



Minutes of  
City of Creedmoor  
**BOARD OF COMMISSIONERS**  
**Work Session**  
June 14, 2010  
5:30 p.m.

**PRESENT**

Mayor Darryl D. Moss, Mayor Pro-Tem Jimmy Minor, Commissioner Tim Karan, Commissioner Otha Piper, Jr., Commissioner John Stallings, and Commissioner Herman Wilkerson. Also present were Ren Wiles, Finance Officer/City Clerk, Korena Weichel, Deputy City Clerk, and Attorney Tom Currin. City Manager, Tom Mercer, was absent.

**INVOCATION and PLEDGE OF ALLEGIANCE**

Mayor Moss called the meeting to order and offered the invocation. Commissioner Wilkerson led the Pledge of Allegiance.

**ADOPTION OF AGENDA**

Moved by Commissioner Karan to adopt the meeting agenda; Seconded by Commissioner Piper; the motion received a unanimous vote.

**FY10-11 BUDGET DISCUSSION**

Mayor Moss expressed the hope that Board will pass budget tonight to better enable staff to prepare for FY10-11 Budget implementation and close out FY09-10 books. He reminded Board how far we've come from record keeping standpoint; staff has worked very hard to be able to provide information in a timely manner with a level of accuracy that we can all have confidence in. Looking at roughly \$5.9 million budget; detail pages previously given to Board members. He noted that one of weaknesses our organization has had in the past is our ability to respond quickly and effectively to issues before us; the way the budget is laid out this year gives us a much better ability to be able to react in a much quicker fashion. He recapped the instructions the Board had given staff during the previous budget discussions, in particular (1) to cut the tax rate by two-and-one-half cents and (2) a comparison of employee bonus pay versus employee percentage of salary increase.

Commissioner Karan, Finance Chairman, spoke regarding the accomplishment of staff to cut not just the two-and-one-half cents as required by the Board but actually attained a three-cent tax reduction by trimming items from the proposed FY10-11 Budget. He commented that he felt staff had done an outstanding job of doing so without cutting services. Citizens spoke at the Public Hearing on the proposed budget and had requested the tax cut. Board and staff responded with tax cuts, pointing out that not everyone is immune to the cuts and there will be some anguish from some of the departments.

Commissioner Karan mentioned that he had received an email correspondence from 'a large business holder in the community' that he wanted to share with the Board. In summary, the email stated ". . . reputations are very hard to change, like 'unringing a bell'. We, the Creedmoor Business Park, i.e. Kayser Roth, is the largest single tax payer in Creedmoor . . . I can tell you that the reputation of Creedmoor *is* changing – for the good. Everyone from the Town Manager to the Mayor and Commissioners needs to be commended for their good work. . . Personally thank Tom Mercer for his team building . . . fantastic work they are doing. It is absolutely amazing the difference from what we had 3 or 4 years ago to now; how working with the town has changed and it is so much better. I hear now "how can we help you?" and "what do you need?" where I used to hear "we

can't help you with that" or "that's not our responsibility". What a refreshing difference! I have one concern, that that there may be some decisions made tonight that may negatively impact the positive changes happening in Creedmoor . . . As the largest tax payer in Creedmoor, the three cent tax reduction is substantial, however at a time when Creedmoor is growing and enthusiastically attracting businesses to spend and invest money in the community, let's make sure we focus on what really matters . . . We need to keep the positive works going and doing more. . . Please do not give us a tiny tax decrease this year and turn around and hit us with a large tax increase next year."

Commissioner Karan commented that one of the things our City Manager has done is effectively run the City's business, just because money is in the budget does not mean that he spends it. He noted that we are tracking in a positive direction in our capital reserves, have our bond rating now for the first time in a number of years at the bottom rung of what would be considered to be the standard. In addition, he said that he was happy with the new budget and hoped the board would move forward and approve with the three cent tax rate reduction. He stated "Without delving too much into the Manager's responsibilities . . . we have the task of doing overview work for the City and the Manager takes our direction and does the work. I hope we have not impacted too much the ability that he has to run the City. I think it is tracking in a positive direction and that we now have the best staff we've ever had, not that there haven't been past outstanding employees in the past . . . but the staff we have right now is a very cohesive team and we do not want to impact the working ability they have in any way, shape, or form. I hope that you will join me as a move to approve the Budget for FY11."

Moved by Commissioner Karan to approve the proposed FY10-11 Budget with the three-cent tax reduction; Seconded by Commissioner Piper. Mayor Moss called for further discussion.

Jimmy Minor questioned whether it was possible to put the \$500 cemetery donation back into the budget. Discussion followed regarding whether or not the cemetery was city owned and if, in fact, current citizens of Creedmoor benefit from the cemetery and if they are able to be buried there. If it is not city owned, the Board would be approving the use of tax dollars to maintain a non-profit organization through the donation.

Mildred Goss answered Commissioner Karan's questions and stated that the cemetery was not owned by the City of Creedmoor and that there are no plots available for purchase. She stated that this has been a long standing relationship between the City and the Creedmoor Cemetery.

Mayor Moss identified other organization that the City donates to similar to this such as Families Living Violence Free and Granville Rescue. What has been missing in the past is documentation as to where the money is used and to be sure it is used for a public purpose.

Commissioner Karan commented on his disappointment that citizens came before the board at the Budget Hearing and asked for tax reduction but then turned around and said, in essence, "don't take the money from my pot". He informed the Board "it must come from somewhere".

Mayor Moss asked if the Finance Officer would you be able to locate \$500 and keep our budget right where it is currently. The Finance Officer, Ren Wiles, answered in the affirmative. Commissioner Minor suggested taking monies from the City's cell tower leases; however Mr. Wiles suggested looking in other areas due to projects such as the CMAQ trail will be using up some of the reserves in the recreation fund.

The Board would like to review the current Privilege License Fee schedule; tabled for future meeting.

The Board then considered the topic of COLA increases for employees. Mr. Wiles reported that the proposed 2% COLA increase in conjunction with the step increase for police officers would amount to \$36,729. Mayor Moss spoke about the City Manager's rationale behind proposed salary increases versus employee bonuses as a "Fairness issue" due to salaried employees regardless of how much time it takes to do job, they are here and the

bonus approach causes those salaried employees to lose money. Commissioner Wilkerson stated that he wanted to see a set amount added to each employee's base salary.

Mayor Moss referenced an overtime analysis provided by Mr. Mercer's staff of police department and public works employees highlighting the fact that budgeted salaries for hourly employees are not necessarily the only wages earned due to their eligibility for overtime.

Mayor Moss commented that a three cent reduction in tax rate will cut \$68,000 from budget; Mr. Wiles reported that staff have cut roughly \$57,000 and includes changes in revenue of \$11,000. With one cent equal to approximately \$23,000, half of a cent difference would give the Board \$11,000 to work with.

Commissioner Minor expressed concerns that employees not have to absorb the entire 17% increase in spouse/dependent insurance coverage. Commissioner Minor asked for additional numbers where employees would receive a minimum of \$750 or 2% of base salary, whichever was higher – a 'hybrid' approach. This would potentially change the tax rate reduction to two-and-a-half cents from the proposed three-cents.

Commissioner Karan recommended a seventy-cent tax rate and thus allow the City Manager to determine where he spends the money; he emphasized the need to "make sure we don't dictate to the manager and tie his hands".

Moved by Commissioner Karan to table his previous motion to adopt the FY10-11 Budget until the June 22<sup>nd</sup> Regular Meeting; Seconded by Commissioner Wilkerson. Further discussion followed regarding the video surveillance system.

Commissioner Wilkerson asked about the access/card swipe and video surveillance system proposed expenditures. Mr. Wiles informed him that the original budgeted amount for video surveillance was \$45,000 but reduced this amount after receiving the 17% insurance increases; now asking for \$25,000 to begin a phased-in implementation of the system. The card access system had been completely removed from the budget after the insurance increases were received.

The Mayor called for a vote on the motion to table; the motion received a unanimous vote.

Commissioner Karan suggested that, during next year's budget discussions, the Board look into collecting garbage fees in General Fund by putting them on the citizen's ad valorem taxes.

Moved by Commissioner Karan to go into closed session (per G.S. 143-318.11) to discuss property acquisition; seconded by Commissioner Wilkerson. The motion received a unanimous vote.

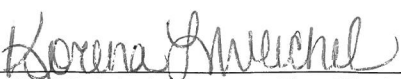
Moved by Commissioner Karan to come out of closed session; seconded by Commissioner Stallings. The motion received a unanimous vote.

### **Adjournment**

Upon returning from closed session, moved by Commissioner Wilkerson to adjourn the meeting at approximately 7:10 pm; seconded by Commissioner Stallings. The motion received a unanimous vote.



Darryl B. Moss, Mayor



Korena L. Weichel, Deputy City Clerk