

The Smithfield Town Council reconvened its April 5, 2022 Meeting on Monday, April 25, 2022 at 6:30 pm in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

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

Councilmen Absent

Dr. David Barbour, District 4

Administrative Staff Present

Michael Scott, Town Manager
Michael Brown, Fire Chief
Ted Credle, Public Utilities Director
Lawrence Davis, Public Works Director
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
Shannan Parrish, Town Clerk
R. Keith Powell, Chief of Police
Greg Siler, Finance Director
Stephen Wensman, Planning Director

Reconvene

Mayor Moore reconvened the April 5, 2022 meeting at 6:34 pm.

Approval to Amend the Agenda

Councilman Wood made a motion, seconded by Councilman Scott, to amend the agenda by adding three Consent Agenda Items. Unanimously approved.

Consent Agenda Items

Councilman Scott made a motion, seconded by Councilman Wood, to approve the items added to the consent agenda. Unanimously approved.

1. Special Event: Third StrEATery – The Downtown Smithfield Development Corporation gained approval to hold events on April 22, May 20, June 17, July 15, August 19 and September 23, 2022 from 6:00 pm until 9:00 pm in the 100 block of South Third Street. Amplified sound and the closure of the 100 block of South Third Street was approved. The Council approved this as annual events.
2. Special Event: Grand Opening Event – Bulldog Harley Davidson gained approval to hold a grand opening event at 1043 Outlet Center Drive on April 30, 2022 from 10:00 am until 6:00 pm. Amplified sound and the allowance of a beer truck were also approved.
3. Special Event: Parking Lot Party – Millard Stallings gained approval to amend his semi-annual event to include the closure of North Fourth Street near his building.

FY 2022-2023 Budget Discussion

1. Budget Overview

Town Manager Michael Scott provided an overview of the 2022-2023 Budget. He explained that all funds were balanced. No property tax increase was being proposed. Electric and Water fees would be unchanged. Sewer fees and sanitation fees were contingent on Johnston County increasing their fees. All fund balances remain above the 25% Fiscal Policy requirements.

Included in the proposed budget were the following capital expenditure amounts: General Fund \$1,692,856, Electric Fund \$766,700, and Water Sewer Fund \$456,200

For FY 2022-2023, the medical insurance increased by an estimated 6% and retirement increased by .75% for nonpolice personnel and .94% for police personnel. This budget also accounted for a 2% salary adjustment on July 1st, an up to 3% merit increase effective January 1st, and longevity pay at the requested amounts.

Large Capital items included in the budget are as follows:

- 1 Replacement Fire Rescue Truck
- SCBA Gear and Masks for Fire Dept
- 1 Replacement Sanitation Truck
- 4 Police Vehicles
- New Phone System for all departments except SRAC/Parks/SYCC
- 1) 61-inch Mower for Street Dept
- Replacement Work Order Software for Public Works
- Hwy 210 Park Plan and PARTF Application
- New 72" Ventrac Mower Deck
- LVT Hardwood Flooring for SYCC

In this budget, the following positions were requested but were not included in the budget: 6 additional Fire Fighters, 1 Assistant Town Manager and 1 Line Locator for the Water and Sewer Department.

In this budget, the following capital items were requested, but not included in the budget:

- Replacement Generator for Police - \$145,000
- Replacement UTV for Police - \$ 25,000
- 1 Sanitation Truck - \$217,000
- 1 VAC Truck for Storm Water - \$480,000
- Storm Water Study - \$ 40,000
- Disc Golf Course Design & Set-Up - \$ 25,000
- Boom Mower for Parks & Rec - \$ 18,000
- \$400,000 reduction in water infrastructure for East Smithfield Improvement Project.
- Sewer Line Replacement in South Smithfield at a cost of \$200,000.
- Electric: Delivery Point 1 Upgrade - \$300,000

Debt Service - This budget does not include any additional debt request for any fund. In the General fund, included is the first half payment of \$17,350 for the knuckleboom truck purchased in FY 2022. The Sanitation Truck loan will mature 1/20/2023 (payment \$28,792). In the Water/Sewer Fund, included is \$669,927 for the water plant improvements and expansion debt service payment. That loan matures in May of 2042. In the Electric Fund, the Electric Substation loan matures in FY 2028 and the NCEMPA Defeasance Debt will be paid off on July 1, 2025. The annual payment for that debt is \$1,156,176.

Fund Balance – This budget does not include the use of American Rescue Plan Act (ARPA) funds. In the General Fund, \$1,092,000 of fund balance will be used for the purchase of a new Fire Rescue Truck and a Sanitation Truck. ARPA funds could be used for these two capital items. In the Water/Sewer Fund, \$65,000 of fund balance will be used to purchase a 3–5-year supply of Carbon for PAC Silo. In the Electric Fund, \$200,000 will be used to further the development of the infrastructure for the East River Subdivision

Non-Departments & Nonprofit Requests – The Town Manager explained that Nonprofit funding requests will be heard at the April 26th meeting. He explained all nonprofits would be funded at the same level as was approved for the current fiscal year with the exception of the Annie D. Jones Child Enrichment Fund. He explained that due to the pandemic, the Annie D. Jones Child Enrichment Fund Executive Director, Kay McDuffie, did not request funding. But since activities have resumed, she was requesting funding at the same pre-pandemic level of \$2,000.

The new Information Technology (IT) Department was added to this budget. The Stormwater Division of Public Works was also included.

Councilman Scott stated it was important for the Council to review the projected revenues.

2. Utilities

a. Water Plant

Public Utilities Director Ted Credle highlighted some line items in the Water Plant's proposed FY 22-23 budget. They are as follows:

- Equipment Maintenance – 30% increase in this line because equipment has to be sent out to a vendor for repairs.
- Vehicle Supplies & Maintenance – 33% increase
- Supplies & Operations – 12% increase due to the increase in cost of aluminum sulfate.
- Service Contracts – 20% increase in this line was due to contractual inflation. Staff will be using a diver to clean out sand from the raw water pump station.
- Transfer to Water/Sewer Capital Fund – Staff requested \$800,000 to be transferred, but \$400,000 was included in the budget.
- Capital Outlay – \$65,200 was added for the purchase of 40,000 lbs. of carbon for PAC silo start up (load will last 3-5 years)
- Items Requested but not included in the budget: 12" Raw Water Pump \$ 130,000 and infrastructure for East Smithfield Development \$ 400,000.

The Town Manager explained the 12" raw water pump was less expensive if it was purchased now and it was important to purchase it as soon as possible.

Mayor Moore questioned the cost of the raw water pump. Public Utilities Director Ted Credle responded the cost was \$39,875.00 if purchased immediately. The Town Manager explained the funds for the purchase of the raw water pump could be taken from the water/sewer contingency line.

Councilman Scott made a motion, seconded by Councilman Wood, to approve the purchase of the 12" raw water pump. Unanimously approved.

Public Utilities Director Ted Credle explained the East Smithfield Development Project was the extension of the Town's water lines by 2024 for a portion of Brogden Road. The Town Manager explained that when Water/Sewer staff looked growth, no one knew the County's sewer issues were a concern. Now those issues will slow growth in the Town.

b. Water/Sewer Department

Public Utilities Director Ted Credle highlighted some line items in the Water /Sewer Department's proposed FY 22-23 budget. They are as follows:

- Retiree Supplemental – This increase was due to a retiree becoming Medicare eligible. The retiree would be removed from the Town's medical insurance policy, but then be eligible to receive a medical supplement.
- Fuel – 25% increase due to the rising cost of fuel.
- Vehicle Supplies & Maintenance – 25% increase due to the aging fleet of vehicles requiring more repairs.
- Service Contracts – 1% increase due to the cost of asphalt.

Town Manager Michael Scott informed the Council that Grid One Solutions informed the Town that they would no longer going to provide the Town with meter reading services. The Town still has water meters and electric meters that have not been converted to the AMI system so those meters will still need to be manually read. Staff was considering all options including the hiring of 2 full-time employees. Public Utilities Director Ted Credle explained that 600 water meter communication nodules for the AMI system have been ordered, but there was a 22-week delay in receiving them.

Councilman Stevens questioned if Grid One would increase their charges for continuing to read meters for the Town. Public Works Director Ted Credle responded that Grid One never responded to his request. The Town Manager stated the Town would have to make a decision soon because meters still had to be read.

Councilman Scott stated the Town could possibly hire two full time meter readers for what it was paying Grid One Solutions. The Town Manager responded that these positions would be temporary positions because all AMI meters should be installed within the next three years. Councilman Scott asked staff to bring a proposal to the Council for consideration and possible approval.

Mayor Moore requested an inventory of all Departments' vehicles and equipment.

- Items Requested but not included in the budget: 1 New Position/ Line Locater \$ 58,200 and South Smithfield Sewer Line Replacement \$200,000

c. Electric

Public Utilities Director Ted Credle highlighted some line items in the Electric Department's proposed FY 22-23 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 no increase in rates this year, but there would be a 2% increase in 2024 and another 2% increase in 2025.
- Training and Education – 30% increase in this line due to necessary electric lineman training. The Public Utilities Director explained it was getting harder to recruit lineman.
- Fuel – 36% increase due to the rising cost of fuel.
- Vehicles Supplies & Maintenance – 20% increaser due to aging fleet requiring more maintenance.

Mayor Moore questioned the IT Supplies line item. The Town Manager explained this was a way to account for all IT related needs in the Electric Department.


Councilman Scott stated he would like funds to be allocated for the load management program. Public Utilities Director Ted Credle explained that 500 were completed and that project was very successful.

Councilman Scott stated the Town of Apex has a tiered load management program. Mr. Credle will review that program.

Recess

Councilman Scott made a motion, seconded by Councilman Wood, to recess the meeting until Tuesday, April 26, 2022 at 6:30 pm. The meeting recessed at approximately 8: 24pm.


M. Andy Moore, Mayor

ATTEST:

Shannan L. Parrish, Town Clerk

