

The Smithfield Town Council continued the recessed May 16, 2016 budget work session on Wednesday, May 18, 2016 at 6:30 p.m. in the Council Chambers of the Smithfield Town Hall. Mayor M. Andy Moore presided.

Councilmen Present:

Emery D. Ashley, Mayor Pro-Tem
Marlon Lee, District 1
Roger A. Wood, District 4
John A. Dunn, At-Large
Stephen Rabil, At-Large

Councilmen Absent

J. Perry Harris, District 2
Travis Scott, District 3

Administrative Staff Present

Michael L. Scott, Town Manager
Jim Freeman, Interim Town Manager
Lenny Branch, Public Works Director
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
R. Keith Powell, Interim Chief of Police
Greg Siler, Finance Director
Shannan Williams, Town Clerk

Mayor Moore reconvened the meeting at 6:30 pm.

Responses to Questions posed at the May 16th meeting:

Public Utilities Director Ted Credle responded to questions posed by the Council at an earlier meeting.

1. Of the 17 industrial water customers, 14 are also sewer customers.
2. Street lights are being converted to LED lights as needed
3. Reclaimed water at JCC: Mr. Credle received that information prior to the meeting and would like to verify it before sharing with the Council.
4. Water rates based on meter size: Staff could investigate that further, but find that it may not be feasible for the Town of Smithfield as most of the Town's customers are residential.

General Government

Human Resources Director/ PIO Tim Kerigan reviewed the General Government's budget with the Council. Mr. Kerigan highlighted the following line items:

Salaries and Wages (10-4100-0200)

- Mr. Kerigan explained that the salaries of the Administrative Assistant had been moved from the Planning Department's budget and the IT Specialist had been moved from the Finance Department's budget and included in the General Government's budget since both are utilized by the General Government Department.

Service Awards and Recognition (10-4100-1500)

- Councilman Wood questioned how the Town recognizes employee years of service. Mr. Scott responded that each Department recognizes their own employees. Mr. Wood asked that staff follow-up with Departments to see what is being done and suggested that recognition of employee be consistent.

Non-Departmental

Humans Resources Director/PIO Tim Kerigan and Town Manager Michael Scott reviewed the Non-Departmental budget with the Council.

Economic Development

Human Resources Director/PIO Tim Kerigan and Town Manager Michael Scott reviewed the funds that have been budgeted for economic development. Mr. Kerigan explained that the Town has a valid study that can be

implemented, but the Town should define the priorities. Mayor Pro-Tem Ashley suggested that the Economic Development Committee should work with staff to move this forward.

PEG Chanel

Human Resources Director/PIO Tim Kerigan reviewed the PEG channel expense with the Council. Mr. Kerigan explained that PEG funds can only be used for expenditures directly related to the channel. Mr. Kerigan reminded the Council that staff is responsible for all the content on the channel. Mr. Kerigan requested that the Council consider allowing staff to purchase a drone to assist with economic development and Town events.

Mr. Scott explained that staff was seeking permission to purchase a drone in this budget year for approximately \$1400.00. Public Utilities Director Ted Credle also explained that the drone could be used for outfall inspections.

Finance

Finance Director Greg Siler reviewed the Finance Department's budget with the Council. Mr. Siler highlighted the following line items:

Supplies and Operations (10-4200-3300)

- Requesting to add a drive thru drop box on the premise. Mr. Scott explained that this would be installed inside the Parking lot.

Capital Outlay (10-4200-7400)

- Staff has identified a software package that can replace the existing software. The company considered can migrate the Town's existing data.

Councilman Dunn inquired about website utility payments. Mr. Siler responded that staff will have to find a new vendor by September. It was the consensus of Council that another third party vendor is in place in September so there is no lapse in this service.

Debt Service

Finance Director Greg Siler reviewed the Debt Service budget with the Council. Topics of discussion were as follows:

- Debts that have been refinanced and retired
- Accounting of the 2006 Streetscape loan. Mr. Scott explained that the project cost included more than the \$250,000 DSDC loan.
 - Mayor Moore asked that staff revisit patrons and business owners parking on the sidewalks.
- Mayor Pro-Tem Ashley requested that staff include the original loan amounts on all debt service

Other Funds

J. B George: Mr. Siler explained that the investment has been called (matured) and the Town received all the principle back, but per the agreement only the interest can be spent on this endowment. The funds are currently in an account at KS Bank earning an interest rate of 1.2%. The approximate amount of the earned interest will now be \$1200 a year this is a decrease from the \$3150 previously earned.

Firemen's Relief Fund: Mr. Siler explained that this account is separate from Town funds and is also in a separate bank account at KS Bank. These funds are used for fire personnel hardships and supplemental retiree payments.

Smithfield Fire Tax: Mr. Siler explained that this is a pass through type of account. Johnston County has set the rate at \$.12 per \$100 valuation. Mayor Pro-Tem Ashley questioned if this tax is proportionately the same

for those outside the Town limits and as it is inside the Town limits. Mr. Ashely inquired if the Town was subsidizing fire protection for residents outside the city limits

Other Items

Town Manager Michael Scott informed the Council that he was required by law to provide a balanced budget to the Council June 1. In that balanced budget, the following items would be recommended:

- **Water and Sewer Rates:** To follow the recommendation offered by the Wooten Company for the tiered water and sewer rates.
- **Venture Drive:** Recommend to use fund balance to pay for it the total reconstruction of Venture Drive. Some of the costs can be offset with loan proceeds or transfers from the utility funds that have been deleted in the past several years.
- **Firefighters:** Mr. Scott has requested additional information from Chief Blanton on how the additional personnel will assist us with the ISO evaluation in October. The recommended budget will not include the additional firefighters.
- **Electric rate:** Recommend a 2.5% decrease in electric rates
- **Booker Dairy Road Line Relocation Project:** The \$3.5 million project will be included as a debt service.

Councilman Rabil questioned why the three firefighters would not be included in the recommended budget. Mr. Scott responded that there are other options for funding such as the SAFER grant. If hiring three additional firefighters will not help the ISO rating in October, then the Town could apply for grant funding thus saving the Town money for personnel.

Recess

There being no further business, Mayor Pro-Tem Ashley made a motion, seconded by Councilman Wood, to recess the meeting until Monday, May 23, 2016 at 6:30 pm. unanimously approved.

M. Andy Moore, Mayor

ATTEST:

Shannan L. Williams, Town Clerk