

The Smithfield Town Council continued the recessed June 9, 2015 FY 2015-2016 Budget Public Hearing on Monday, June 22, 2015 at 6:00 pm in the Council Chambers of the Smithfield Town Hall. Mayor Pro-Tem M. Andy Moore presided.

Councilmen Present:

Marlon Lee, District 1
J. Perry Harris, District 2
Travis Scott, District 3
Roger A. Wood, District 4
Emery D. Ashley, At-Large
Charles A. Williams, At-Large

Councilmen Absent

John H. Lampe II, Mayor

Administrative Staff Present

Paul Sabiston, Town Manager
Lenny Branch, Public Works Director
Paul Embler, Planning Director
Patrick Harris, Emergency Services
Gary Johnson, Parks & Rec Director
Tim Kerigan, Human Resources/PIO
Michael Scott, Chief of Police
Greg Siler, Finance Director
Shannan Williams, Town Clerk

Call to Order:

Mayor Pro-Tem Moore called the meeting to order at approximately 6:04 pm.

Approval of the Agenda for the Continuation of the Recessed Public Hearing held on June 9, 2015

Councilman Ashley made a motion, seconded by Councilman Williams, to approve the agenda as submitted. Unanimously approved.

1. Review and Adoption of the Proposed FY 2015-2016 Budget

Mayor Pro-Tem Moore asked if there were any questions by Council concerning the proposed budget.

Councilman Williams suggested that the Police Department line item 10-5100-3600 (Laundry & Dry Cleaning) be reduced from \$10,000 to \$3,000. Chief of Police Michael Scott explained that in a previous budget meeting, \$20,000 had been removed from the budget for body cameras and \$10,000 had been placed in the budget for dry cleaning. Chief Scott stated that \$10,000 would pay for one uniform per employee per week for the entire year. Upon explanation by Chief Scott, it was determined that the allocated funds for the dry cleaning line item remain at \$10,000.

Councilman Williams stated that there had been some discussion concerning replacing the electric transformer.

Councilman Scott questioned what the budget implications would be by postponing the replacement of the transformer. Town Manager Paul Sabiston responded that the intent was to finance the replacement of the transformer; therefore, the \$1.3 million in loan proceeds (revenues) would balance the \$1.3 in expenditures for the purchase of the transformer.

Councilman Ashley stated that the Council has discussed this expenditure in long length. The Council should plan for infrastructure in advance of a problem and this expenditure was part of planning ahead. Mr. Ashley stated that by purchasing the transformer now, the Town was planning ahead for potential problems in the future.

Electric Superintendent Rodney Johnson stated that if a problem should occur with the transformer then all of South Smithfield would be without power for an extended period of time. He stated that he had contacted Duke Energy Progress and no other Municipality in North Carolina has a portable sub and DEP will not guarantee the use of a portable sub.

Councilman Scott questioned how long the current system had been in operation. Mr. Johnson responded that it had been in operation about 7 years.

Councilman Ashley suggested that the funds remain in the budget, but before the transformer is ordered allow the Council to discuss it again and then decide if the funds should be expended.

Mayor Pro-Tem Moore informed the Council that there is a long range plan that includes the purchase of an additional transformer. He stated this is not something new.

Councilman Scott stated that this was an item that could be taken out of the budget now but revisited in the future. He stated that he is concerned because it is such an enormous expense. He wanted to make sure the Council was being a good stewards of the tax payers' money.

Mr. Johnson explained that the substation was designed originally to have 2 transformers. The first phase was to have the substation built with the first transformer and the second phase was to have the additional transformer. Currently, routine maintenance cannot be performed on the transformer because it cannot be taken off line.

Councilman Scott stated that he was frustrated because at the last Council meeting, the Council was given a proposal for a study. He questioned why \$85,000 for a study was needed. Mr. Johnson responded that the money was like promissory money for engineering and construction.

Councilman Williams custom built transformer. Mr. Johnson responded that you have to give them money up front for it to be put into production.

Councilman Harris stated that the Town has gone 7 years without an additional transformer so he didn't understand the urgency to fund it this year. Mr. Harris explained that in speaking with Councilman Williams, it was his concern that the Town was funding so many other projects in this fiscal year. Mr. Harris questioned if this was something that must be done at this time. Mr. Sabiston responded that this item was in the long range plan. He explained that this is not a luxury but is something that is needed in order to perform routine maintenance and in the event of something more catastrophic.

Councilman Williams made a motion, seconded by Councilman Harris, to postpone replacing the transformer in the FY 2015-2016 budget. Councilman Williams, Harris, Scott and Lee voted in favor of the motion. Councilman Ashley and Wood voted against the motion. Motion carried 4-2.

Councilman Harris asked that staff go through all of the budget description to ensure that it is correct.

Councilman Scott questioned the fund balance appropriation/revenue in Water/Sewer Department line item 30-3970-0700 and why it was increased from \$312,859 to \$517,000. Mr. Sabiston explained that the funds were needed for expenditures. The change was made to make up for lost revenues and changes that were made by the Council during the budget hearing.

Councilman Scott asked for an explanation on the wholesale water rate in the fee schedule. Mr. Sabiston explained that it was the wholesale water rate that the Town can charge Johnston County. Councilman Scott questioned if this County had been informed of the proposed rate change. Mr. Sabiston responded in the affirmative. Councilman Scott further questioned the amount of revenue that this increase will generate. Mr. Sabiston stated that it will generate approximately \$75,000-\$100,000

Councilman Lee questioned why \$5000 was budgeted for scoreboards at Smith Collins Park. Mr. Sabiston responded that scoreboards are needed for competitive baseball and softball leagues. Parks and Recreation Director Gary Johnson stated that there will be tournaments in the fall at Smith Collins Park. Mr. Lee questioned why new bleaches and new topsoil were budgeted for Community Park and Civitan Field but they were not budgeted for Smith Collins Park. Mr. Sabiston responded that \$18,000 was budgeted for grading, concrete and soil for the field at Smith Collins Park.

Councilman Ashley asked if it would it be possible to get a list every month showing what capital items have been spent or in the process of being spent.

Mayor Pro-Tem Moore stated that a spread sheet showing year to year what was spent on capital improvements would be helpful.

Councilman Scott made a motion, seconded by Councilman Wood, to adopt the FY 2015-2016 Budget with the amendments as discussed. Unanimously approved.

2. Approval of the Proposed FY 2015-2016 Fee Schedule

Town Manager Paul Sabiston explained that all the changes proposed from the prior meetings had been included in fee schedule. Mr. Sabiston further explained that he did add the wholesale water rate because in the past it hadn't been included and he felt it that it should be outlined in the fee schedule. Mr. Sabiston also explained that the effective date for the rate decreases or increases it will be effective for the first billing date and usage in July.

Councilman Williams made a motion, seconded by Councilman Harris, to adopt the FY 2015-2016 Fee Schedule for the August billing date. Unanimously approved.

Councilman Scott questioned if the reduction in the electric rates were contingent on the NCEMPA – DEP asset sales. Mr. Sabiston responded in the affirmative.

John H. Lampe II, Mayor

ATTEST:

Shannan L. Williams, Town Clerk