

The Smithfield Town Council continued the recessed May 15, 2017 meeting on Monday, May 22, 2017 at 6:30 p.m. in the Council Chambers of the Smithfield Town Hall. Mayor M. Andy Moore presided.

Councilmen Present:

Emery D. Ashley, Mayor Pro-Tem  
Marlon Lee, District 1  
J. Perry Harris, District 2  
Travis Scott, District 3  
John A. Dunn, At-Large  
Stephen Rabil, At-Large

Councilmen Absent

Roger A. Wood, District 4

Administrative Staff Present

Michael L. Scott, Town Manager  
John Blanton, Fire Chief  
Lenny Branch, Public Works Director  
Ted Credle, Public Utilities Director  
Paul Embler, Planning Director  
Gary Johnson, Parks & Rec Director  
Tim Kerigan, Human Resources/PIO  
R. Keith Powell, Chief of Police  
Greg Siler, Finance Director  
Shannan Williams, Town Clerk

Mayor Moore reconvened the meeting at 6:30 pm.

**1. Proposed FY 2017-2018 Fee Schedule**

Town Manager Michael Scott reviewed proposed changes to the FY 2017-2018 Fee Schedule. Proposed changes are as follows:

- Parks and Recreation Fees: In order to be in compliance with the PARTF grant, non-resident fees can only be twice the amount of residential fees.

Parks and Recreation Director Gary Johnson explained that in 2015 when the non-resident fees were increased by 10% was when the Town went out of compliance with the PARTF grant. This was only recently discovered by staff.

- Water Meter Set Fees, Sewer Tap Fees, Water Tap Fees, Out of Town Base Fees, Irrigation Fees

Public Utilities Director Ted Credle explained the current fees do not cover the cost of the meter or the manpower needed for installation. The fees were increased to encourage a developer to hire a private contractor and allow Town staff to simply inspect the installation of the meters.

Mayor Moore questioned how the Town was losing money on these services and explained that the increase in fees could have a huge impact on potential development in the Town. He requested that staff gather information on how our fees compare with other municipalities and Johnston County. Mayor Pro-Tem Ashley further requested that staff compile actual costs of the meters and bring all the information back to Council.

Councilman Harris made a motion, seconded by Mayor Pro-Tem Ashley, to discontinue offering Water Meter Set services, Sewer Tap Services, Water Tap Services, Out of Town Base Services, and Irrigation Services. Councilman Harris voted in favor of the motion. Mayor Pro-Tem Ashley, Councilman Scott, Councilman Dunn, Councilman Rabil and Councilman Lee voted against the motion. Motion denied 5 to 1.

- Penalties for Violating Town Ordinance Concerning, Fats, Oils and Greases

Public Utilities Director Ted Credle explained that these penalties were increased because improper disposal of fats, oils and grease causes major problems to the system.

- Electric rates

Town Manager Michael Scott informed the Council that the sentence “Unpaid bills are subject to disconnection without additional notice” were added to all of the electric rates.

## **2. Budget Discussion**

### **a. Public Utilities**

#### **i. Water Fund Revenues**

Town Manager Michael Scott highlighted some line items in the Water Fund revenue’s proposed FY 17-18 budget. They are as follows:

- 30-3560-000 Penalties: This is a new line item to account for penalties
- 30-3571-000 Wholesale Water Sales: This line item has been changed to reflect the \$.50 increase if the contract with Johnston County is amended.

#### **ii. Water Plant**

Public Utilities Director Ted Credle highlighted some line items in the Water Plant’s proposed FY 17-18 budget. They are as follows:

- 30-7200-0200 Salaries: An adjustment has been proposed for the water plant superintendent because he actually earns less than the average for his position.
- 30-7200-0250 Overtime: This line item has increased because the water plant has one vacancy.
- 30-7200-1700 Equipment Maintenance and Repair: This line item has increased due to the need to repair several water pumps.
- 30-7200-3300 Supplies and Operations: This line item has increased due to the need for more caustic and polymer.
- 30-7200-7400 capital outlay proposed altitude valves at the water tank and river bank refurbishment permitting and design.

Town Manager Michael Scott informed the Council that staff is working with the Town of Selma to press some of their sludge. This could potentially be an additional revenue source.

Public Utilities Director Ted Credle informed the Council that the water plant expansion design in the amount of \$90,000 and the finished water tank design in the amount of \$60,000 was removed from the budget. Town Manager Michael Scott stated that both items would need to be discussed when the Johnston County water contract was discussed. Ted Credle explained to the Council that he estimated to explain the water plant would cost \$10-15 million.

#### **iii. Water/Sewer**

Town Manager Michael Scott highlighted some line items in the Water Plant’s proposed FY 17-18 budget. They are as follows:

- 30-7220-3400 Sewage Treatment: Johnston County is proposing a \$.21 per thousand gal rate increase effective September 1<sup>st</sup>. If this is adopted, it was recommended that those costs be passed on to the customer.
- 30-7200-3501 Contract Services: This line item was increased to add the Grid One contract for water meter reading services.
- 30-7220-9101: Transfer to W/S Capital Projects: The amount listed is one third of the finance software
- 30-7720-7400 Capital Outlay: The AMI Nexgrid amount was reduced to \$210,000 because it takes longer to install the water meters.

Town Manager Michael Scott informed the Council that the proposed formal budget would be sent to the Council on May 23<sup>rd</sup>. Notification would be in the newspaper on Wednesday May 24<sup>th</sup> with the Public Hearing Scheduled for June 6<sup>th</sup>. He asked for feedback from the Council on the proposed salary increases.

Councilman Harris stated the Council should address the issue of Police Officer retention and turnover.

Councilman Scott informed the Council the Employee Benefits Committee discussed the importance of longevity pay and one employee suggested to allow employees to receive a certain level of compensation from their vacation time around the holidays.

Councilman Scott suggested that the Ava Gardner funds be restricted until the audit is complete. He further suggested that any non-profit receiving funds from the Town should have to provide an accounting of those funds.

It was the consensus of Council to include funds for the Smithfield Selma High School. The Town Manager stated that \$5,000 could be allocated for the school. The Council discussed donating funds to the Marching Band, the Basketball team, and / or the Robotics team

### **3. Consideration and approval of an Audit Contract with Thompson Price, Scott, Adams & Co. PA**

Mayor Pro-Tem Ashley made a motion seconded by Councilman Harris, to approve the audit contract with Thompson Price, Scott, Adams & Co. PA. Unanimously approved.

### **Adjourn**

There being no further business, Councilman Scott made a motion, seconded by Councilman Harris, to adjourn the meeting. Unanimously approved.

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M. Andy Moore, Mayor

ATTEST:

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Shannan L. Williams, Town Clerk