

The Smithfield Town Council met in Special Session on Thursday, March 23, 2023 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  
Travis Scott, District 3  
Stephen Rabil, At-Large

Councilmen Absent

Marlon Lee, District 1  
Sloan Stevens, District 2  
Roger Wood, At-Large

Administrative Staff Present

Michael Scott, Town Manager  
Michael Brown, Fire Chief  
Ted Credle, Public Utilities Director  
Lawrence Davis, Public Works Director  
James Grady, Interim Chief of Police  
Gary Johnson, Parks & Rec Director  
Tim Kerigan, Human Resources/PIO  
Eric McDowell, IT Director  
Shannan Parrish, Town Clerk  
Greg Siler, Finance Director  
Stephen Wensman, Planning Director

**Call to Order**

Mayor Moore called the meeting to order at 6:33pm

**Approval of the Agenda**

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

**Business Item**

**1. Discussion Concerning the Johnston County Visitor's Bureau's Capital Grant Application**

Parks and Recreation Director Gary Johnson addressed the Council on a request to apply for a grant with the Johnston County Visitor's Bureau. He explained this grant only became available every five years and it required matching funds if awarded.

Mr. Johnson outlined three potential projects. They were as follows:

- Pickle Ball Court Conversion
- Amenities are the Eva Ennis Splash Park and Trail
- Community Park Soccer Field Drainage

Councilman Scott made a motion, seconded by Councilman Barbour, to authorize staff to submit a grant application to the Johnston County Visitor's Bureau for the Pickle Ball Court Conversion. Unanimously approved.

**FY 2022-2023 Budget Discussion**

The Town Manager informed the Council that Councilman Wood had recently had a surgical procedure and would not be in attendance.

**1. Budget Overview**

Town Manager Michael Scott provided an overview of the 2023-2024 Budget. He explained that all funds were balanced. No property tax increase was being proposed, but did provide information as to the total revenue generated by a \$.01 increase in property tax which equated to \$130,000. Proposed was a 2% increase in electric rates based on the UFS rate study conducted several years ago. Rates for water and sewer remain unchanged, but sewer rate increases would be contingent on Johnston County amending its rates. Staff has contacted UFS to refresh the rate study for water. Also, tipping fees for sanitation could impact the budget should Johnston County increase its landfill rates.

He further provided information to the Council concerning the remaining ARPA funds. \$1,330,988 remain that must be allocated by the end of 2024.

No additional debt was proposed in the budget and no additional staff was proposed. A 2% salary adjustment was proposed for all employees effective July 1, 2023 and an up to 2% merit increase was proposed for all employees effective January 1, 2024. The budget included increases in health insurance and retirement.

The Manager explained the proposed budget was completely differently than had been done in the past. He did not include some capital items and additional personnel requested by staff. He wanted the Council to be involved in the large capital items and personnel requests.

Councilman Scott questioned if fund balances were still healthy. Finance Director Greg Siler explained the General Fund had a 78% fund balance, the Electric Fund had a 58% fund balance and the Water/Sewer Fund had a 190% fund balance. The Water/Sewer fund balance is substantial because of the loan for the water plant expansion.

## 2. Utilities

### a. Water Plant

Public Utilities Director Ted Credle highlighted some line items in the Water Plant's proposed FY 23-24 budget. They are as follows:

- Legal Fees – Legal fees for this fiscal year are projected to be over budget due to the ongoing negotiations with Johnston County.
- Supplies & Operations – 40% increase due to the increase in cost of chemicals. Public Utilities Director Ted Credle explained the chemicals needed for the Water Plant come from China and those prices have skyrocketed. The Town Manager further explained in the current budget, this line is already \$120,000 over budget because the price of chemicals doubled and then doubled again in this fiscal year. Funds for this overrun will come from contingency funds and a budget amendment later in the year would be required.
- Service Contracts – 14% increase in this line was due to contractual inflation.
- Capital Outlay – \$50,000 was added for SCADA upgrades and \$30,000 was added for a new work truck.

### b. Water/Sewer Department

Public Utilities Director Ted Credle highlighted some line items in the Water /Sewer Department's proposed FY 23-24 budget. They are as follows:

- Training and Education – There was an increase in this line due to increased cost for educational opportunities and audiological testing. This testing is offered to all Town employees
- Equipment Maintenance and Repair – 25% increase due to rising costs of materials.
- Supplies & Operations – 15% increase due to increased cost of materials.
- Service Contracts – 9% increase due to contractual inflation.
- Capital Outlay - \$50,000 was included for manhole rehabilitation, \$75,000 was included for ½ the cost of a dump truck and \$30,000 was included for a work truck.
- Requested but not included in the budget
  - 1 – New Position – Line Locator: Mr. Credle explained this position would be responsible for locating lines and performing building inspections. He explained that often times Johnston County does not communicate with the Town on when it has completed its inspections. This has caused an issue with sewer plugs not being removed before the owner occupies the house. Mayor Moore stated staff should reach out to the County about its concerns since the County is responsible for all Town of Smithfield building inspections.
  - Debt Service – The Town Manager explained that staff was unsure if a debt payment for the Water Plant Expansion Project would have to be made in the upcoming fiscal year. Funds have been budgeted in the event a payment had to be made.

### c. Electric

Public Utilities Director Ted Credle highlighted some line items in the Electric Department's proposed FY 23-24 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 a 2% increase in 2024. Also \$50,000 was appropriated from Fund Balance for the eventual purchase of a boom truck.
- Vehicles Supplies & Maintenance – 48% increase due to aging fleet requiring more maintenance.
- Supplies & Operations - 10% increase dues to the rising cost of materials.
- Debt Service – No new debt was proposed.

## Recess

Councilman Barbour made a motion, seconded by Councilman Scott, to recess the meeting

until Monday, March 27, 2023 at 6:45 pm. The meeting recessed at approximately 9:10 pm.

  
M. Andy Moore, Mayor

ATTEST:  
  
Shannan L. Parrish, Town Clerk

