

207 West Second Street
Post Office Box 519
Kenly, North Carolina 27542



Telephone: (919) 284-2116
Fax: (919) 284-5229
Website: www.townofkenly.com

**October 13, 2025 – 7:00 p.m.
Regular Town Council Meeting
Minutes**

Council Present:

Herbert Hales II, Mayor
LaWanda Neal, Council Member
Keith Davis, Council Member
Mark Smith, Mayor Pro Tem

Staff Present:

Tony Sears, Interim, Town Manager
Tymeeka Williams, Town Clerk
Marcus Burrell- Town Attorney Partner
James Ayers- Police Chief
John Pitts- Public Works Director

1. CALL TO ORDER

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

Mayor Hales called the meeting to order at 7:00 p.m. Council Member Davis offered the Invocation and Mayor Hales led everyone in the Pledge of Allegiance.

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.*

NO PUBLIC COMMENTS AT THIS MEETING

3. ADJUSTMENT/ADOPTION OF THE AGENDA

- a. Adjustments to the Agenda
- b. Adoption of the Agenda

ACTION: Adoption of Agenda

➤ **NO ADJUSTMENTS ON THIS AGENDA**

Motion: Council Member Smith
Second: Council Member Davis
Vote: APPROVED 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.)

- a. Draft Minutes
 - **September 8, 2025- Regular Session**

ACTION: Adoption of Consent Agenda as Presented

Motion: Council Member Davis
Second: Council Member Smith
Vote: APPROVED 3-0

5. INTRODUCTIONS AND SPECIAL PRESENTATIONS

- a. Introduction Christopher Batten- Parks & Recreation Director
Presenter: Tony Sears, Interim Town Manager

- Mr. Christopher Batten was introduced as a new hire. He is a native of the town, having previously worked at the local high school and owned the Subway. He has over 20 years of coaching experience and expressed his excitement to be working in his hometown.

6. PUBLIC HEARINGS

- a. **NO PUBLIC HEARINGS ON THIS AGENDA**

7. NEW BUSINESS

1. Southern Bank Fraud Prevention Service
Presenter: Tony Sears, Interim Town Manager, Town of Kenly

- A proposal was presented for a free fraud prevention service from Southern Bank. The service utilizes a "positive pay" system to verify that check numbers and amounts match authorized town-issued checks, flagging any discrepancies.

ACTION: Adoption of joining Southern Bank Fraud Prevention Service
Motion: Council Member Neal
Second: Council Member Davis
Vote: APPROVED 3-0

2. 2. Tree Removal Near Wastewater Treatment Plant
Presenter: Tony Sears, Interim Town Manager

- North Carolina noted a need to clear trees and limbs near aerial sewer lines at the wastewater treatment plant to prevent potential damage. The town received several quotes, with Asplundh providing the lowest bid at \$22,873. Other quotes ranged from \$50,000 to \$78,000.
- Asplundh proposal includes taking the trees down and grinding them on-site.
- The work will take place on property owned by a truck stop, which has granted permission.

ACTION: Approval of Contractors Bids for Tree Removal
Motion: Council Member Neal
Second: Council Member Davis
Vote: APPROVED 3-0

3. Transition from NCDIT Telephone Service to Carolina Digital Phone

Presenter: Tony Sears, Interim Town Manager, Town of Kenly

- The town's current telephone service, provided through the North Carolina Department of Information Technology (NCDIT), will be discontinued in December.
 - A proposal was made to switch to a Voice over Internet Protocol (VoIP) phone system to replace the outdated service and eliminate the NCDIT as a middleman.
- The new system will help combat the 30 to 40 spam calls the town receives daily by allowing staff to block numbers.
 - The system includes redundancy, allowing phone service to continue via cellular networks if the fiber internet connection fails.
 - The total cost includes a one-time fee of \$1,900 for new phones and a monthly service charge of \$297. A two-year contract was requested for approval.

ACTION: Contract Approved for Phone Services

Motion: Council Member Smith

Second: Council Member Davis

Vote: APPROVED 3-0

8. OLD BUSINESS

1. FY 2022 Audit Presentation – S. Preston Douglas & Associates, LLP

Presenter: Tony Sears; Interim Town Manager & Lee Grissom (S. Preston Douglas & Associates, LLP)

- The fiscal year 2022 audit was submitted late, causing the town to be more than two years behind. It was issued on July 11, 2025, for a period that was due on October 31, 2022.
- Due to the delay, the Local Government Commission (LGC) denied the town a waiver and will withhold a portion of its sales tax revenue.
- The withheld funds are 100% refundable and will be taken out in thirds. The first payment will be missed in November.
- The FY23 audit is projected to be complete by November or December, with the FY24 audit to follow. This timeline is expected to result in the full release of funds by February. It is hoped that the town will be caught up on audits by January 2026.
- The town has a sufficient Fund Balance to cover any cash flow issues during this period.
- The auditor presented the financial results for the fiscal year ending June 30, 2022, noting that the information is dated but shows strong performance and a positive financial trend over the last five fiscal years.
- The town's fund balance was the highest in four years, with 6.7 months of expenses in reserve.
- Total cash on hand was almost \$3 million, up from \$1.2 million five years prior.

- The water and sewer fund's net position increased by approximately \$1.2 million.
- Property tax collection exceeded \$1 million, the highest amount in five fiscal years.
- A finding was issued for the late submission of the audit.
- An internal control issue regarding the segregation of duties was noted, which is a common finding for organizations with small office staff.
- Management provided full access to records, and there were no significant disagreements or discoveries of illegal acts.
- The hiring of new staff (Beverly and her team) was noted as a positive step toward ensuring future audits are completed on time.
- The audit is a "one-day snapshot" taken on June 30th of the year, and the town's financial position is expected to continue improving as money has been put back into reserves each year

ACTION: INFORMATIONAL ONLY

2. Water/Sewer Projects Updates

Presenter: John Pitts, Public Works Director, Town of Kenly

- The town is leveraging the mobilization of contractors for a \$16 million project to address smaller, necessary repairs at a reduced cost.
- Replacing all eight air relief valves on the sewer line for approximately \$1,700 to \$1,800. This is a critical preventative measure, as a failed valve previously caused a line to blow out.
- Potentially reducing a planned installation of 50 fire hydrants to 45 in order to replace a newly discovered failed valve, thereby achieving a greater overall system impact.
- Contractors are on-site and have begun work on the water line project.
- Progress to date includes:
1,600 feet of pipe have been laid.
Two fire hydrants have been installed.
- Upcoming work involves boring from Eaglewood to 7th Street to connect lines, which will also service the Kennedy Court apartment area.
- The project will also connect a 1,700-foot pipe that runs to Rebel Road, a connection that has reportedly been needed for 27 years.
- Sewer Project: Locates for the sewer have been completed. Work is expected to begin on laying new sewer pipe on Wig Street within the next one to two weeks.
- Hydrant Project: Two new "big boy" hydrants have been installed. There are plans to replace more older hydrants around Sunset Acres, Seventh, and Lincoln, and potentially add valves to the main lines.

- Project Deadlines: The current project has a substantial completion deadline of November 10th and must be fully completed by December 10th.
- Air Relief Valves: Eight air relief valves require replacement of their galvanized nipples at a cost of \$1,700 each. This expense can be handled within the current budget and was cited as an example of manageable, unforeseen costs.
- Lift Station Generators: New generators for the lift stations, purchased via a grant, have been shipped and are expected to arrive within 30 days for installation.

ACTION: Informational Only

3. Volunteer Fire Department Update

Presenter: Tony Sears, Interim Town Manager; Herbert Hales, Mayor Town of Kenly

- Johnston County has proposed a new cost-share funding formula for the fire department based on call volume, property value, population, and square mileage.
- This new formula is projected to increase the town's contribution from approximately \$175,000 to \$333,000 within two to three years. This represents a major budget increase, as a single penny on the tax rate generates \$23,000.
- The town leadership questioned the justification for such a large cost increase, stating they already fully fund the fire department's budget requests and see no new benefit for citizens. They emphasized that their contract is with the local 501c3 fire department, not with Johnston County.
- The town suggested an alternative where they would lower their municipal tax rate by the amount currently allocated to the fire department (e.g., 10 cents), and the county would then assume full funding responsibility.
- In addition to the proposed operational cost increase, the fire department is planning a future expansion estimated to cost \$6 million. The town would be responsible for a percentage of this capital expense, further increasing the financial burden.

ACTION: Informational Only

9. TOWN MANAGER / STAFF REPORTS

a. Town Manager

- *Utility Bill Adjustment Document*
NONE

b. Christmas Events Committee Update

- December 2nd: Grand Marshal reception at the Legion, followed by the tree

lighting ceremony.

- December 4th: Christmas parade.
- December 6th: "Christmas on Main event.
- Grand Marshal: Mr. George A. Rant has been selected as the 2025 Grand Marshal.
- The committee is working to secure carolers for the tree lighting. The formation of the committee has helped distribute the workload for planning the events.

b. Town Clerk

c. Town Attorney

d. Department Directors

1. **POLICE DEPARTMENT**

- The department handled 32 total incidents, issued 72 citations, and made 8 felony arrests and one misdemeanor arrest.
- All officers successfully completed their annual firearms qualification training.
- A new officer, Kamarei Taylor, has been hired and is already making a significant impact, particularly on drug-related arrests.
- Officers successfully rescued a child who was locked in a car.
- An arrest was made involving an individual in possession of PCP.
- -The police department is partnering with the Parks and Recreation Department to plan a "trunk or treat" event.

10. **OTHER BUSINESS**

a. Informal Discussion

b. Council Member Comments

11. **CLOSED SESSION**

12. **ADJOURNMENT**

a. Adjourn the Meeting

With there being no further business, the meeting was motioned to adjourn at 7:55pm

ACTION: Motion to Adjourn

Motion: Council Member Smith

Second: Council Member Davis

Vote: APPROVED 3-0

Duly adopted this the 10th day of November, 2025 while in regular session.

Herbert L Hales II
Mayor: Town of Kenly