

The Smithfield Town Council reconvened its April 11, 2019 meeting on Monday, April 15, 2019 at 7:00 p.m. in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Travis Scott, Mayor Pro-Tem
 Marlon Lee, District 1
 David Stevens, District 2
 Dr. David Barbour, District 4
 Emery Ashley, At-Large
 John A. Dunn, At-Large
 Stephen Rabil, At-Large

Councilmen Absent

Administrative Staff Present

Michael Scott, Town Manager
 John Blanton, Fire Chief
 Lenny Branch, Public Works Director
 Gary Johnson, Parks & Rec Director
 Shannan Parrish, Town Clerk
 R. Keith Powell, Chief of Police
 Greg Siler, Finance Director
 Stephen Wensman, Planning Director

Reconvene: April 11, 2019 Meeting

Mayor Moore reconvened the meeting at 7:00 pm

FY 2019 – 2020 Budget

Town Manager Michael Scott explained the Council’s priorities for FY 2019-2020 General Fund Capital Items. General Fund Capital Items included in the budget are as follows:

Item	Department	Cost
3 Stand Up Desks	Finance	\$1,200
Office Remodel	Planning	\$12,000
5 Police Cars	Police	\$137,000
13 Portable Radios	Police	\$37,000
19 Air Packs	Fire	\$160,000
Station 2 Upgrades	Fire	\$14,500
Splash Pad at Smith Collins	P & R	\$125,000
Mower Deck for Ventrac	P & R	\$9,000
New Server	Gen. Gov/IT	\$10,000
K-9 Replacement	Police	\$13,000
Brush Truck Equipment	Fire	\$19,500
John Deere Tractor	P & R	\$26,500
Repair Playground at Community Park	P & R	\$10,000
2 Shade Structures at Dog Park	P & R	\$9,000
Kayak Launch	P & R	\$5,000
Gym Curtain Divider	SRAC	\$7,500
Wibit Features for SRAC	SRAC	\$6,000
Restroom Partitions	SYCC	\$7,500
Total Capital Item Included in the budget		\$600, 700

General Fund Capital Items not included in the budget are as follows:

Item	Department	Cost
Town Hall Interior Painting	Gen Gov	\$15,000
Town Hall Kitchen	Gen Gov	\$9,000
Fire SUV	Fire	\$45,000
Station 1 Repairs	Fire	\$16,500
¾ Ton Pickup	PW	\$35,000
Christmas Decorations	PW	\$10,000
Shelter & Flags at Boat Ramp	P & R	\$30,000
Fitness Stations at Community Park	P & R	\$25,000

Parking Lot Paving	SYCC	\$15,000
\$Archive Social	Gen. Gov/IT	\$4,800
Mini Excavator	PW	\$90,000
2 Post Lift	PW	\$12,000
2 Dug Out Covers at Smith Collins	P & R	\$9,000
New Tables	SRAC	\$5,200
2 Health Kiosks	Gen. Gov./IT	\$2,000
Knuckleboom	PW	\$160,000
Total Capital Items Not Included in the Budget		\$483,500

1. General Fund

a. General Government

Town Manager Michael Scott informed the Council capital items not included in the budget were the painting of Town Hall, renovations to the kitchen area, Archive Social and two health kiosks. Mayor Pro-Tem Scott questioned where the two health kiosks would be located. Human Resources Director Tim Kerigan replied one would have been installed at the Operations Center and the other would have been installed at the Public Works facility.

Town Manager Michael Scott highlighted some line items in the proposed FY 19-20 General Government Budget. They are as follows:

- Salaries (Council) – Increase in this line item due to increasing the salary of the Mayor to \$7,000 and the salary of each Councilmember to \$5,000. Following research of other municipalities, it was determined the Mayor and Town Council were being compensated at a rate less than other neighboring communities.

Councilman Ashley questioned the 16% increase in retirement benefits. The Town Manager explained the State mandated a 9% increase in retirement benefits. Since it was mandated by the State retirement system, the Town had to budget for the contribution. It was also expected to increase next year.

- Group Insurance – 8% increase in this line item. The Town Manager explained included in every Department's group insurance line item was an 8% increase. Although final costs were unknown at this time, staff anticipated an increase of no more than 8%.
- Legal fees – An additional \$10,000 was added to this line for additional legal advice that may be needed.
- Supplies and Operations – Increase in this line due to additional supplies needed for the new Marketing and Communication Specialist position.
- Supplies/IT – Increase in this line due to Microsoft 365 renewals and security.
- Capital Outlay – No capital items were included in the budget for this department. Mayor Pro-Tem Scott questioned if the painting of Town Hall would be included in the capital items. The Town Manager responded it would have been included in the capital items, but it was not high on the priority list therefore it was not included in the budget. Councilman Barbour stated some of the smaller capital items could be taken out of the reserve fund. The Town Manager responded \$285,000 of fund balance was already appropriated for

the Fire Department's air packs and the Splash Park at Smith Collins Park.

b. Non-Departmental

Town Manager Michael Scott explained most line items in the Non-Departmental budget remained status quo. During a future budget meeting, all organizations who requested funding would be permitted to make a short presentation to the Council.

- Downtown Development Expense – This line was reduced by \$11,684. The Town Manager explained there were some difficulties separating motor vehicle tax for the Downtown area; as a result, a lot more of those tax revenues were being designated for Downtown. Due to the increase in motor vehicle revenue, the Town would reduce its contribution to the DSDC.
Councilman Ashley stated since the Chamber was no longer the Smithfield-Selma Chamber of Commerce, the Council might consider reducing its contribution to the Chamber and providing those funds to the DSDC.
- Public Library – There was an 8% increase in this line due to needed repairs at the Library.

c. Debt Service

Town Manager Michael Scott explained the Town would retire the debt of 2014 equipment purchases in May of 2020. The debt payment amount for this loan was \$29,210. Included in this budget were the first debt payments for the rolling stock and ladder truck loans. No new debt was proposed for FY 2019-2020.

d. Finance

Town Procurement Cards

Finance Director Greg Siler informed the Council he had been negotiating with First Citizen Bank on the replacement of Town credit cards with Town procurement cards. The procurement cards would be similar to credit cards. Some of the major differences were the procurement card would allow the Finance Director to view transactions in real time and also allow him to temporarily increase the card limit in a case of an emergency. The goal was to expand the Town's use of credit cards with its vendors instead of issuing checks. Once the Town spends \$1 million, First Citizens Bank will pay \$50,000 to the Town. Councilman Rabil questioned how long it would be before the Town met the \$1 million threshold. Mr. Siler responded he felt the Town could reach the threshold in two to three years.

Mayor Pro-Tem Scott made a motion, seconded by Councilman Rabil, to allow staff to move forward with the procurement card program. Unanimously approved.

Finance Director Greg Siler highlighted some line items in the proposed FY 19-20 Planning Department Budget. They are as follows:

- Salaries and Wages – There was an increase in this line item due to the hiring of an Assistant Finance Director. The salary for this position would be shared by all three funds with the hiring to take place January 1, 2020.
Councilman Stevens questioned the need for an Assistant Finance Director. Mr. Siler responded he was set to retire in five years and would like to have a succession plan in place. The Town Manager stated Mr. Siler spent a lot of his time with utility customers and was not able to focus his attention on the overall management of the Finance Department. The idea would be to have the Assistant Finance Director be trained on how to perform all functions of the Finance Department (utility billing, payroll and accounts payable) because

currently there is one employee performing one major function. Mayor Pro-Tem Scott questioned if it was possible to implement a career ladder program for the Finance Department. Mr. Siler responded he and the Town Manager have thought about that possibility, but have found no way to implement it.

- Capital Outlay – Proposed in this budget were three standing desks. Mayor Pro-Tem Scott questioned if this was a request by an employee. Mr. Siler responded this request was made by three employees. The Town Manager stated these desks would especially benefit the two cashier windows since they routinely stand when waiting on customers at the windows. Mayor Pro-Tem Scott questioned if this should be offered to other employees. The Town Manager responded that given the cost, any reasonable request could be granted during the budget process.

e. Planning

I-95 Exit 95 Ramp Lighting

Town Manager Michael Scott informed the Council that NCDOT wanted to know how the Town wished to proceed with payment for the lighting of the new 95 interchange. Planning Director Stephen Wensman explained if NCDOT installed the lights and the Town chose to contribute to the installation, the Town would pay a one-time fee of \$93,000. Under this scenario, NCDOT would pay the utility bill for the lights in perpetuity. If the Town chose to pay for the utility bill, the Town would pay an upfront cost of \$16,000 and an estimated annual cost of \$6,200 for utilities. The Town Manager explained the NCDOT would pay approximately \$226,000 for this project. Councilman Barbour questioned if NCDOT would pay for the entire project. The Town Manager responded they would not fund the entire project, but are funding 70% of the total project. Mayor Pro-Tem Scott stated this was an important project, but he felt the Council should know what they were agreeing to. He asked staff to request the lighting plan for the project. Mayor Moore explained that well-lit exits off I-95 are more appealing and will cause more people to use the exit.

Mayor Pro-Tem Scott made a motion, seconded by Councilman Ashley, to pay the one time installation cost of \$93,000 with the understanding that NCDOT will pay for the utilities. Staff is also to seek more information from NCDOT on the proposed lighting plan for Exit 95. Mayor Pro-Tem Scott, Councilman Ashley, Councilman Lee, Councilman Stevens, Councilman Dunn, Councilman Rabil voted in favor of the motion. Councilman Barbour voted against the motion. Motion passed 6 to 1

Planning Director Stephen Wensman highlighted some line items in the proposed FY 19-20 Planning Department Budget. They are as follows:

- Salaries and Wages – There was a decrease in this line because the Code Enforcement Officer was now being paid out of the Police Department's budget.
- Professional Fees – There was a decrease in this line because the Planning Director was eliminating his landscape architect license because he was not using it in his current position.
- Service Contracts – There was \$15,000 included in this line for a bike and pedestrian plan. Having this plan will allow the Town to seek grant funding for these types of projects.

- Condemnations – Funds were included in this line for condemned structures unable to be used by the Fire Department as controlled burn exercises. So far the Town has been fortunate enough that many condemned houses have been burned down by the Fire Department.
- Capital Outlay – \$12,000 has been included in this line for office renovation. Mr. Wensman explained his office would be reduced to accommodate a separate room for filing.

Councilman Dunn questioned why the Code Enforcement Officer's salary was being moved back to the Police Department's budget. The Town Manager responded under the State retirement system, the only way the employee could continue to work for the Town was to be a certified Police Officer. Mayor Pro-Tem Scott stated this was not an uncommon practice. Councilman Barbour questioned if the Town had enough employees to enforce the Town's code. The Town Manager responded the Code Enforcement Officer only responds to complaints. The part-time assistant's primary responsibility was to deal with grass violations in the summer months. Mr. Wensman responded he personally was doing a lot more zoning enforcement.

Mayor Pro-Tem Scott questioned if the Town could investigate a community golf cart policy which allowed citizens to use their golf carts on Town streets. Chief of Police Keith Powell stated the golf cart would need to be licensed and insured to be on Town streets.

f. Police

Chief of Police R. Keith Powell highlighted some line items in the proposed FY 19-20 Police Department Budget. They are as follows:

- Employee Separation Allowance – There was an increase in this line due to the retirement of Bruce Gentry
- Telephone – There was an increase in the line due to the K-9 Officer receiving a lot of works related calls on his personal cell phone.
- Equipment Maintenance and Repair – There was an increase in this line due to the purchase of additional traffic cones.
- Training and Education – There was an increase in this line due to CALEA and in-service training.
- Supplies and Operations – There was an increase in this line due to the replacement of service weapons and the purchase of NARCAN.
- Service Contracts – There was an increase in this line due to the implementation of Microsoft 365 for email capabilities. The Police Department was on its own email system which posed problems with sending and receiving large files. The Police Department now utilizes the same email system the rest of the Town utilizes.
- Community Policing Projects – There was an increase in this line because the Community Policing Officer was doing more projects. The Officer has also received a lot of grant funding for some of the projects.

- Capital Outlay – Included in this line for the total budgeted amount of \$187,000 were replacement of 3 existing patrol cars, replacement of 2 unmarked patrol cars, 13 portable radios and replacement of 1 K-9.

Mayor Moore questioned the age of the K-9. Chief Powell responded the K-9 was nine years old and recently had major surgery.

Town Manager Michael Scott informed the Council the building expansion in the amount of \$530,000 and the hiring of four additional Police Officers were not included in the budget.

Chief Powell explained the building expansion added on to the existing Police Department in the adjacent vacant lot. The expansion would be approximately 3500 square feet. The expansion would also provide additional parking at the Police and Fire Department. Councilman Ashley stated the need for the expansion was not the issue, but how the Town would pay for the expansion was the issue. The Town Manager responded the only way the Town could pay for the expansion was through loan proceeds.

Chief Powell explained with the four additional officers it would put the department back to its former staffing level. With the call volume, this was something that would have to be addressed in the future. The Town Manager stated the normal turn-over rate at the Police Department was five officers per year. It would be reasonable to increase the number of Police Officers by 2 without negatively impacting the budget since at some point during the year it was likely you would lose 2 officers.

Chief Powell stated to begin implementing a take home care policy for those officer who resided in the Town or the ETJ, he would need 2 additional cars for those officers. If other officers chose to reside in the Town or the ETJ, requests for additional cars would be addressed in the next budget following their relocation into the Town/ETJ. Mayor Pro-Tem Scott asked the Manager to include two take home cars in the budget for the two officers that reside in the Town and ETJ.

Councilman Barbour questioned if staff had considered adding a Police Substation on the west side of Town. The Town Manager responded in a community the size of Smithfield, it was not feasible or effective to split up the officers. However, it would be good to have a community police officer in each district.

g. Fire

Fire Chief John Blanton highlighted some items in the proposed FY 18-19 Fire Department Budget. They are as follows:

- Salaries and Wages – There was an increase in the line due to eligible career ladder advancements and the hiring of a full-time administrative support specialist to be hired January 1, 2020.
- Overtime – There was an increase in this line because of the increased call volume and storm preparedness. The Town Manager stated the Town did receive funds from FEMA for overtime during Hurricane Florence.
- Utilities – There was an increase in this line because of Station 2.
- Vehicle Supplies/ Maintenance – There was an increase in this line due to known repairs that would need to be addressed in the next six months.

- Uniforms – There was an increase in this line due to the replacement of six turn out gears.
- Capital Outlay – Included in this line for the total budgeted amount of \$194,000 were SCBA equipment, brush truck equipment and upgrades to Station 2.

The Town Manager explained the Fire Chief asked for an additional line item in the amount of \$15,900 be added for physicals for fire fighters. Chief Blanton explained that the fit for duty physicals were more exclusive for those fire fighters that use air packs. The physical includes spirometry and chest x-rays. Chief Blanton stated it was also an OSHA requirement. The physical was necessary for the health and wellness of the fire fighters.

Councilman Barbour questioned if the physical would be required for all fire fighters. Chief Blanton responded it would be required for all who wore air packs. Chief Blanton further responded not many Fire Departments are doing this because of the cost. He and another Fire Chief are trying to work with the hospital to determine if an employee's health insurance would pay for their annual physical and the Town could pay for the additional expense of the fit for duty physical. Councilman Barbour stated he would like the physicals be added back into the budget. The Town Manager reminded the Council this would be an ongoing expense.

Finance Director Greg Siler asked Chief Blanton to provide the Council with an update on the SAFER Grant. Chief Blanton explained in the first 2 years the grant paid for 75% of the salary for the three additional fire fighters. The last year of the grant will begin October 1, 2019 and the grant will pay for 35% of the salaries. Therefore, the Town is in the last year of the grant period.

Chief Blanton informed the Council that \$560,000 for the purchase of a new fire engine was not included in this budget. He explained this was an American LaFrance truck and when it broke down, finding the parts for it was nearly impossible due to the company being out of business. The Town Manager stated with the 5-year capital plan, staff will be seeking approval to purchase fire trucks in 2020, 2021 and 2023.

Also not included in the budget were six new fire fighter positions, an SUV and Station 1 repairs. The six additional fire fighters would put two additional fire fighters on each shift at Station 1. Call volumes have increased due to the Town's daytime population. The Smithfield Fire Department respond to more calls than Clayton because our daytime population increases dramatically. The replacement of a 2001 Ford Expedition can wait for another year, but it will have to be replaced at some point. The repairs at Station 1 include concrete repairs around the gas tanks and repairs to some areas in the front of the building.

Tax Rate

Mayor Moore questioned if the Council had any thoughts concerning the tax rate. Councilman Ashley stated he preferred the Town reduce the tax to the revenue neutral rate of \$.54. Mayor Pro-Tem Scott stated by looking at the needs of the Town, we could stay status quo. Councilman Barbour stated he didn't feel the Council could take any action on the tax rate until they knew the results of the salary study.

Recess

Mayor Pro-Tem Scott made a motion, seconded by Councilman Stevens, to recess the meeting until Tuesday, April 30, 2018 at 7:00 pm. The meeting recessed at approximately 9:14 pm.

ATTEST:

M. Andy Moore, Mayor

Shannan L. Parrish, Town Clerk