

The Smithfield Town Council met in special session on Tuesday September 16, 2014, at 6:15 pm. in the Council Chambers of the Smithfield Town Hall. Mayor John H. Lampe, II presided.

Councilmen Present:

M. Andy Moore, Mayor Pro-Tem
J. Perry Harris, District 2
Travis Scott, District 3
Emery D. Ashley, At-Large
Charles A. Williams, At-Large

Councilmen Absent

Marlon Lee, District 1
Roger A. Wood, District 4

Administrative Staff Present

Paul Sabiston, Town Manager
Ken Griffin, Public Utilities Director
Shannan Williams, Town Clerk
Lenny Branch, Public Works Director
Paul Embler, Planning Director
Tim Kerigan, HR Director/ PIO

Mayor Lampe called the meeting to order at approximately 6:15 pm.

APPROVAL OF THE AGENDA

Mayor Pro-Tem Moore made a motion, seconded by Councilman Williams, to approve the agenda as submitted. Unanimously approved.

ITEMS:

1. Introduction by Staff

Town Manager Paul Sabiston explained that the meeting was called by Council to educate the public on electric rates; residential and commercial. Mr. Sabiston explained that of the thirty-two municipalities in the North Carolina eastern Municipal Power Agency (NCEMPA), only Apex has lower rates than the Town of Smithfield. Mr. Sabiston further explained that the Town may be able to significantly lower utility rates after the generating asset purchase agreement between Duke Energy Progress (DEP) and NCEMPA is completed.

Public Utilities Director Ken Griffin explained, in part, the rate structure for residential and commercial customers and how the Town's rates currently compare to DEP. Mr. Griffin also explained that staff and Electricities staff are working together to develop and economic development rate and rider to be consider by Council at a later date.

Councilman Harris questioned if there was any interest from DEP to purchase the Town's entire electric department. Mr. Sabiston responded that it was his understanding that DEP was not interested in purchasing the Town's electric system at this time.

2. Comments by Electricities Staff

Cecil Rhodes, Vice President of NCEMPA, and PJ Rehm, Electricities Distribution Services Coordinator, made a PowerPoint presentation to the Council. The following topics were discussed: Controlling electric costs, rate studies, Town of Smithfield's reliability, Economic Development Services and Rates and Smart Grid.

3. Public Comments

- a. Rufus Brown – Owner of Johnston County Hams stated that he was told that he could purchase a generator for \$100,000 that would save him \$20,000 a year on his utility bill. He questioned why any business would want to come to Smithfield.
- b. Stephanie Cotton-Davis – Resident of 411 Hancock Street stated that the electric portion of her utility bill was outrageous. Mrs. Davis explained that the Town had conducted an energy audit, but she would appreciate any assistance the Town could offer. She further explained that one bill was

\$885.00 with \$716.00 of that bill being electric. Mrs. Davis stated that she and her husband are very conservative in regards to electricity usage.

- c. Dennis Williams – Resident of 908 Second Avenue expressed his concerns to the Town Council about the high utility rates in the Town of Smithfield.
- d. Glenda Jordan – Resident of 401 Pine Street expressed her concerns about the utility fund transfers to the general fund and suggested that a reduction in those transfers could possibly net savings to the residents in the form of a rate reduction. Councilman Ashley responded that those transfers have been reduced in this budget.
- e. James Gathers – Pastor of Shiloh Christian Church asked the Council to be honest with the customers about the profits that the Town is generating from the utility funds. Mr. Gathers stated that a church is considered a commercial customer where the rates are higher than residential customers.
- f. Robert Parrish – Owner of Paws and Claws stated that as a small business owner the demand charge is greatly impacting his ability to do business in the Town of Smithfield. He stated that he is going to be expanding his business but because of high utility rates for commercial customer, he will not be expanding in the Town of Smithfield.
- g. Rodney Taylor – Resident of 1107 South First Street expressed his appreciation to the members of the Council for trying to lower utility rates. Mr. Taylor stated that he is concerned that high utility rates are the reason why businesses will not locate in the Town of Smithfield.
- h. Tony Nixon – Resident of 8 Cedar Drive asked the Council to consider a lower rate structure or program for Senior citizens who are on fixed incomes.

CLOSED SESSION:

Mayor Pro-Tem Moore made a motion, seconded by Councilman Harris, to go into Closed Session pursuant to NCGS 143-318.11 (a) (1) . Unanimously approved at approximately 8:44 pm.

RECONVENE IN OPEN SESSION:

Councilman Harris made a motion, seconded by Mayor Pro-Tem Moore, to reconvene in open session. Unanimously approved at approximately 9:54 pm.

ADJOURN:

There being no further business, Mayor Pro-Tem Moore made a motion, seconded by Councilman Harris, to adjourn. Unanimously approved at approximately 9:55 pm.

ATTEST:

John H. Lampe, II , Mayor

Shannan L. Williams, Town Clerk