:54 p.m.

**ACTION:** Motion to Adjourn  
Motion: Council Member Knight  
Second: Council Member Davis  
Vote: 3-0

Duly adopted this the 14th day of April, 2025 while in regular session.

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Herbert L Hales II  
Mayor: Town of Kenly