The Smithfield Town Council reconvened their May 13, 2026, meeting on Monday, May 18, 2026 at 7:00 pm to continue budget discussions in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Council Members Present:
Mayor Pro Tem Sloan Stevens
Dr. Gettys Cohen, Jr., District 1
Travis Scott, District 3
Doris L. Wallace, District 4
Stephen Rabil, At-Large
John Dunn, At-Large
Roger Wood, At-Large

Council Members Absent:

Administrative Staff Present
Kimberly Pickett, Interim Town Mgr.
Elaine Andrews, Town Clerk
Tracy Stubblefield, Finance Director
Pete Hedrick, Police Chief

Also Present:

Administrative Staff Absent:

FY 2026-27 Recessed Budget Discussions

Electric and Water/sewer Infrastructure

In a wrap up of fiscal 2026-27 budget discussions, the Smithfield Town Council discussed various items of note, as highlighted in Interim Town Manager Pickett's Draft Budget.

Public Utilities Director, Ted Credle discussed long-term water infrastructure needs, including the possible future construction of a water tank. He explained that a possible tank site on or near the large tract off Wilson Mills Road would be advantageous because it was estimated to be 20 to 30 feet higher than Barbour Road. He noted this would improve system elevation and offer water storage benefits. Credle stated that he has spoken with developers about reserving a parcel. He also expressed reluctance to begin accumulating $300,000 annually toward a project that could cost $6,000,000 or more by the time it is needed, and indicated his primary strategy is to pursue state funding. Councilman Travis Scott stated that enterprise funds should cover their own costs and said he wanted the pending cost-of-service review to consider how fees and rates would affect both customers and fund stability. He cautioned against sudden spikes in fees and said current customers should not bear the full cost of growth-related infrastructure that should partly be funded by developers.

Councilwoman Doris Wallace commented on service problems experienced by residents, as well as water odor complaints. Councilman Roger Wood and Councilman Gettys Cohen echoed concerns from their district constituents regarding the water smell, with Credle noting he would look into it.

In response to a question about system development fee costs from Councilman Stephen Rabil, Credle stated that the town currently loses money on water tap installations but recovers some of those costs through system development fees, which help cover items like the meter and portions of the base service charge. He stated that staff is exploring a shift to a model used in other towns, where contractors/builders install the taps and the town charges only an inspection-type fee (around $700) instead of performing the work itself. He added that UFS will analyze the tap-fee structure to determine how much the fees can be adjusted without financially harming the utility.

Councilman Travis Scott asked about the water line tap fees analysis and policy. Credle stated that the water line extension policy is already in place and has been in effect since his arrival. He noted that an electric line extension policy is still being developed. He plans to provide a draft of the electric policy to the Town Manager, Kim Pickett, within about a week, after which it will be brought to the Council for review at a future meeting (not the second meeting in June due to agenda timing constraints).

Councilman Scott expressed concern that the operating contingency line item stood at only $35,538 for the coming year, compared to a historical level of approximately $200,000–$300,000. He noted that a single significant infrastructure event — such as a downed pole or switchyard failure — could easily exceed that amount. Director Credle acknowledged this, noting that in truly catastrophic events the town would seek FEMA reimbursement, but that smaller unplanned failures could be difficult to absorb at that level.

Finance Director Tracy Stubblefield reported that the electric fund balance as of June 30, 2025, was $14,987,913, representing approximately 70 percent of the fund's overall position per the audit.

Councilman Travis Scott asked whether the projected $563,836 in the electric fund (revenues over expenditures to date) would effectively serve as contingency. Interim Manager Pickett explained that this is the current surplus with about a month and a half left in the fiscal year, and departments have been instructed not to spend unless absolutely necessary.

Councilman Scott questioned whether the $35,000 contingency line in the electric fund budget is sufficient, noting that historically the town has carried about $200,000 in contingency and pointing out that supplies and operations are projected to exceed the original budget (approximately $643,000 projected vs. $430,000 budgeted). He expressed concern that the contingency level is "very lean" and emphasized how hard the town has worked to keep the electric program financially strong.

Asst. Town Manager/Finance Director Kim Pickett responded that the proposed budget includes no electric rate increases and already incorporates estimated higher NCEMPA energy costs but only uses a 3% placeholder increase in revenue. The final revenue impact will not be known until Ted Credle's cost-of-service/rate study is completed, and actual revenues could come in higher than currently projected. She noted that wholesale power cost projections from ElectriCities are already included in the budget figures.

Councilman Scott reiterated that the expense side is known but future revenues are not, and he wants to be sure the town does not "mess up" the electric fund after the work done to improve it.

Councilman Travis Scott discussed contingency funds as a possible rate stabilization tool to lessen future electric rate increases and reviewed whether a dedicated utility stabilization fund exists. Councilman Scott noted that Smithfield's electric rates are about 35% lower than the competitor and 12% lower than in 2016, emphasized protecting the electric fund's long-term health, and clarified that the projected 3% revenue increase does not necessarily mean a 3% rate increase. Staff and the Mayor cautioned that the town has limited control over wholesale costs and cannot indefinitely absorb those increases without risking the electric fund's financial stability.

The Council asked for examples of expenditures from the $35,000 electric fund contingency line this year, and staff confirmed no contingency funds have been used this year; a prior example was an unexpected equipment failure at the Hospital Road switch yard on a Sunday, which would qualify as a contingency item. In discussion, staff and council clarified that while $35,000 is shown as a contingency line, the true financial cushion is the electric fund balance (about 70% of annual expenses, roughly $14–15 million), and any year-end surplus (e.g., the referenced $500,000) returns to that restricted electric fund balance, not the General Fund. It was also noted that the electric fund's reserve level was similarly about 70% in the prior year, and that the $3.5 million referenced for the delivery point project represents approximately half of a larger $7 million project cost.

Credle reported that the Hospital Road delivery point/substation upgrade bid and low bids will come to Council in June, contingent on LGC loan approval. The work is planned as a three-year project, targeting mid-2029 completion, will replace the antiquated switch yard with a modern substation similar to Brogden Road, and will prepare the system for the North Side voltage conversion. Duke Energy has indicated its plans align with this 2028–2029 timeline.

Pickett further explained that once the LGC loan for the delivery point/substation project is approved, the town expects to receive the funds within about five months, likely in the current fiscal year. Those proceeds will be recorded in a separate electric capital project fund, not the operating budget, and combined with several hundred thousand dollars already set aside for the project.

Councilman Travis Scott noted budget reporting for capital items were different than as done so in years past. Staff noted that past appropriations for the delivery point conversion and the separate voltage conversion project have been spread over multiple years, and current budget books do not clearly show these multi-year totals. Pickett stated she will reconcile revenue and expenditures for each capital project, break out how many years each has been funded, and provide Council with a separate capital projects "book" covering all capital projects, which will be distinct from the annual operating budget document. She added that any amendments will flow to that same capital project, and agreed with Mayor Moore that they would come back before Council for approvals.

Police Department Equipment and Staff

Police Chief Pete Hedrick requested support for police safety equipment for a special response capability, including ballistic protection and related gear, as well as training costs. He stated that the equipment was intended for officer safety during planned high-risk operations such as search warrants and for emergency incidents. He distinguished the request from creating a SWAT-style unit and described it instead as necessary protective equipment for officers required to handle dangerous situations. He estimated equipment costs at approximately $17,400 for 14 members, with additional training costs that might be reduced from the original request by reducing training time to once per month.

Council members discussed the need for local capability rather than relying fully on outside agencies with Hedrick emphasizing that he would like Smithfield to be ready for all situations with officer protection in high regard.

Councilman Travis Scott stated that if the Police Chief said equipment was needed to protect officers, he wanted to help find a way to support it and asked for a clearer breakdown between equipment and training.

Downtown Smithfield

Councilman Travis Scott asked about the status of DSDC repaying debt previously paid by the Town. Pickett stated that Finance Director Tracy Stubblefield stated that staff had invoiced DSDC for the current year's $12,000 annual payment and later confirmed that payment had been received on the 8th of the month. The Council also discussed the longer-term balance remaining and the history of the debt, which extended through 2039. Councilman Travis Scott said he wanted clarity on repayment status and whether the Council should consider reducing DSDC funding to offset the debt obligation. Mayor Pro Tem Sloan Stevens assisted in estimating the remaining balance based on the schedule to be about $382,000 if paid off in ten years. Pickett stated she would find out and look at options as discussed by the Council for the best way forward.

Community Garden

Councilwoman Doris Wallace raised questions about the community garden budget, what items were being paid from the account, and whether additional supplies such as paint and a wheelbarrow could be purchased. Interim Manager Pickett stated that the current balance could not yet be finalized until purchasing card transactions were posted, but said prior spending had included plants, a portable toilet, and some tools. Councilwoman Doris Wallace stated that volunteers had already contributed their own funds and labor and said the project should receive modest support for needed items. The Council also discussed storage and security for garden tools, as well as the need for the portable toilet on a year-round basis.

Councilwoman Wallace strongly advocated for modest additional support for the community garden and explained that volunteers should not be expected to carry the burden alone. She also stated a porter john is absolutely necessary for volunteers who assist at the location.

Councilmembers Travel Budgets

Councilwoman Doris Wallace stated that the Council would benefit from a retreat and additional training, particularly for newer members, and said there appeared to be a lack of trust that could be improved through shared training. Interim Town Manager Pickett reported that the Council's training budget was $5,000 total and explained that the amount had to cover travel, meals, and lodging. She suggested that future Council travel be approved in advance by the full Council to avoid disputes or uncertainty over available funds.

Picket further stated that the General Government budget has spent $4,652 to date on registration, travel, meals, and lodging for councilmember training and events (including the Triangle East "State of the Region"). Individual totals noted were: Mayor Moore – $40; Councilman Stevens – $40; Councilman Cohen – $1,203; Councilwoman Wallace – $3,368.

Mayor Moore and Councilman Getty's Cohen Jr. noted paying out of pocket for some travel and conference experiences on their own.

Interim Town Manager Kim Pickett explained that Council training is budgeted in one shared line item, not divided per member. To avoid conflicts over approving or denying individual trips once the line is nearly spent, she recommended that all Council travel and training requests be approved by the full Council via the consent agenda, and that reimbursements likewise be approved on the consent agenda, so that decisions come from the Council as a whole rather than from staff.

Councilman Travis Scott stated that league and conference attendance had been very beneficial in his experience and said the Council should not over-scrutinize this budget area, especially when other departments maintained larger training budgets. Mayor Pro Tem Sloan Stevens supported participation and suggested that members who attend conferences provide some form of report back to the Council. Councilman Gettys Cohen, Jr. described attending an elected officials conference that he believed was worthwhile and said he had initially paid out of pocket. Staff also expressed support for the idea of a future retreat involving the Council and possibly related boards.

Councilman Scott commented that conferences such as the League events are particularly valuable for new members and that a $5,000 collective total for a council of this size is quickly exhausted, especially compared to some departments that have significantly larger training allocations.

Finance Director Tracy Stubblefield made mention of how some towns budget travel per Councilmember, whereby individual budgets could be increased or decreased based upon need of training, etc.

Tax Rate Discussion

Councilman Travis Scott revisited prior discussion about reducing the tax rate and stated that, after reviewing the current budget and speaking with other Council members, he did not believe further reduction should be pursued at this time beyond the level already contemplated. He stated that the budgeted .45 cents tax rate appeared close to revenue neutral and that preserving funding for projects and cash flow stability was more important than pressing for a further cut. Scott noted he still had some concerns but would not further press the issue.

Pickett noted she did have a budget prepared for the reduction to 40 cents. It would remove contingency, eliminate most capital, cut donations, and require other operating reductions, making it a very dramatic cut.

The Council generally appeared to accept the current .45 cents tax rate approach as more prudent given operating needs and upcoming projects.

Councilman Travis Scott stated that while tax reduction should always be reviewed, he was satisfied that the current budget was a sound and efficient plan and did not want to jeopardize needed projects or town cash flow.

Interim Manager Kim Pickett stated she would further review the budget to house individual Council travel, and asked the Council if there was anything further, they would like to see in her budget presentation. Mayor Pro Tem Sloan Stevens stated he would like to see a cost comparison for utility bills. Other members concurred.

Councilman Travis Scott, in closing comments again emphasized the importance of maintaining healthy reserves in all funds, carefully managing large projects such as the voltage conversion, substation upgrades, recreation work, and water meter replacements, and clearly tracking those in separate capital project funds. He also referenced unfunded items like the police department generator, suggesting it be evaluated with Public Utilities for potential demand-reduction savings, and reiterated his priority that the town protect the long-term health of its electric and utility funds while keeping rates as affordable as possible.

Adjourn/Recess:

Councilman Roger Wood made a motion, seconded by Councilman John Dunn to adjourn the meeting at approximately 8:51 p.m. Unanimously approved.

M. Andy Moore, Mayor

ATTEST:

Elaine Andrews, Town Clerk

TOWN OF SMITHFIELD
SMITHFIELD
NORTH CAROLINA
APRIL 23, 1777