

The Smithfield Town Council reconvened its May 3, 2022 meeting on Tuesday, May 10, 2022 at 6:30 pm in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Mayor Pro-Tem Dunn
Marlon Lee – District 1
Travis Scott, District 3
Dr. David Barbour, District 4
Stephen Rabil, At-Large
Roger Wood, At-Large

Councilmen Absent

David Stevens, District 2

Administrative Staff Present

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

Reconvene: May 3, 2022 Meeting

Mayor Moore reconvened the meeting at 6:30 pm

1. General Fund

a. Revenues

Town Manager Michael Scott reviewed the FY 2022-2023 Revenues with the Town Council. He explained that property taxes were the largest revenue source for the General Fund. He further explained that 3 other Johnston County communities have a higher property tax rate than the Town of Smithfield. He informed the Council that by increasing the property rate from \$. 57 to \$.58 it would add approximately \$118,400 in revenue to the General Fund.

Councilman Barbour questioned when the Town would realize additional property tax revenues as it related to the Town's growth. The Town Manager responded that the Town would not realize any additional property tax revenues until certificates of occupancy were issued.

Councilman Scott questioned the Local Option Sales Tax revenue. The Town Manager responded that even though the Town of Smithfield is a large generator of that tax, the Town does not receive a lot of those funds. Johnston County decides how that tax is distributed and it is based on population.

The Town Manager explained that Parks and Recreation and the Aquatics Center revenues have increased to pre-pandemic levels.

Grant- GHSP: The Town Manager explained this was the last year the Town would receive funding from this grant.

Fund Balance Appropriation: \$1,092,000 was appropriated for the purchase of the Rescue Truck for the Fire Department and new Sanitation Truck.

Transfer to Fire District: The Town Manager explained there was a one-time windfall in that revenue line due to rural fire tax district and taxes on vehicles. Finance Director Greg Siler explained these funds would be used for Fire Department operations

Mayor Pro-Tem Dunn questioned if the County First Responder Fees covered the cost for the Town's first responders. The Town Manager responded those funds do pay for what for responders do outside the Town limits.

Councilman Barbour questioned if the Town primary service area expanded would the Town receive more funds from the County for First Responders. Fire Chief Mike Brown responded the Town's funding is based on the County's Fire Districts.

Mayor Moore stated the County was considering redrawing the Fire Districts.

Occupancy and Tourism Tax: The Town Manager explained the Town keeps 2% for administration cost and the remainder goes to the Johnston County Visitors Bureau.

Mayor Pro-Tem Dunn questioned how the County uses its 3% Occupancy Tax. The Town Manager responded those funds are not divided equally among the municipalities in the County. The Town Manager further stated that Air B & B rentals are running unregulated, but they are paying that tax.

Cell Tower Rental: Councilman Rabil questioned if the Town was going to renew that agreement. The Town Manager responded that the agreement is renewed annually.

b. General Government

Town Manager Michael Scott highlighted the General Government's FY 2022-2023 budget which included the following:

- Salaries: These portions are split evenly between the three funds.
- Group Insurance: 6% proposed increase, but final figures have not been obtained.
- Audit Fees: There was a \$2,000 increase in this line.
- Supplies/IT: Everything has been removed from this line and into a new IT Department budget
- Capital Outlay: \$10,000 is proposed in the budget for new chairs in the Council Chambers.

Councilman Scott questioned the current reserve fund balance. The Town Manager responded there was a 92% fund balance in the General Fund. After the purchase of the rescue truck for the Fire Department and the sanitation truck, 70% will remain in the General Fund Balance.

Councilman Scott questioned how much of the Fund Balance was restricted. Finance Director Greg Siler responded that the 92% included unassigned and assigned fund balance.

c. Non-Departmentals

DSDC – Councilman Scott questioned the total amount that DSDC would receive. The Town Manager responded they would receive \$151,460. The Town increased the amount of its contribution because of the decrease in motor vehicle tax. They asked for an additional \$3,000 but that was not funded

Ava Gardner Museum and the Public Library of Johnston County and Smithfield – The Town Manager explained that both of these organizations requested additional funding, but those requests were not included in this budget.

SHARP Reimbursements – The Town Manager explained this line would increase significantly with Amazon, but it would still be a net gain for the Town.

Triangle East Chamber of Commerce – Councilman Scott questioned if the Chamber had requested funding. The Town Manager responded they had requested \$4,000, but it was not included in the budget.

d. Finance

Finance Director Greg Siler highlighted the Finance Department's FY 2022-2023 Budget which included the following:

- Training & Education: 23% increase in this line due to the need for additional staff training.
- Capital Outlay: \$8,000 was budgeted in this line for replacement chairs at the collection window and to renew the Debtbook Software.

Finance Director Greg Siler explained that with the new audit requirements for leases, the Debtbook software will assist with that requirement and also track the Town's debt.

e. Information Technology (IT)

Town Manager Michael Scott informed the Council that this was a new Department being proposed in the FY 2022-2023 Budget. Since General Funds cannot be combined with Enterprise Funds, separate IT lines have been included in those respective budgets.

IT Director Eric McDowell highlighted the Finance Department's FY 2022-2023 Budget which included the following:

- Capital Outlay: \$46,700 is included in this line for phone system upgrade.

Councilman Barbour questioned if the Town had considered using authenticator. IT Director Eric McDowell responded that everyone would be using authenticator by the end of the year.

Mayor Moore questioned if the Town could leverage the County's position for a cost savings on the Town's phone system. IT Director Eric McDowell responded he would speak to the County to determine if it was feasible to partner with them.

Councilman Barbour questioned if staff had considered eliminating the phone system for a web-based system. IT Director Eric McDowell responded that option had been considered, but it requires too much bandwidth and would be too expensive to move to a cloud-based system.

Mayor Moore suggested working with other Towns to see if a cost savings could be realized for the phone system.

f. Planning

Planning Director Stephen Wensman highlighted the Planning Department's FY 2022-2023 Budget which included the following:

- Service Contracts: There was an increase in this line due to having the Unified Development Ordinance codified and hosted by MuniCode

Councilman Barbour questioned if it was time for the Town of Smithfield to have a full-time Code Enforcement Officer.

Councilman Lee stated more effort needed to be made into Code Enforcement.

Planning Director Stephen Wensman responded that Code Enforcement was complaint based. The Town Manager stated the Council should decide what level of code enforcement they want. In the summer, there is a part-time employee that only deals with grass complaints.

Councilman Barbour stated it was important that the Council be informed of known complaints.

Planning Director Stephen Wensman informed the Council that the Planning Board adopted a resolution seeking a full-time Code Enforcement Officer.

g. Police

Chief of Police R. Keith Powell highlighted the Police Department's FY 2022-2023 Budget which included the following:

- Training and Education: 26% Decrease in this line because there were no costs associated with the CALEA reaccreditation.
- Professional Dues & Fees: Increase in this line due to an increase in psychological evaluations needed for new hires and promotional assessments for upper management position.
- Fuel: 68% increase in this line due to the rising cost of fuel.
- Service Contracts: 17% increase in this line due to Verizon Connect licenses and cloud storage.
- Items Requested but not included in the budget: UTV Replacement \$ 25,000, Replacement Generator \$ 145,000, Funds for Drug Enforcement \$ 5,000

Chief Powell informed the Council it was difficult to recruit and retain Police Officers. He explained that without competitive salaries and a take home car program, it was impossible to compete with other agencies.

Councilman Scott questioned if the 4 additional patrol vehicles would help with the take home car program. Chief Powell responded the 4 additional patrol vehicles would allow the Police Department to operate a take home car program.

Mayor Pro-Tem Dunn questioned how the take home car program would work. Chief Powell responded he has a draft policy ready for Council approval.

Councilman Barbour questioned if the Police Officers wanted take home cars or increased salaries. Chief Powell responded they needed both.

Town Manager Michael Scott informed the Council that the area schools had been notified that the Town would no longer be providing School Resource Officers because they were needed on patrol. Currently, there were 42 sworn officers.

Councilman Barbour questioned why there weren't salary increases included in the budget. The Town Manager responded the Council requests a status quo budget. Any salary increases are proposed and approved by the Council.

Councilman Scott stated the Town needed to offer competitive salaries for all its employees.

Councilman Scott made a motion, seconded by Councilman Wood, that the Council show support to our employees in an effort to make the Town of Smithfield jobs equal to the current market. Direct staff (Town Manager, HR Director, Finance Director and Department Heads) meet and conduct a recommended salary adjustment; comparing each position to the local market. Staff will bring back this information to Council for final approval. For budgetary purposes, salary adjustments should not exceed \$680,000 in the general fund, \$105,000 in the electric fund and \$105,000 in the water/sewer fund. For planning purposes, \$890,000 should be reserved in the budget for salary adjustments. Unanimously approved.

Councilman Wood questioned Councilman Scott's expectations. Councilman Scott responded he would like to see salaries comparable with the local market. Compression among employees should be avoided and Department Heads should consider their employees before themselves.

Mayor Moore stated Smithfield was a community of 13,000 citizens. The growth that is coming has not been realized yet.

Councilman Scott stated this was an opportunity for the Council to correct employee salaries.

Mayor Pro-Tem Dunn questioned if other employee benefit options had been investigated. The Town Manager responded he had investigated the option of paying insurance benefits after retirement and 25 years of service. The retiree would remain on the Town's medical insurance until he/she became Medicare eligible. No insurance supplement would be offered after the employee became Medicare eligible.

Councilman Scott stated the Council needed to show the employees they are valued. The Town has healthy fund balances and is in a good enough financial position to consider competitive salaries for all its employees.

Mayor Pro-Tem Dunn stated the Town even though the Town does have healthy fund balances, employee costs are reoccurring. Employees need to be compensated, but the Council should be cautious.

Recess

Councilman Scott made a motion, seconded by Mayor Pro-Tem Dunn, to recess the meeting to Monday May 16, 2022 at 6:30 pm. The meeting recessed at approximately 9:20 pm.

ATTEST:


Shannan L. Parrish, Town Clerk




M. Andy Moore, Mayor