

The Smithfield Town Council reconvened its May 10, 2022 meeting on Monday, May 16, 2022 at 6:30 pm in the Council Chambers of the Smithfield Town Hall, Mayor M. Andy Moore presided.

Councilmen Present:

Mayor Pro-Tem Dunn
Marlon Lee – District 1
David Stevens, District 2
Travis Scott, District 3
Dr. David Barbour, District 4
Stephen Rabil, At-Large

Councilmen Absent

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
Gary Johnson, Parks and Recreation Director
Tim Kerigan, Human Resources/PIO
IT Director, Eric McDowell
Shannan Parrish, Town Clerk
R. Keith Powell, Chief of Police
Greg Siler, Finance Director
Stephen Wensman, Planning Director

Reconvene: May 10, 2022 Meeting

Mayor Moore reconvened the meeting at 6:31 pm

Town Manager Michael Scott informed the public that a meeting would be held on May 31, 2022 at 7:00 pm in the Council Chambers. This would be the Organizational Meeting of the Town Council.

Salary Increases Discussion

Town Manager Michael Scott explained that at the last meeting, staff was directed to perform a market analysis of all salaries. He explained \$680,000 was the amount used for the General Fund and \$105,000 was the amount used for each of the Enterprise Funds. The only way to generate more revenue was to increase revenues or decrease expenses. Since increasing revenues was not a viable option, he considered a reduction in the debt service. By paying off both the Smithfield Recreation and Aquatics Center loans with fund balance, would save \$166,000 in interest and free up \$452,000. If fund balance was used for the loan payoff, there would still be approximately 50% remaining in the General Fund fund balance. He explained the Electric Fund would have a windfall in three years when the NCEMPA defeasance debt was paid off; however, the Water/Sewer fund would be tighter because of the water plant expansion. The Town Manager explained that American Rescue Plan Act (ARPA) funds could be used for the \$1,092,000 needed for the Fire Engineer and the Sanitation Truck. ARPA funds could also be used for salaries or services. He explained staff was continuing to work on the market analysis.

Councilman Scott stated the fund balance has grown. He questioned what has caused the increase. Finance Director Greg Siler explained the fund balance increases when revenues are greater than expenses. The Town Manager further explained the fund balance increases when revenues are underestimated and departments not spending all of its allotted budget. Also, remaining contingency funds go back into the fund balance at the end of the fiscal year.

Mayor Pro-Tem Dunn questioned the additional amount needed to cover the cost of benefits such as retirement, 401k, etc. The Town Manager responded approximately \$165,000 would be needed for those benefits. But that was simply an estimate.

Councilman Stevens questioned the objective of the salary increases. Councilman Scott responded the intention was to increase the wages of every employee.

Mayor Moore stated the motion from the last meeting was to do an internal salary study.

Mayor Pro-Tem Dunn stated that the employees were the Town's greatest asset, but he felt the decision made at the last meeting was done in hast. He stated that while the Town was poised for growth, that growth had not been realized. He explained the Council was tasked with spending the tax payer's money wisely and there were many needs throughout the Town. This was something that would need to be discussed and decided in the future. He felt an external salary study would be beneficial.

Town Manager Michael Scott explained that if the Council was going to entertain the idea of paying off the SRAC debt, it needed to be paid now.

Councilman Scott stated he sensed the urgency by the employees. He struggled spending more money on a salary study.

Mayor Pro-Tem Dunn questioned if the 2% salary adjustment would be included if the salaries proposed by Councilman Scott were implemented. The Town Manager responded the 2% salary adjustment would not be included.

Councilman Barbour stated the Council should have talked about salary increases months ago. Mayor Moore stated the Council should not rush to make a decision. He further stated he was concerned with the reoccurring costs and while the Council has approved a lot of growth, the growth and the increase in the tax base has not been realized.

It was the consensus of the Council to pay off both of the SRAC loans.

1. General Fund

a. Fire Department

Fire Chief Michael Brown highlighted the Fire Department's FY 2022-2023 budget which included the following:

- Salaries: 8% increase due to the salaries of the Fire Chief and Fire Inspector
- Part-time Salaries: 9% increase due to the need for a part-time Fire Inspector
- Councilman Scott questioned if the part-time Fire Inspector was a new position. Chief Brown responded the position was needed because staff was behind on inspections.
- Training and Education: 133% increase due to the training needs of the department.
- Service Awards and Recognition: Chief Brown explained that he asked for \$6,000, but this was reduced to \$3,600. He stated that recognition was a very important expenditure.
- Uniforms: 56% increase due to the increased cost of uniforms and turn-out gear.
- Service Contracts: \$1,000 would be used for annual employee driver's license inquiries. Chief Brown stated this was something that should be done for all employees.
- Transfer to General Fund Capital Project Fund: Chief Brown explained \$875,000 was budgeted for the replacement of Rescue 1

Mayor Moore questioned the function of the Rescue truck. Chief Brown responded it was a specialty truck. This truck will not have a pump or water.

Mayor Moore questioned if it was possible to have a fire engine with rescue capabilities. Chief Brown responded there was no room on an engine for the rescue capabilities.

Councilman Barbour questioned the amount of time it would take to build a rescue truck. Chief Brown responded it takes 3 months for the design and approximately 370 days for it to be built. Chief Brown further explained the rescue truck would have its own air compressor.

Mayor Pro-Tem Dunn questioned if the \$875,000 price was firm. Chief Brown responded the price would be finalized at the time of contract approval.

- Capital Outlay: \$56,850 is proposed in the budget for SCBA masks and regulators, shell and slide out for the Fire Marshall's vehicle, replacement of office carpet and paint, and 10 fire pagers
- Items requested but not included: 6 new firefighters at a cost of \$360,000 and the additional \$2,400 for Service Awards and Recognition

Mayor Pro-Tem Dunn questioned how the current EMS Squad was working by utilizing part-time employees. Chief Brown responded the program was not working as well as he hoped, but it was beneficial in District 1 during overlapping calls. Those employees would be better served on an engine company.

Mayor Pro-Tem Dunn questioned if 2 employees working Monday – Friday 8:00 am until 5:00 pm would be beneficial. Chief Brown responded he needed six additional firefighters.

Councilman Barbour questioned volunteer participation. Chief Brown responded most volunteers serve on the weekends.

b. Parks and Recreation

Parks and Recreation Director Gary Johnson highlighted the Parks and Recreations Department's FY 2022-2023 Budget which included the following:

- Salaries/Part-Time: 37% reduction due to the salaries of Umpires/Referees have been moved to a separate line.
- Equipment Maintenance & Repair: 11% increase due to moving additional landscaping services and mulching from the service contract line.
- Service Contracts: 22% increase due to the increased cost of landscaping services.
- Capital Outlay: \$109,500 was proposed for 210 Park PARTF Plan and Grant Application, Bridge Replacement at Community Park, Roof and window replacement for the community park concessions, 72" Ventrac mower deck, moveable soccer goal for Talton Field, and 3 row portable bleachers.

Parks and Recreation Director Gary Johnson explained that funds for the bridge replacement at Community Park will come from Johnston County Visitor's Bureau.

- Items requested but not included in the budget: \$18,000 for a Boom mower trimmer and \$25,000 for the disc golf redesign and construction.

c. SRAC

Parks and Recreation Director Gary Johnson highlighted the SRAC's FY 2022-2023 Budget which included the following:

- Salaries Part-Time/General: 14% increase due to increasing the starting pay by \$1.00 to \$10.00 an hour.
- Salaries Part-Time/Aquatics: 14% increase due to increasing the starting pay by \$1.00 to \$10.00 an hour.
- Salaries Part-Time Instructors: 19% reduction due to eliminating instructors that are not needed.
- Telephone: 50% increase due to adding a stipend for the SRAC Supervisor.
- Generator Fuel/Maintenance: 18% increase due to the increase cost of fuel.
- Aquatic Supplies: 15% increase due to the increase in cost of supplies. Johnston County Schools pays for the cost of pool chemicals.
- Capital Outlay: \$91,500 was proposed for boiler replacement, court refinishing and pottery wheel and kiln replacement.

Councilman Barbour asked staff to investigate the cost of an electronic sign for the SRAC/Community Park.

d. Sarah Yard Community Center

Parks and Recreation Director Gary Johnson highlighted the Sarah Yard Community Center's FY 2022-2023 Budget which included the following:

- Building Maintenance: 30% increase in this line due to the need for repairs to the building.
- Capital Outlay: \$15,000 was budgeted for the installation of LVT hardwood flooring

Councilman Lee questioned if the floor could simply be painted and add a painted hopscotch board.

Adjourn

Mayor Moore adjourned the meeting at approximately 9:46 pm.

ATTEST:


Shannan L. Parrish, Town Clerk




M. Andy Moore, Mayor