

CITY OF CREEDMOOR-BOARD OF COMMISSIONERS  
BUDGET PUBLIC HEARING AND  
WORK SESSION JUNE 8, 2009  
5:30 P.M.

**PRESENT:**

Mayor Darryl D. Moss, Mayor Pro-tem Tim Karan, Commissioner Jimmy Minor, Commissioner Otha Piper, Jr., Commissioner Larry Robinson and Commissioner Herman Wilkerson. Also present were Tom Mercer, City Manager and Sandra Harper, City Clerk. Absent was Attorney Tom Currin.

**QUORUM:**

Mayor Moss called the meeting to order at 5:30 p.m. in the Commissioner's Room at City Hall.

**INVOCATION:**

Mayor Moss

**PLEDGE OF ALLEGIANCE:**

Commissioner Minor

**BUDGET:**

Mr. Tom Mercer, City Manager/Finance Officer gave a summary of the power point presentation of April 28, 2009 at the beginning of the budget process. He expressed that the General Revenue Comparison of Revenue/Expense for FY09-10 has changed. Previously it was \$2,954,300 and that has increased by \$5,000. Mr. Mercer expressed that there was no need for a tax increase based upon those numbers.

Mr. Tom Mercer, City Manager/Finance Officer said there will be an increase in water/sewer rates. He expressed that usage of 2,000 gallons of water will increase from \$17.00 to \$22.42; usage of 4,200 gallons will increase from \$26.90 to \$34.43 and usage of 6,200 gallons will increase from \$38.00 to \$48.10. Mr. Tom Mercer, City Manager/Finance Officer expressed that sewer usage of 2,000 gallons will increase from \$26.63 to \$36.75; 4,200 gallons of usage will increase from \$44.38 to \$60.40 and 6,200 gallons usage will increase from \$60.52 to \$81.90.

Mr. Tom Mercer, City Manager/Finance Officer expressed that he previously said that the unused revenue from the prior year would be put back into the General Fund; however it has been determined that it can stay in the Recreation Fund. He said that the Fontaine Conservation Land appraisal is being evaluated along with the grant and other financing.

Mr. Tom Mercer, City Manager/Finance Officer said that for Capital Improvement Funds water consists of \$50,000 for the Lake Rogers' parking lot and \$250,000 for the 2009 Stimulus infrastructure. He said that one-half million dollars from the IRS situation was split between water and sewer for a reserve to apply towards stimulus. Mr. Tom Mercer, City Manager/Finance Officer said that there was \$300,000 remaining of the Lake Rogers Dredging and \$250,000 for additional projects that are not identified at the current time.

Mr. Tom Mercer, City Manager/Finance Officer said that for the Capital Improvement Funds for sewer was the Joe Peed Booster Pump Station in the amount of \$780,000. He advised that there was also \$190,000 in reserve for other projects.

Mr. Tom Mercer, City Manager/Finance Officer referred to the Budget graph. He said that last year was \$9,500,000 and this year is \$7,526,812. Mr. Mercer said that the vast majority of this was because of capital improvements.

Mr. Tom Mercer, City Manager/Finance Officer said that there was a major change in the Police Department. He said that due to the hours worked by the Police Department there was a \$20,000 difference as a result of holiday pay.

Mr. Tom Mercer, City Manager/Finance Officer pointed out that Public Service was up \$647,180 vs. \$616,000. He noted that Mr. Jim Winston, City Auditor wanted to put the fees into the Capital Outlay in the amount of \$35,865.

Mr. Tom Mercer, City Manager/Finance Officer said that looking at the Enterprise Funds there is a \$109,236 carryover for the Recreational Fund.

The General Fund total is \$2,959,950. The Enterprise Fund is \$2,443,296. The Capital Improvement Fund is \$2,123,566. The total budget for fiscal year 2009-2010 is \$7,526,812.

Mr. Tom Mercer, City Manager/Finance Officer presented a chart of the inches of rainfall that was trapped with the City's sewage, which caused higher usage.

Commissioner Minor suggested placing a stand alone weather station at the pump stations.

Mr. Tom Mercer, City Manager/Finance Officer presented the Board with a spreadsheet of Creedmoor's water/sewer base charge, gallons usage and usage charged for March/April. He expressed that with the AMR system he would like for SGWASA to take their readings on the same day of the month as Creedmoor for accuracy. The Board was in agreement that a calibration needed to be done as soon as possible.

Mr. Tom Mercer, City Manager/Finance Officer said that for water there was an unfavorable \$38,554 and for sewer there was an unfavorable \$145,000 this year. He said that he made adjustments for the General Fund to absorb the vast majority of the loss. Mr. Tom Mercer said that looking at the proposed revenue for this year there is a difference of \$2,060. He said that if the Board chooses to look at a rate for meter size they could calculate a four year graduating scale or go with 100%. Mr. Tom Mercer, City Manager/Finance Officer read the statute pertaining to City dwellings as follows:

“The City may require an owner of developed property on which they are situated one or more residential dwellings, units or commercial establishments located within the City limits and within a reasonable distance of any water line or sewer collection line owned, leased or lessee or operated by the City or on behalf of the City to connect the owner’s premises with a water or sewer line or both may affix charges for connections. In lieu of requirement of connection under this subsection and in order to avoid hardship the City may require payment of periodic availability charge not to exceed the minimum periodic service charge on properties that are connected.”

Mr. Tom Mercer, City Manager/Finance Officer expressed that the utility fee did not have to be part of the budget and could be considered at any time. He said that he would like to review the availability charge and alternatives quarterly.

Upon discussion, the City Manager will review the “Ready to Serve” fees and availability fees to present to the Board for consideration at a later date.

Mayor Moss called for a poll on the meter charges.

Commissioner Wilkerson had concern of charging 100% with the economy down and proposed a graduated scale of 50% for the next two years and Commissioner Piper agreed.

Upon further discussion, the consensus of the Board was that the meter charges are to be calculated at 100%.

Moved by Commissioner Minor and seconded by Commissioner Karan to adopt the City Manager’s recommendation on the proposed utility rates that includes the new meter rate schedule. The motion received a unanimous vote.

### **WATER SERVICE FEES**

<b>Deposit</b>	
Homeowners	\$75
Renters	\$200
Lawn Sprinkler	\$75
Late Fee	\$10
Reconnect Fee	\$75
Re-Read (Waived if meter is found to have been misread)	\$15
Tampering	\$200
Returned Check	\$25
Connection Fee	\$2,733.50
Lawn Sprinkler Split Meter Installation	\$250 + meter fee

### **MONTHLY WATER BASE FEES**

### Based on Meter Size

<b>Water</b>	
<b>Inside City Limits</b>	
¾" (Standard)	\$11.50
1"	\$41.23
1 ½"	\$75.35
2"	\$116.30
3"	\$211.85
4"	\$348.35
6"	\$689.60
<b>Outside City Limits</b>	Inside Rate + 100%

### WATER RATES

<b>Inside City Limits</b>	Base fee (see chart above) + \$5.46 per 1000 gal
Metered Structures	< 5000 gal + \$7.75 per 1000 gal > 5000 gal
Lawn Sprinkler	\$11.50 Base fee + \$12.54 per 1000 gal
<b>Outside City Limits</b>	Inside city limits rate + 100%
Metered Structures	\$23 Base fee + \$25.08 per 1000 gal
Lawn Sprinkler	

### BULK WATER RATES

#### Hydrant Meters

0-500 Gallons minimum load	\$20
501-1000 Gallons	\$20
Each additional 1000 gallons	\$30

### SEWER SERVICE FEES

<b>Inside City Limits</b>	
Sewer Tap, 4"	\$425
Street Cut, 4" line	\$1,500
Street Bore, 4" line	\$800
Sewer Connection Fee	\$2,733.50
Sewer Tap, larger than 4"	Actual cost incurred by city + 10%
Street Cut, larger than 4" line	Actual cost incurred by city + 10%
Street Bore, larger than 4" line	Actual cost incurred by city + 10%
<b>Outside City Limits</b>	Inside city limits rate + 100%

## MONTHLY SEWER BASE FEES

Based on Meter Size

<b>Sewer</b>	
<b>Inside City Limits</b>	
¾" (Standard)	\$36.75
1"	\$64.08
1 ½"	\$120.75
2"	\$188.76
3"	\$347.45
4"	\$574.15
6"	\$1,140.90
<b>Outside City Limits</b>	
	Inside Rate + 100%

## SEWER RATES

<b>Inside City Limits</b>	Base Fee (see chart above) 0-2000 gal + \$10.75 per 1000 gal > 2000 gal
<b>Outside City Limits</b>	Base Fee (see chart above) + 100% 0-2000 gal + \$21.50 per 1000 gal > 2000 gal

### **BUDGET PUBLIC HEARING – FY 2009-2010:**

Mayor Moss opened the Public Hearing.

No one wished to speak so Mayor Moss closed the Public Hearing.

Mayor Moss commended the City Manager and staff for the considerable amount of work on the budget.

Commissioner Minor expressed that the Fire Department grant for the new Public Safety Building was for 3.8 million and a 5% match; however they will not pay for the Police Department and asked if there would be enough in the CIP to accomplish this task. He said it would be approximately 1 million dollars to cover the Fire Department match and the funding for the Police Department.

Mr. Tom Mercer, City Manager/Finance Officer said that there was flexibility and they could move funds at the pleasure of the Board.

Moved by Commissioner Piper and seconded by Commissioner Karan to adopt the 2009-2010 Budget as presented based upon a tax rate of 72.5¢. The motion received a unanimous vote.

Mayor Moss said that because there would be future action items for review such as the Ready to Serve fees and the availability fees he asked Mr. Tom Mercer, City Manager/Finance Officer to put together a review for the June 23, 2009 Board meeting.

Mr. Tom Mercer, City Manager/Finance Officer said that the City received the permit for the water pump booster station. He said that he asked Mr. Jim Winston to attend the June 23, 2009 meeting to present the audit findings. Mr. Mercer, City Manager/Finance Officer said that Mr. Winston had talked with Ms. Sharon Edmunson in regards to the audit for stimulus package purposes.

Commissioner Karan expressed that he attended the Ledge Creek meeting today and he gave an update of the plans for a study for restoration. He also referred to the 2002 Lake Rogers Restoration Plan.

Commissioner Wilkerson said that the 2002 Lake Rogers Restoration Plan was to place plants along the edge of the creek.

Commissioner Karan added that the 2002 Lake Rogers Restoration Plan also specified buying easements.

Mr. Tom Mercer, City Manager/Finance Officer said that the Board would be receiving the reconciled bank numbers at the July 28, 2009 meeting. There is also a 13 month closing to review the additional charges, which is usually finalized in the months of August/September. He advised that the auditors reduced their fee from \$54,000 to \$34,000. Mr. Tom Mercer, City Manager/Finance Officer expressed that the difference in cost pays for Mr. William Tatum's accounting position.

Commissioner Wilkerson inquired about the total tax value from the county.

Mr. Tom Mercer, City Manager/Finance Officer reported that \$246,162, 865.00 was the total valuation of both personal property and real estate.

#### **COMMITTEES:**

##### **Finance Administration:**

Commissioner Robinson said that he had nothing further to report.

##### **Traffic Infrastructure:**

Commissioner Wilkerson said that he had nothing further to report.

##### **Community & Economic Development:**

Commissioner Piper said that he and Mayor Moss had been making plans for the 2009 Music Festival scheduled for Saturday, September 19, 2009.

Mayor Moss said that information was being distributed to the media. He advised that there would not be a car show at the festival this year. Mayor Moss acknowledged that there were several local recording artists that have requested to participate. Mayor Moss expressed that there were already nine bands signed up to perform.

Mayor Moss said that the new CVS had been averaging \$40,000 per week.

**Energy, Environment & Natural Resources:**

Commissioner Karan said that the City had plans to discuss the City's sewage discharge permit into the Tar River at the next SGWASA meeting. He expressed that City was still pursuing funds for the restoration of Lake Rogers for future consideration of water production and building a new water treatment plant.

Commissioner Minor said that he felt that they should tell SGWASA that they have received a discharge permit into the Tar River with a possibility of building a water treatment plant and they would like to talk with them about future partnering with Creedmoor.

Commissioner Robinson said that he felt that the City should be vague; however let them know what the City has to offer. He expressed that he is in favor of partnering with SGWASA.

Mayor Moss said that the City was approved for one-million gallons.

Upon discussion, Commissioner Karan said that he felt that the Creedmoor representatives should say to SGWASA that they would like to review different thoughts available and offer them the chance to partner with Creedmoor in the new one-million gallon speculative discharge into the Tar River.

**Public Safety:**

Commissioner Wilkerson said that he would like to schedule a meeting in reference to the July 3, 2009 fireworks and Mayor Moss advised that he would be available next Friday.

Moved by Commissioner Robinson and seconded by Commissioner Piper to adjourn. The motion received a unanimous vote.

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Mayor

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City Clerk