

The Smithfield Town Council met in Special Session on Thursday, April 22, 2021 at 6:30 pm in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

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

Councilmen Absent  
 Marlon Lee – District 1

Administrative Staff Present  
 Michael Scott, Town Manager  
 Ted Credle, Public Utilities Director  
 Tim Kerigan, HR Director/ PIO  
 Shannan Parrish, Town Clerk  
 Greg Siler, Finance Director

## CALL TO ORDER

Mayor Moore called the meeting to order at 6:30 pm.

Town Manager Michael Scott informed the Council that the North Carolina League of Municipalities was interested in the Town's opinion on the upcoming municipal election. The Town can move forward with the election or wait until next year to hold elections since the census data will not be complete by the July filing deadline. While it was preferred to hold elections at its regularly schedule time this year, the Town would follow the guideline set forth by the North Carolina General Assembly.

Town Manager Michael Scott informed the Council that due to the June Council meeting being scheduled for June 1<sup>st</sup>, year end budget amendments would not be completed. Another meeting would need to be held in June. It was the consensus of the Council to hold an additional meeting via conference call.

Town Manager Michael Scott reminded the Council of the May 10<sup>th</sup> Special Meeting with Johnston County.

## FY 2021-2022 Budget Discussion

### 1. Budget Overview

Town Manager Michael Scott provided an overview of the 2021-2022 Budget. He explained that all funds were balanced. No property tax increase was being proposed. Electric Fees and charges were consistent with UFS recommendations. Water fees would remain unchanged. Sewer fees would remain unchanged, but Johnston County is making changes to its billing formula for bulk customers and may also increase rates. All fund balances remain above the 25% Fiscal Policy requirements.

Included in the proposed budget were the following capital expenditure amounts: General Fund \$1,415,410, Electric Fund \$755,00, and Water Sewer Fund \$1,765,000

For FY 2021-2022, the medical insurance increased by 7% and retirement increased by 1.2%. This budget also accounts for a 2.5% salary adjustment. This could be changed to 4% merit increase if the Council preferred.

In the Sanitation Department, two general maintenance personnel have been used for sanitation. To fill that void, the sanitation department is requesting 2 sanitation equipment operator positions thereby allowing the general maintenance personnel to perform their duties. Capital Expenses include one new knuckleboom truck to replace an existing truck. The Town will take out a loan for this purchase. In 2023, a new garbage truck will be replaced and possibly purchased through loan proceeds. There is a proposed increase in sanitation fees that equates to \$2.00 per month per customer.

Additional personnel proposed in the budget were as follows: General Fund – 1 IT Specialist, 1 position change for the existing IT specialist, 2 Sanitation Equipment Operators and a part time Garage Mechanic. Water/Sewer Fund – 1 Water Plant Operator and 1 Water/Sewer Pump Mechanic. Electric Fund – 2 Electric Linemen.

In this budget, staff was requesting to pay off the existing loan for the EMS building at a cost of \$103,000. Paying off this loan would save \$38,000 in interest. This budget includes \$61,381 for the first payment of the Police Department expansion loan. The Booker Dairy road improvements mature in FY 2022 with the last payment being \$313,676. Debt Service for the water plant improvements will not be budgeted until FY 2023. The electric substation loan matures in 2028.

In this budget, all non-departmental requests remain the same as the current fiscal year's requests. The Annie D. Jones Child Enrichment Fund did not request funding this year due to COVID-19. No request has been received from the Smithfield Rescue Mission, but the same funding amount from the current fiscal year has been budgeted.

### 2. Utilities

#### a. Water Plant

Public Utilities Director Ted Credle highlighted some line items in the Water Plant's proposed FY 21-22 budget. They are as follows:

- o Salaries – One new water plant operator was proposed. It takes one year to fully

train a water plant operator. Staffing is adequate until current employees are out for vacation or sickness. Mr. Credle stated he was anticipating a

- Training and Education - \$1,000 has been added for training for the new employee.
- Building Equipment and Maintenance – 17% increase in this line due to some maintenance issues at the plant.
- Professional Services – 17% increase in this line due to miscellaneous engineering involving the SCADA system.
- Capital Outlay – \$250,000 was added for water system improvements in East Smithfield. Mr. Credle explained that these funds would be used for a mater plan and design along Brogden Road.

**b. Water/Sewer Fund**

Public Utilities Director Ted Credle highlighted some line items in the Water /Sewer Department's proposed FY 21-22 budget. They are as follows:

- Salaries – One new pump station mechanic was proposed.
- Training and Education - \$1,000 has been added for training for the new employee.
- Supplies and Operations – 19% increase due to the increased cost of PVC pipe.
- Sewage Treatment – 11% increase in this line. Johnston County informed the Town last year that they were receiving a reduced cost that the Town was not entitled to. Receive
- Capital Outlay includes the following: \$50,000 for manhole rehab, \$100,000 for waterline upgrades, \$30,000 for digitized mapping, \$35,000 for the replacement of a work truck and \$200,000 for a generator at the life station.

Councilman Scott questioned why meters were still being read by the contract employees. He thought the point of installing the smart meters was to discontinue using the meter reader contract employees. Mr. Credle responded that installing the water meters was more time consuming. A contractor is being used for this and it would be a few years before all the water meters were fulling installed and operational.

Councilman Barbour questioned the funds budgeted for the manhole rehab project. Mr. Credle explained that all manholes had been evaluated and they were systematically being replaced based on condition.

Councilman Barbour questioned why the line locator position was not included in the budget. Town Manager Michael Scott responded he was not comfortable adding this position.

**c. Electric**

Public Utilities Director Ted Credle highlighted some line items in the Electric Department's proposed FY 21-22 budget. They are as follows:

- Salaries – Two new electric linemen were being proposed.
- Fuel – 10% increase due to the addition of a truck
- Supplies and Operations – 14% increaser due to the increased cost of copper.
- East River Supplies – An increase of \$70,000 because additional supplies were needed for the growth of the subdivision.
- Service Contracts - \$3,000 increase due to the Asplundh increasing its rates for tree trimming services.
- Capital Outlay includes the following: \$30,000 for shelter enclosure and \$50,000 for Municipal Battery Analysis.

Town Manager Michael Scott explained that when he and the Finance Director met with the LGC, three other municipalities were seeking loan approval for purchasing municipal batteries. Mr. Credle explained the batteries were efficient for peak load shaving.

Councilman Scott stated he would like to see more done with the load management program.

**Recess**

Councilman Barbour made a motion, seconded by Councilman Wood, to recess the meeting until Monday, April 26, 2021 at 6:30 pm. The meeting recessed at approximately 8: 37pm.

  
M. Andy Moore, Mayor

ATTEST:

  
Shannan L. Parrish, Town Clerk

