

The Smithfield Town Council reconvened at its March 4, 2025 meeting on Thursday, March 13, 2025 at 6:30 pm in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:  
Roger Wood, Mayor Pro-Tem  
Marlon Lee, District 1  
Sloan Stevens, District 2  
Travis Scott, District 3  
Dr. David Barbour, District 4  
John Dunn, At-Large  
Stephen Rabil, At-Large

Councilmen Absent

Administrative Staff Present  
Michael Scott, Town Manager  
Elaine Andrews, Town Clerk  
Ted Credle, Public Utilities Director  
Jeremey Daughtry, Fire Chief  
Lawrence Davis, Public Works Director  
Andrew Harris, Finance Director  
Pete Hedrick, Chief of Police  
Timothy Short, Assistant Police Chief  
Gary Johnson, Parks & Rec Director  
Shannan Parrish, HR Director  
Stephen Wensman, Planning Director

Also Present

Administrative Staff Absent

**Reconvene the March 4, 2025 Meeting**

Mayor Moore reconvened the meeting the March 4, 2025 Council meeting at 6:30 pm to further discuss the Town's FY 2025-26 Budget.

**Business Item**

**1. FY 2025-2026 Budget Discussions Continued**

**BUDGET OVERVIEW:**

Town Manager, Mike Scott began discussions for the fiscal year 2025-2026 Town of Smithfield Budget. He started by listing a few fees that may be set to increase for the Town this year. They were:

- Landfill tipping fees
- Sewer rates
- Electric rates
- Wholesale water rates
- Property taxes
- Health Insurance
- Employee pension rates
- Supplies due to tariffs

Manager Scott elaborated with percentages for potential fee increases, being:

- 5% increase in landfill tipping fees
- 7% increase in sewer costs
- 6% increase in wholesale electric rates
- 3% increase in health insurance cost for employees
- 1% pension increase for all employees

Manager Scott also discussed storm water management, and how sewer infrastructure improvements are needed for the Town's raw water intake due to sand in the reservoir. He stated divers are needing to be hired more and more to clean out the sand, for which resources will be continually needed. More resources are also needed for capital projects on the East side of Town, on the far side of I-95 highway to address inflow and infiltration issues. He added infiltration and intrusion issues are happening everywhere and was discussed at a meeting with legislators.

Electric department issues the Manager discussed were for the golden conversion project, which he projects to continue for another 10 years. Delivery point One requires upgrades. Money has been set aside for this in the current budget, and will need to continue forward to the next couple of budgets. This involves upgrading the delivery point at Hospital Road for all the new progress in development. Manager Scott also mentioned inventory needs, such as buying new transformers for new subdivisions, which again due to the Town's increasing development will be a significant budget. Manager Mike Scott stated the Town needs to budget for the purchase of a new digger derrick truck. There is also a need to purchase more AMI meters for Nexgrid water and sewer.

Manager Scott mentioned the following personnel requests:

Finance Department:

- Replacing the part time Assistant Finance Director with a full time Assistant Finance Director

Police Department:

- Partially Grant Funded Traffic Officers
- Task Force Officer
- School Resource Officer
- Community Police Officer
- Community Safety Aid
- Public Safety Aid
- Records Clerk

Fire Department:

- Full Time Fire Inspector
- 15 Full Time Fire Fighters
- 6 additional promotions

Sanitation Department:

- 2 new Sanitation Workers

Utilities Department:

- Line Locator
- Line Inspector for Water & Sewer

Parks & Recreation:

- NC Hwy 210 Soccer Complex
- Existing parks maintenance

Manager Mike Scott also discussed managing the allocation of sanitary sewer, currently at 1.1 million, which may need to be scaled back for the Town's own needs due to growth.

Manager Scott identified other needs that are a priority. They were:

- Identifying any additional land for sale for use for town growth
- Prioritizing personnel needs to meet the needs of citizens
- Town Hall expansion space
- Public Works expansion space
- Evaluate infrastructure and goals regarding tax re-evaluation and planning

**STREET RESURFACING:**

Town Manager Scott stated he would like to let bids for the repair of Outlet Center Drive put together. As of now there is 2 million budgeted. It was discussed that the budget was thought to be between 3 to 5 million. Mayor Andy Moore recommended the Board get a plan together to understand how much the cost will be, rather than putting a number out beforehand. Other streets mentioned for paving were Sussex and Canterbury. It was discussed that the Town staff be sure before repairs that fiber optic companies are done in that area, and to also make sure companies that breach our road for installation of infrastructure in turn repair it with a high-quality product.

Councilman Travis Scott asked the Board to consider the purchase of equipment or investment into additional staff to help with preventative maintenance of streets, not letting them fall into disrepair. He stated he looked to staff and the town's engineer to gauge road needs beforehand. Councilman Scott stated that even if it meant hiring experts and different sub-contractors for the town's road repairs, we need someone to help us get ahead of the issue. Mentioning the Smithfield Crossing project that the Town is indebted for until year 2044, Councilman Scott suggested the Town be thoughtful with regard to taxpayer money, noting what we've gotten for the money so far is not quality work.

Public Works Director, Lawrence Davis sought input from the Board on how to move forward with repairs be it by district, or by larger projects first. He stated he is gathering bid estimates to move forward with repairs on Outlet Center Drive. Mayor Pro Tem Roger Wood recommended continuing the trend with repairing the worst to best streets, regardless of district.

The Board discussed the types of equipment on hand in Public Works for street repair jobs, and available staff to perform the tasks. Davis stated he was compiling a list that would enable him to make the most efficient progress. Mayor Moore encouraged Davis to look at the main thoroughfares too.

Councilman David Barbour suggested having an Engineer do a study, and give a professional opinion of what needs to be done with the Town's roads to solve its problems. Councilman Sloan Stevens and Travis Scott concurred with the idea of the Town hiring its own staff to perform such work long term, rather than using Powell Bill funds or debt service.

Town Manager Mike Scott stated he appreciated the conversation and feedback from the Board.



## **FIRE DEPARTMENT STAFFING:**

Town Manager Mike Scott informed the Council that the Town is in a time-sensitive situation regarding the SAFER Grant.

Fire Chief Jeremy Daughtry outlined the following information for the Board:

- In 2017, the town received a SAFER grant for three personnel
- Original funding model: FEMA paid 65% first two years, town paid 35%
- Third year: Town paid 65%, FEMA paid 35%
- Current model: 100% funded by FEMA for three years
- Grant application process typically opens this time of year
- Concern: Application has not yet opened
- Spoke with Donna Black's office (US Fire Administration)
- No information yet about this or other FEMA grants

Daughtry further stated they're not exactly sure what's going to get funded this year and what will not but there are sources that say they feel confident that Fire Department grants will still go on. However, they don't have any idea when they will come up. Daughtry stated he recommended the use of a grant writer that the Town of Clayton has used who will only get paid if the Town receives the grant. The grant writer's rate is 2% of the grant.

The Fire Chief, Jeremy Daughtry highlighted his staffing and equipment needs as follows:

- Current staffing:
  - Station 1: 4 personnel per shift - Station 2: 3 personnel per shift
- Proposed change: Add 1 person per shift at Station 2 to create a 4-person engine company (total staff request is 15 additional full-time employees)
- Primary goal: Staff a service company (ladder/rescue) to respond to different incident types
- Current staffing model struggles to deploy all available apparatus
- Significant challenge: 59.8% increase in call volume over the last 4 years
- Call volume increase attributed to town growth
- Department has good equipment but needs adequate staffing to utilize it effectively

Daughtry also summarized call response challenges and mutual aid from neighboring Fire Departments noting:

- Increasing call volume leads to more overlapping calls
- Heavy reliance on mutual aid partners for additional resources
- Johnson County is the fastest-growing rural county in North Carolina
- Mutual aid departments are also experiencing increased call volumes
- As call volumes rise for partner departments, their ability to respond to Smithfield's requests decreases
- This creates a critical challenge in maintaining emergency service coverage

Councilman Travis Scott asked whether the additional staff request would be used to cover the new fire station, or would additional staff also be needed for that location. Daughtry stated he would need additional staff at the new fire station. Daughtry further noted comparisons for Smithfield's call volume to neighboring Towns, such as Clayton who ran 3,569 calls to Smithfield's 3,315 calls last year, with Clayton having over double the full-time staff.

There was some discussion for partnership with Johnston Community College through an apprenticeship program.

Daughtry also discussed the department's cost share funding with Johnston County for apparatus replacement and equipment needs.

Councilman Travis Scott asked Fire Chief Daughtry what would be a reasonable number of employees to add without the grant being considered, in the interest of being conservative. Daughtry stated the need is for 15 new staff, but he would accept any additional staff he could get. Councilman David Barbour said that 15 is not foreseeable at this time, given the current times—due to which, the grant may not come through. Mayor Andy Moore suggested that we find out more about the grant and reach out grant writers for best preparation.

## **NEW TAX EVALUATIONS – TOWN OF SMITHFIELD REVENUE NEUTRALITY:**

Town Manager Mike Scott began with discussing the term "revenue neutral" to the Board.

Revenue Neutral Rate Explained:

- Revenue neutral is not simply maintaining last year's revenue
- Includes all ad valorem taxes: property, motor vehicle, boats, and personal property

Calculation method:

1. Look at ad valorem tax levy increases for the past 4 years
2. Calculate the average annual increase
3. Add that average increase to the current year's revenue
4. The resulting figure is the revenue neutral rate

Tax Evaluation and Rate Impact Summary:



- Real estate property tax evaluation is 70% higher than last year
- Personal property tax remains unchanged
- Lowering property tax rate (e.g., from 57 to 50 cents) affects both real estate and personal property taxes
- Reduced tax rate means less revenue from personal property taxes
- This reduction must be offset by increases in real estate property taxes to maintain revenue neutrality

Town Manager Mike Scott further explained with an Amazon Tax Example, stating that an \$80 million building and \$111 million in personal property, lowering the tax rate from 57 to 50 cents means less revenue from personal property taxes. To maintain revenue neutrality across all property types, the real estate property tax rate must increase to offset the reduction in personal property tax revenue. This ensures the total tax collection remains consistent when considering the entire property tax group. The Manager further explained that revenue neutral rate is a statutory definition that requires the town manager to include a tax rate decision in the budget message. The rate will be calculated to maintain current revenue levels while incorporating the town's growth rate, ensuring compliance with legal requirements. Manager Scott further added that the Town has not raised their property tax rate since 2003. He also noted that going revenue neutral would not allow the Town to fund things like adding 15 new fire fighters. Adding one penny to the current tax rate results in \$230,000 more per year.

Councilman Travis Scott asked for clarification for the growth rate formula. Manager Scott stated it is to collect property tax evaluation data for the past four years from audit numbers from the General Fund, calculate the average increase over that period, and use that average to project the growth rate for the upcoming year.

The Manager agreed to send a written follow-up to the Board regarding revenue neutrality.

### **CLOSED SESSION – Pursuant to NCGS 142-318.11 (a)(5)**

Councilman David Barbour made a motion, seconded by Councilman John Dunn to go into closed session pursuant to NCGS 142-318.11 (a)(5) at approximately 8:35 pm. Unanimous.

### **RECONVENE INTO OPEN SESSION**

Councilman Travis Scott made a motion, seconded by Councilman Steve Rabil to reconvene into open session at approximately 9:19 pm. Unanimous.

### **ADJOURN**

Councilman David Barbour made a motion, seconded by Mayor Pro Tem Roger Wood to adjourn the meeting at approximately 9:21 pm. Unanimously approved.



M. Andy Moore, Mayor

ATTEST:



Elaine Andrews, Town Clerk

