

The Smithfield Town Council reconvened the April 16, 2024 meeting on Monday, April 22, 2024 at 6:30 pm in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Roger Wood, Mayor Pro-Tem
Marlon Lee, District 1
Sloan Stevens, District 2
Travis Scott, District 3
John A. Dunn, At-Large
Steve Rabil, At-Large

Councilmen Absent

Dr. David Barbour, District 4

Administrative Staff Present

Michael Scott, Town Manager
Ted Credle, Public Utilities Director
Jeremy Daughtry, Fire Chief
Lawrence Davis, Public Works Director
Pete Hedrick, Chief of Police
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
Eric McDowell, IT Director
Shannan Parrish, Town Clerk
Greg Siler, Finance Director
Stephen Wensman, Planning Director

Reconvene the April 16, 2024 Meeting

Mayor Moore reconvened the meeting at 6:31 pm

Business Item

1. FY 2024-2025 Budget Discussions Continued

a. Water/Sewer Department

Public Utilities Director Ted Credle highlighted some line items in the Water /Sewer Department's proposed FY 24-25 budget. They are as follows:

- Training and Education – 6% increase due to increased cost of certifications
- Telephone – 59% increase due to additional phone stipends for employees
- Equipment Maintenance and Repair – 50% increase due to rising costs of materials.
- Vehicle Supplies/ Maintenance – 40% increase due to anticipated repairs for aging fleet
- Supplies & Operations – 10% increase due to increased cost of materials.
- Sewage Treatment – There may be an increase in this line if the County increases its fees. All increases will be passed through to the consumer.
- County System Development Fees – Fees paid to Johnston County for sewer system development. There is a revenue line that corresponds to this expenditure line.
- Transfer to W/S Capital Projects - \$1,350,000
 - \$100,000 for I & I Reduction
 - \$200,000 for AMI Nextgrid
 - \$300,000 for FH Valve inserts
 - \$200,000 for Water Line Upgrades
 - \$350,000 for 1/3 of a Vac Truck

Mayor Moore questioned if staff had investigated the cost of renting a vac truck. Mr. Credle responded that he had not, but he would.

The Town Manager explained that \$150,000 of Water/Sewer fund balance would be used for the vac truck purchase.

- Capital Outlay - \$75,000 was included for manhole rehabilitation and \$30,000 was included for the digitized mapping of the water/ sewer system

Councilman Dunn inquired as to the status of the AMI Nextgrid meter project. Mr. Credle responded that ¼ of the water meters are installed. He estimated the project would be completed in three to four years.

- Requested but not included in the budget
 - 1 – New Position – Line Locator: Mr. Credle explained this position would be responsible for locating lines and performing building inspections. He requested this position last year.

b. Electric

Public Utilities Director Ted Credle highlighted some line items in the Electric Department's proposed FY 24-25 budget. They are as follows:

- Revenues – The major source of revenue in the Electric Department was the sale of electricity.

The Town Manager explained that based on the rate study, there would be a 6% increase in rates. Also \$1 million was appropriated from Fund Balance for capital projects

- Training and Education – 67% increase due to the increased cost of the lineman project. Also included \$12,400 for the Lineman Apprenticeship Program.
- Equipment Maintenance and Repair – 13% increase due to increase in parts
- Supplies & Operations - 15% increase due to the rising cost of materials.
- Service Contracts – 11% increase due to the increased cost of tree trimming services
- Transfer to Electric Fund Capital Projects Fund - \$1million
 - \$500,000 for voltage conversion
 - \$200,000 for ½ of a large bucket truck
 - \$300,000 for delivery point improvements

Councilman Stevens questioned if there were any issues offering electricity to new developments. Mr. Credle explained that the Town could only provide power in the areas not serviced by Duke Energy Progress (DEP). However, there were some areas in Town that could be serviced by either and that would be the choice of the developer.

Councilman Scott questioned if North Smithfield and the Brogden Road area of the Town could be serviced by Smithfield. Mr. Credle responded that both areas would be Town of Smithfield customers.

- Capital Outlay – \$35,000 for a new work truck. The Town Manager informed the Council that this was reduced from the requested \$50,000 for this purchase.

Councilman Scott stated that the payment in lieu of taxes line would have to increase at some point. The Town Manager responded that it would be reevaluated next year during Johnston County's tax reevaluation.

Councilman Stevens questioned if the Town could absorb some of the rate increase. The Town Manager responded the Town may be able, but he suggested waiting until next year. He further stated that once the defeasance debt was paid off, the Council could look at the rate structure and determine if there could be any rate reductions.

c. General Fund

i. General Government

Town Manager Michael Scott highlighted some line items in the General Government's proposed FY 24-25 budget. They are as follows:

- Salaries (Council) – 50% increase in salaries for the Council. The members of Council will be paid \$7,500/ annual and the Mayor will be paid \$10,500/ annual. The Council's salaries are split between the General Fund, Water/Sewer Fund and Electric Fund.
- Legal Fees – The Town Manager explained that legal fees are continuing to rise.
- Contract Services – \$20,400 has been added to the budget for Neo-Gov software needed for the Human Resources Department.
- Capital Outlay - \$50,000 for the repaving of the Town Hall parking lot and curbing repairs. Fund balance will be used for this expenditure.

Councilman Scott stated he felt it was important for the Council to consider adding an Assistant Town Manager position since the current Town Manager will be retiring in late 2025. The Town Manager responded that he would like for the Council to consider adding that position, but staff would have to find space in Town Hall for another employee.

- Not included in the budget - \$72,130 for a Human Resources Generalist. This was a total cost (salary & benefits) for a new employee

Human Resources Director Tim Kerigan explained the position and why it was needed.

Councilman Dunn stated that with the new HR software, it should lessen the work load. He questioned where the employee would work since space was limited in Town Hall.

ii. Non-Departmental

Town Manager Michael Scott highlighted some line items in the Non-Departmental proposed FY 24-25 budget. They are as follows:

- Insurance & Bonds – 30% increase due to increased premiums
- SHARP Reimbursement – The Town Manager explained that there are no proposed reimbursements in this budget, but there will be next year because of the Amazon and Neyer projects. It is anticipated that the Town will net approximately \$300,000 after tax reimbursements for the Amazon project.

iii. Debt Service

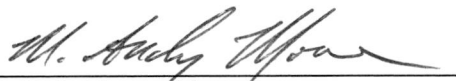
Town Manager Michael Scott explained that there was no new debt proposed in this budget.

Mayor Moore stated he would like for the Downtown Smithfield Development Corporation to be reminded that they still owed the Town for the Streetscape Loan even though the Town paid it off several years ago. The Town Manager responded that he would make sure they were aware of the obligation.

Town Manager Michael Scott requested guidance on where Temporary Use Permit requests (Special Events) should be placed on the agenda. It was his understanding that any event with alcoholic beverages should be placed as a business item instead of a consent agenda item. It was the consensus of the Council to place the Temporary Use Permit requests on the consent agenda.

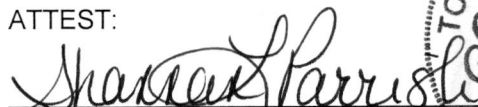
Recess

Councilman Dunn made a motion, seconded by Mayor Pro-Tem Wood, to recess the meeting until Monday, April 29, 2024 at 6:30 pm. The meeting recessed at approximately 8:44 pm.



M. Andy Moore, Mayor

ATTEST:



Shannan L. Parrish, Town Clerk

