

The Smithfield Town Council held a Special Called Meeting on Thursday, May 28, 2020 at 6:30pm via Conference Call, Mayor M. Andy Moore presided.

Councilmen Present:

John Dunn, Mayor Pro-Tem (6:24 pm – 8:37 pm)  
Marlon Lee, District 1 (6:28 pm – 8:37 pm)  
David Stevens, District 2 (6:26 pm – 8:37 pm)  
Travis Scott, District 3 (6:28 pm – 8:37 pm)  
Dr. David Barbour, District 4 (6:21 pm – 8:37 pm)  
Stephen Rabil, At-Large (6:24 pm – 8:37 pm)  
Roger Wood, At-Large (6:30 pm – 8:37 pm)

Administrative Staff Present

John Blanton, Fire Chief  
Ted Credle, Public Utilities 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

**Call to Order**

Mayor Moore called the meeting to order at 6:31

**Roll call of Councilmembers in Attendance**

Town Clerk Shannan Parrish conducted the roll call of the Council present. All Councilmembers were present.

**Invocation**

Councilman Scott offered the invocation.

**1. Continued FY 2020-2021 Budget Discussions**

Mayor Moore stated there were specific topics the Council wished to discuss concerning the budget. Mayor Moore informed the Council that the Manager was not present for the meeting due to a death in the family.

**i. Police Department Salary Schedule**

Mayor Pro-Tem Dunn stated he compiled some data and provided it to the Council. He stated his biggest concern was the uncertainty of the Town's economic outlook due to COVID19. The Council would be able to implement the salary increases by using surplus funds from this fiscal year, but salaries were an ongoing expense. He further stated that while he felt the police department was deserving of the proposed increases, he did not believe this was the best time to implement them.

Councilman Wood stated he would like to see the Council do some type of increase, but did not know if the Town could afford a 15% increase.

Councilman Barbour stated he believed what was proposed appeared to be fair and justified. He was satisfied with what had been approved.

Councilman Lee stated he was in agreement with Councilman Barbour. He stated the Police Department had six vacant positions and the Town needed to be competitive with other agencies. He further stated that at some point the Council would have to address the salaries of veteran officers because this proposal did not include salary increases for those officers. Councilman Lee stated the Town needed to take care of its Police Officers.

Councilman Stevens stated he was in agreement with Mayor Pro-Tem Dunn and Councilman Wood. While he agreed the Police Officers needed to be compensated, he was not in agreement that the increase should be 15%. He stated other employees would be receiving a 2.5% increase. He suggested the increase for Police Officers to be 5% this year and look at it again next year once Council knows the financial impacts from COVID19.

Councilman Scott stated the Town Manager stated in well in the last meeting. The Town Manager told the Council if they were going to implement the increases, they should do so with the recommendations or it was not going to correct the problem. While Councilman Scott understood Mayor Pro-Tem Dunn's concerns, he felt the Council should consider the situation. He further stated he wanted to be fair and equitable to all Town employees. Councilman Scott stated this proposal only addressed the lower ranking Police Officers. He suggested the Council consider increasing the Police

Department salaries based on the proposal, but making them ineligible for the 2.5% increase all other employees would receive at the Manager's discretion later in the fiscal year. He stated the Town has a strong Police Department and by compensating them, it would give the Town a better choice of officers. He further stated when the department trains and equips an officer and they resign that is very expensive for the Town.

Chief of Police Keith Powell stated the cost was approximately \$40,000 to train and equip a new Police Officer.

Councilman Wood stated the Town had to be competitive, current salaries were only slightly less than Raleigh and Smithfield did not have Raleigh's tax base.

Mayor Pro-Tem Dunn stated this was a serious topic and everyone agreed that public safety was number one on everyone's mind. He stated the Town had a salary study completed last year that provided salary recommendations for every employee in the Town. Apparently, the Police Department was not compensated as much as they should have been during the study. His concern was that other Town departments would question if the study findings were correct for their employees. He stated he was not in favor of increasing the Police Department's salaries by 15%.

Mayor Moore stated the salary study did not recommend what was currently being proposed. While some may not agree with those findings, the study actually stated the Police Department's salaries were comparable to other agencies.

Councilman Barbour questioned how many officers the Town lost after the salary study results were implemented. Chief Powell responded the Town lost four officers to other agencies.

Councilman Stevens questioned the number of current vacancies in the Police Department. Chief Powell responded he had six vacancies; two of those vacancies would be filled with two BLET graduates. Councilman Stevens stated with the financial uncertainty facing the Town, a 15% increase would not be wise. He suggested a 5% increase.

Councilman Scott stated if the proposed increase could help with retaining officers, it would save the Town. Councilman Scott questioned if there were some inaccuracy with the salary study as it related to the Police Department. Human Resources Director Tim Kerigan responded the results of the study did not increase salaries to the level Chief Powell thought they should be. Chief Powell thought he would still have recruitment and retention issues based on the salary study's recommendations.

Councilman Scott questioned responses from exit interviews conducted by resigning Police Officers. Mr. Kerigan responded in every exit interview; salary was one of the reasons for leaving.

Mayor Moore stated that while the Town has lost officers to other agencies. Smithfield could not compare itself to larger communities. Smithfield should be comparing itself to similar sized communities.

Councilman Barbour questioned the approximate number of the population in Smithfield during the day that the police force has to manage. Chief Powell responded there were approximately 30,000-40,000 people in Smithfield during the day. Councilman Barbour stated the Town has a larger demand for Police Officers during the day which is similar to larger Towns like Knightdale. Councilman Stevens responded the additional people during the day do not pay Town taxes which funds the salaries of all Town employees.

Councilman Wood questioned if the salaries for electric linemen were competitive with other Towns because if Smithfield tried to be competitive with other Towns for Police Officers, then the Council would have to start looking at all positions within the Town. Councilman Wood suggested increasing the salaries of the police department staff to 5% now and 2.5% in September or at the Manager's discretion when it was given to other Town employees later in the fiscal year.

Mayor Pro-Tem Dunn stated Fire personnel also see an increase in call volume during the day due to the increase in population. The Fire Department's salaries are not comparable to Knightdale's salaries.

He stated he feared if the proposed salary increases for police personnel were adopted, a lot of employees would feel they had been wronged by the Council.

Councilman Scott questioned how the 5% would increase salaries and what that increase would cost the Town. Mr. Kerigan responded the proposed 5% and then 2.5% as proposed by Councilman Wood would increase the starting salary of \$39,600 to \$42,270 for a Police Officer I. The starting salary approved at the last Council meeting was \$45,540.

Councilman Scott proposed increasing the proposed Police Department salaries by 7.5% now and in September (or when salary increases of 2.5% were provided to other employees), Police personnel would be ineligible for that increase. Mayor Moore questioned if it was the intent of Councilman Scott to adjust the salary schedule for those lower ranking positions by 7.5% which was an ongoing expense. Councilman Scott stated that was his intent which would undo the previous motion.

Mayor Moore stated with the increases proposed by Councilman Scott, it would make salaries more comparable with larger Towns. He further stated Councilman Scott was trying to find a compromise.

Councilman Stevens stated the Council was going to delay the salary adjustments for all employees until later in the fiscal year because of the uncertainty of the economic climate. It was his opinion that all salary adjustments for all employees including the Police Department should be done at the same time.

Councilman Barbour questioned if the Town was experiencing vacancies in other Town departments at the same increased percentage as the Police Department. Mr. Kerigan responded losses were experienced in other department, but those positions were easier to fill. Mr. Kerigan further stated other departments do not experience the turn over as does the Police Department. Councilman Barbour stated the Council has made adjustments before with the electric linemen because of difficulties hiring that position. He further stated he was in favor of moving forward with what the Council previously approved, but he would agree with a compromise that makes us competitive as proposed by Councilman Scott.

Chief Powell stated when this was proposed, it was a recommendation trying to do what we thought was best for the agency and we want what's best for the Town. He questioned if the proposed 5% recommended by Councilman Wood would be for all police personnel. Councilman Wood stated the 5% increase would only be for those positions previously approved.

Mayor Moore questioned if it was Councilman Scott's intent to only include the previously approved positions for the increases. Councilman Scott responded he was open for discussion. Councilman Wood stated the proposal was made to affect the employees in the lower ranks to make their starting salaries competitive. It wasn't the intent to do an across the board increase for all police personnel. The original request was to raise the minimum salaries for POI, POII and MPO.

Mayor Pro-Tem Dunn questioned if the original proposal was to increase the minimum salaries for all sworn officers in the police department by 15%, but anyone above that minimum would not see an increase in their individual salary. Chief Powell responded in the affirmative. Mayor Pro-Tem Dunn questioned if Chief Powell had received any feedback from his staff. Chief Powell responded his lower ranking staff was excited about the proposed increase and his senior personnel were upset because they felt they had been left out again. Mayor Pro-Tem Dunn stated he believed by raising the lower ranking employees' salaries it would cause a problem with his more experienced staff.

Councilman Scott made a motion, seconded by Councilman Stevens, to do a 5% salary increase for the entire Police Department now and a 2.5% merit increase for all employees in September at the Manager's discretion.

Mayor Moore asked for clarification of the motion questioning if that was a 5% increase for all police personnel. Councilman Scott stated the increase was for everyone who worked in the Police Department. Mayor Moore asked for further clarification stating the 2.5% in the fall was supposed to be a salary adjustment and not a merit-based increase, but in the motion, Councilman Scott stated the 2.5% would be merit based. He further questioned if police personnel would be eligible for the 2.5% salary adjustment. Councilman Scott stated they would be eligible for that salary adjustment

Mayor Moore stated the Council approved the 2.5% salary adjustment allowing the Manager to have discretion on when he felt comfortable but at least not until September. Mayor Moore questioned if it was the intent of Councilman Scott to allow the Manager to decide when or if to provide the salary adjustments to the Police Department personnel. Councilman Scott responded discretion means if we can afford it and fairness if they have earned it in the merit performance evaluations. Councilman Scott stated at the prior meeting, this topic was discussed and now we are changing what we approved so he asked that decision be amended and also. Funds for the salary increases in the Police Department would come from funds that were not spent in this fiscal year.

Mayor Moore asked for clarification on the salary increases. He questioned if it was Councilman's Scott intent to change the 2.5% salary adjustment for all employees to a merit-based increase. Councilman Scott stated he was open for discussion because he felt there was value in merit-based increases and good employees would be compensated.

Councilman Wood questioned if the 2.5% would be performance based. Mayor Moore stated at the last meeting, the 2.5% would be a salary adjustment and not performance based. Mr. Kerigan responded the 2.5% increase proposed was a salary adjustment and not performance based. Funds have been budgeted for the 2.5% salary adjustment.

Councilman Scott stated the 5% would be for all pay grades for all police department employees and the 2.5% increase would be based on merit.

Councilman Scott amended his previous motion as follows:

Councilman Scott made a motion to adjust the salaries of all sworn police personnel by 5%. The 2.5% salary adjustment would be discussed later in the meeting.

Mayor Pro-Tem Dunn questioned if the 5% for all sworn police personnel would mean each employee would receive a 5% increase no matter where they are in their salary range. Councilman Scott stated it was fair that everyone would receive an increase. Mayor Pro-Tem Dunn stated he was still concerned because even though the percentage had decreased; the number of affected employees increased. He was unsure what the cost of the increases would be. Finance Director Greg Siler responded the increases would cost an additional \$100,000 annually for salaries. The total cost with other related expenses such as FICA and 401k would be approximately \$125,000 annually.

Mayor Moore stated there was a motion on the floor made by Councilman Scott and seconded by Councilman Stevens. The restated motion is as follows:

Councilman Scott made a motion, seconded by Councilman Stevens, to adjust all sworn police personnel salaries by 5% effective at the beginning of the first full pay period in the new fiscal year. Unanimously approved.

Mayor Moore stated the issue was the 2.5% salary adjustment for all employees. In previous discussion during the meeting, Councilman Scott suggested this be a performance based increased as opposed to the proposed 2.5% salary adjustment for all employees.

Councilman Scott stated after reviewing some of his notes, the Town Manager proposed a 2.5% salary increase adjustment for all employees due to some of the pay compression issues the Town was experiencing. He stated he did not mean to change this to performance based.

Mayor Pro-Tem Dunn made a motion, seconded by Councilman Stevens, all sworn police personnel are not eligible for the 2.5% salary adjustment. Mayor Pro-Tem Dunn, Councilman Stevens, Councilman Wood and Councilman Rabil voted in favor of the motion. Councilman Lee, Councilman Scott and Council Barbour voted against the motion. Motion passed 4 to 3.

## ii. **Water Plant Expansion**

Mayor Moore stated the other topic for discussion was the water plant expansion.

Councilman Scott stated one of the reasons for discussion was the water plant expansion was a need based on water capacity being sold to bulk customers. Currently, Smithfield residents use a small percentage of the total water being produced. The Town needed to be good partners with the County and continue our partnership, but clear direction on the expansion needed to be given to staff. The water plant permitting process is still ongoing. He asked that all water plant expansion discussions be tabled until a later date because of the threat and the risk the Town is faced with due to Covid19. Councilman Scott stated he was concerned because if bulk water sales do not continue, it would significantly impact current customers.

Councilman Wood questioned if the permits expired. Public Utilities Director Ted Credle responded most are valid until rescinded by the State, which means they are permanent. He would have to check through all of the permits to ensure they do not have expiration dates. Mr. Credle further responded he received the erosion control approval permit yesterday via email.

Mr. Credle explained there was an overall project approval that does have a sunset date as well as the financing of the project. The Town received a letter of intent for the project, we ran into a delay and received an extension. We have been able to meet all the milestones on the project and we are now at a point where the Department of Water Infrastructure will give final authorization to the Local Government Commission (LGC). The LGC will approve the financing and we should receive the financing package 30-45 days from their approval. The Town Manager was working with the County on various items concerning bulk water sales.

Councilman Wood stated that while he believed we needed the expansion; he needed more information concerning what activity or potential future growth in the Town would require more water for our customers. He stated he thought it was best to be patient until the Manager had time to continue his discussions with the County. Mr. Credle responded there were ongoing discussions with the County about increasing their desire to increase their minimum purchase, which was a guarantee of revenue. Mr. Credle further explained it would be advantageous for the Council to enter into a Close Session to discuss some develops of future growth that currently could not be discussed in open session in accordance with NCGS 143-318.11 (a) (4).

Councilman Barbour made a motion, seconded by Councilman Wood, to table discussion of the water plant expansion. Councilman Barbour rescinded this motion.

Mayor Pro-Tem Dunn asked for clarification on the line item which contained \$350,000 to transfer to water sewer fund capital projects. It was originally discussed that these funds be used for maintenance and repairs or debt service payment. He wanted to be clear that these funds be used for maintenance at the existing facility.

Councilman Scott believed he made a motion prior to Councilman Barbour's motion to table all discussions on the water plant expansion. Stating with the current crisis, he felt it was too dangerous for the Town to take on the debt created by the expansion.

Councilman Scott made a motion, seconded by Councilman Rabil, to table discussions of the water plant expansion and that the \$350,000 allocated for transfer to water/sewer capital project fund be used for maintenance and repairs only at the water plant. Unanimously approved.

## Adjourn

Councilman Wood made a motion, seconded by Councilman Rabil, to adjourn the meeting. The meeting adjourned at approximately 8:37 pm.

ATTEST:

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M. Andy Moore, Mayor

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Shannan L. Parrish, Town Clerk