

MINUTES OF  
CITY OF CREEDMOOR – BOARD OF COMMISSIONERS  
REGULAR MEETING AND PUBLIC HEARING  
NOVEMBER 27, 2007  
7:00 P.M.

**PRESENT:**

Mayor Darryl D. Moss, Mayor Pro-tem Tim Karan, Commissioner Angela Mangum, Commissioner Otha Piper, Jr., Commissioner Kent Ray and Commissioner Larry Robinson. Also present was Robert A. Schaumleffel, Jr., City Manager, Sandra Harper, City Clerk and Attorney Tom Currin.

**QUORUM:**

Mayor Moss welcomed everyone and called the meeting to order at 7:00 p.m. in the Commissioner's Room at City Hall.

**INVOCATION:**

Mayor Moss

**PLEDGE OF ALLEGIANCE:**

Commissioner Mangum

**SPECIAL PRESENTATION – COMMISSIONER KARAN:**

Commissioner Karan expressed that it is an honor for the City of Creedmoor to have been designated as a Playful City. He advised that as Playful City founding members he and Mayor Moss were presented with a KaBoom trophy in New Orleans. He said that Creedmoor was one of thirty-one cities in the United States to receive this trophy and it was an honor to bring it back from New Orleans to be displayed proudly for all citizens to view. The City's Ordinances require that new developments must have recreational space. Commissioner Karan acknowledged that there was a negative article in the News and Observer about Creedmoor not being playful. Commissioner Karan expressed that recent adopted ordinances make this a benefit towards making Creedmoor a beneficial place to play. He presented the Board members with a Playful City USA pin and announced that he has ordered more for citizens that would like to have one. Commissioner Karan also exhibited the Creedmoor, North Carolina Playful City USA road sign that was displayed at the conference. He expressed that he and Mayor Moss were the only representatives to wear the lapel pins and the colorful t-shirts; therefore, there was a lot of recognition for the City of Creedmoor. Commissioner Karan said that they were also recognized for being the only Playful City in the State of North Carolina.

Mayor Moss commented that on Friday at the conference in New Orleans he and Commissioner Karan participated in the building of a playground. He said that they helped build a playground in a New Orleans neighborhood in only one day. Mayor Moss expressed that it was truly a wonderful day. He said that it was one of the most gratifying things he has ever done in his public service career. There was not a dry eye when the little girls cut the ribbon for the new playground. Mayor Moss said that it was a very fun and successful day. Mayor Moss expressed that it was an eye opening experience to see the devastation that occurred in New Orleans. He said that they rode through neighborhoods where there was no one living due to the tragedy. Mayor Moss expressed that there were marks on the doors of houses showing how many people had died and the stores and hospitals were closed in the community.

**REQUESTS TO ADDRESS THE BOARD:**

No one was scheduled this evening.

**PUBLIC HEARINGS:**

**Zoning Map Amendment – Averett Property:**

Mayor Moss opened the Public Hearing.

Mr. Dave Roesler, Planning Director addressed the Board and said that at the September 25, 2007 meeting, the Creedmoor Board of Commissioners adopted an ordinance approving a petition for contiguous voluntary annexation for the Edward Averett and John Averett property. The property contains 48.55 acres and is located on the south side of NC Highway 56 and Hayes Road. Prior to the annexation, the property was not within the City of Creedmoor's ETJ; therefore, the property needs to be zoned to a City of Creedmoor zoning. Mr. Roesler expressed that it was proposed that the property be zoned R-3 Residential Watershed. The R-3 Residential Watershed zoning district would be consistent with the zoning classifications of adjoining and nearby properties. The R-3 Residential Watershed zoning district allows single family homes and accessory type uses. Mr. Roesler advised that at the October 18, 2007 meeting, the Planning Board voted unanimously to recommend to the Board of Commissioners that the property be zoned the R-3 Residential Watershed zoning district.

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

**MINUTES:**

Moved by Commissioner Karan and seconded by Commissioner Piper approval of the October 23, 2007 and the October 29, 2007 minutes. The motion received a unanimous vote.

**APPROVAL/ADDITIONS TO AGENDA:**

Moved by Commissioner Karan and seconded by Commissioner Ray to add to the agenda under New Business, Item 12-d as Zoning Map Amendment – Averett Property. The motion received a unanimous vote.

Moved by Commissioner Ray and seconded by Commissioner Robinson to adopt the agenda. The motion received a unanimous vote.

### **PUBLIC COMMENTS:**

Ms. Mildred Goss, 322 Aiken Avenue addressed the Board and advised that there were 13 more veterans honored and their names will be added to the plaque located in the Commissioner's room.

Ms. Mildred Goss, Creedmoor Chamber of Commerce representative announced that the Annual Christmas Tree Lighting was scheduled for Friday, November 30, 2007 at 7:00 p.m. She also announced that the Creedmoor Christmas Parade was scheduled for Saturday, December 1, 2007 at 11:00 a.m. Ms. Goss expressed that there were 80 entries.

Mr. John Wilkerson, 308 S. Main Street addressed the Board and encouraged them to move forward with the water management contract. He also asked that the Board have a joint work session with SGWASA to review and discuss the water/sewer issues. Mr. Wilkerson said that he thinks of the Creedmoor Water Plant as being faithful and serving the community well; however, it is old, the equipment is now failing and it is time to put the plant to rest. He encouraged the Board to seek other options that would be best for the growth of our community.

Commissioner Ray said that Mr. John Wilkerson had contacted him to request a work session and he contacted Mr. Lindsay Mize, Executive Director. Mr. Mize indicated that he would be happy to attend a joint work session.

Commissioner Elect Herman Wilkerson, 211 S. Main Street addressed the Board and asked what would be included in the allowance of the \$1,500 and below that SGWASA can spend without the Manager's approval.

Commissioner Karan replied that everything less than \$1,500 would include such items as parts; saddle valve, a piece of pipe or fitting. Commissioner Karan said that there is no catalogue; nevertheless, they do the repairs and we receive the bills. If the amount is \$1,501.00 they must receive approval from the City Manager. Commissioner Karan added that the labor is part of the management agreement.

Commissioner Elect Jimmy Minor, 803 Lake Road addressed the Board and advised that the Fire Department siren was damaged by Verizon contractors while they were working on the water tower. He said that he has the damage report available from Verizon. Mr. Minor

expressed that repairs are being made and once an invoice is received he will forward it to the City Manager.

### **MANAGER'S REPORT:**

Mr. Robert A. Schaumleffel, Jr., City Manager expressed that he doesn't have much in his report this evening because some of the items are already placed on the agenda for discussion. He presented the Board with a draft of the SGWASA Water Shortage Ordinance. Mr. Schaumleffel advised that the Board will need to forward comments to Mr. Lindsay Mize, Executive Director of SGWASA within 60 days.

Mr. Schaumleffel, Jr., City Manager provided the Board with a financial document dated November 27, 2007. He expressed that this document establishes adjustments which must be made for such items as taxes, Police Miscellaneous and the Music Festival. Mr. Schaumleffel expressed that there will be funds moved in the wage category in reference to temporary personnel. He noted that there will also be an item this evening addressing the auditor's increase in fees. Mr. Schaumleffel said that the Board budgeted \$172,000 for the purchase of water and the City has already used \$104,000. He expressed that the Water Plant is currently shut down and the City may be able to transfer funds from the line item budgeted for chemicals.

Commissioner Robinson asked if the savings on chemicals would stop with the SGWASA contract.

Commissioner Karan said that the chemicals are part of the contract; therefore the savings would be eliminated.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he would be glad to answer any questions the Board may have over the next two weeks. He advised that the Finance Director will have the Resolution addressing the adjustments at the next work session.

### **OLD BUSINESS:**

#### **Tax Audit Update (Approve Audit Contract)**

Mayor Moss advised that the Board budgeted \$17,000 for the audit this year. He said that as a result of the financial and audit issues the contract has increased to \$32,000. Mayor Moss said that there is an additional \$7,500 for the extra work for last year's audit.

Commissioner Karan asked about the difference of service in comparison to the \$32,000.

Mr. Robert A. Schaumleffel, Jr., City Manager said that it was explained to him that they were previously looking at approximately every 100 transactions; whereas, they will now be viewing every transaction.

Mayor Moss said that they will be looking very closely at all receipts, documentation and internal controls and compliance.

Mayor Moss suggested that the Board consider rotating auditors every three years. He expressed that this is a standard procedure.

Moved by Commissioner Karan and seconded by Commissioner Piper approval of the \$32,000 contract for the 2008 audit.

Commissioner Mangum suggested that the City negotiate the fee.

Moved by Commissioner Karan and seconded by Commissioner Piper to amend the motion to authorize negotiation of the auditor's fee not to exceed \$32,000.

Attorney Currin said that he and the Mayor spoke with Jim Winston and they are going to review every tax file, every pre-authorization notice, voucher and every written application for reimbursement. This is not conventional municipal audit.

Attorney Currin advised that if they negotiate to sign a contract that is less than \$32,000 and they reach an expenditure of that dollar amount prior to completing the audit, they have no obligation to complete the audit.

Mayor Moss said that he understands the concern of the increase; however, the LGC encouraged Winston, Williams, Creech and Evans to renew a contract with the City this year. Winston, Williams, Creech and Evans had discussed not renewing the contract this year as requested by their insurance carrier for legal issues.

Attorney Currin said that they agreed to \$32,000 and they have the right to decline a lower offer.

Commissioner Karan withdrew his amended motion.

Moved by Commissioner Karan and seconded by Commissioner Piper to go with his original motion to approve the \$32,000 contract for the 2008 audit.. The vote passed by a 4-1 vote.

Aye Votes: Commissioner Karan, Commissioner Piper, Commissioner Ray and Commissioner Robinson.

No Votes: Commissioner Mangum

Commissioner Karan referred to the secondary packet that was given to the Board pertaining to the penalty and failure to file information. He expressed that there is serious testimonial information that has not been previously disclosed. He encouraged that this information be disclosed to the public.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he did not give this document to the Board at the last meeting because there were absent members.

Commissioner Karan said that Federal Agents have been in this building at different times interviewing staff repeatedly and asked when this information would be disclosed for public viewing. He said that this community is very upset and there are a lot of citizens that do not understand what happened. Commissioner Karan said that he placed partial blame on himself for trusting and expressed that he should have asked for a paper with a government seal from a higher authority. He said that he has learned his lesson as to the procedure. Commissioner Karan said that this document is official and the Board needs to act on this. He said that he contacted the SBI and they told him that there is nothing that the City can do in a criminal manner towards the individual that is named repeatedly on approximately every page of this 40-page document. He said that he was sickened about the amount of increase that the City will have to pay to the auditors. He emphasized that if he were the individual named in the official document he would not be able to hold his head up.

Moved by Commissioner Piper and seconded by Commissioner Ray to approve the additional \$7,500 for the 2006-2007 audit. The motion received a unanimous vote.

Commissioner Ray asked that the document be downloaded onto the website for citizens to view.

Attorney Currin asked that he be allowed to review the document for employee record compliance before it is scanned onto the website.

Commissioner Karan noted that this is a US Treasury document.

Commissioner Mangum expressed that what she was reading all through the document was that the blame was identified as “intentional disregard.”

Attorney Currin said that he would review the document and make a report to the Board at the work session.

#### **SGWASA MANAGEMENT CONTRACT:**

Mayor Moss said that staff has voiced concerns of equipment and personnel.

Mr. Robert A. Schaumleffel, Jr., City Manager said that these issues need to be discussed because the City is not large enough to have segmented responsibilities. He said that if the Board approves the SGWASA Management Contract the City would still have streets, recreation, storm water, equipment and personnel. Mr. Schaumleffel said that he was told that SGWASA would prefer the City’s best staff and he is opposed to that.

Commissioner Robinson asked who will be responsible for the replacement of City staff that resigns under SGWASA management.

Mr. Robert A. Schaumleffel, Jr., City Manager said that it would be the City's responsibility to recruit new staff. He said that he prefers to have control of personnel. He added that if they need additional personnel we would allocate whatever they need to accomplish the job.

Commissioner Ray said that Mr. Lindsay Mize stated during his presentation to the Board last month that if there is an emergency regarding the lines that he has the resources to take care of the situation.

Mr. Robert A. Schaumleffel, Jr., City Manager said that staff notified him that SGWASA wants the City's best employees.

Commissioner Ray asked how staff would know this.

Commissioner Robinson said that his understanding was that two employees would be managed by SGWASA. They would remain Creedmoor employees and would be paid by the City. He said that if the employees leave SGWASA the City would be responsible for recruitment of new employees. Commissioner Robinson reiterated that the employees would be managed by SGWASA and noted that the City would have no say in what those employees do on a day-to-day basis. He expressed that he does not know anything about the choosing of employees. Commissioner Robinson said this was not stated in the contract nor was it mentioned during Mr. Mize's presentation to the Board.

Commissioner Karan said that it would be positions that Mr. Mize is looking for, which would be a Maintenance Worker I and a Maintenance Worker II. He added that most of the employees would be from the Water Plant.

Mr. Robert A. Schaumleffel, Jr., City Manager inquired about the Water Plant employees and their duties.

Commissioner Robinson said that if SGWASA chooses to move employees from Creedmoor over to Butner and vice versa, they could do so. He emphasized that the City would have no say in the management of employees. Mr. Lindsay Mize expressed to this Board last month that there would be cross training.

Mr. Robert A. Schaumleffel, Jr., City Manager said that means there would be three employees from the Creedmoor Water Plant and two employees from the Public Works Department that would be under SGWASA Management.

Commissioner Robinson said that he had concerns of losing five employees to SGWASA while the City continues to pay the employees, take out their taxes and provide workman's compensation. He stated that usually under a contract there is no responsibility of taxes and insurance, which would be a savings to the City. Commissioner Robinson expressed that the City would not be receiving this benefit under the proposed contract and he feels that this is not a true maintenance contract. Commissioner Robinson expressed that the City needs to

give SGWASA full responsibility of all water in Creedmoor, find another alternative or pay someone with the proper certificates to run the Water Plant.

Mayor Moss said that he understands Commissioner Robinson's concerns. He added that there is a tremendous difference between a management contract and a maintenance contract. Mayor Moss said that the City is considering a management contract. He said that the City wants to provide continued ownership of the system at this time. He added that there has been extreme exposure as to the certifications. Mayor Moss said that the City would pay for the certifications by hiring employees or through the management agreement. He said that the management contract appears to be the solution to take an interim step dealing with the exposure until future Boards can make a decision for long term to either fold into SGWASA or find another alternative.

Commissioner Robinson said that there are other alternatives. He added that there are companies that will offer a management contract with the certifications. Commissioner Robinson expressed that the real issue would be the decision that must be made by February.

Commissioner Karan said that he agrees with Commissioner Robinson that there are other alternatives; however, with certification agreements the City would not receive maintenance during a line failure.

Commissioner Robinson said that the City's employees could do the maintenance on the lines for SGWASA.

Commissioner Ray commented that the Wooten Company offered to get ORC operators for the City; however, that did not happen. He added that SGWASA offered to provide the City with the certifications. Commissioner Ray said that this is a management contract; the employees will be City staff and are hired by the City. Commissioner Ray said that this is a contract for a group to manage the employees in regards to the water. The Board is not asking SGWASA to take over the facility at this time.

Attorney Currin referred the Board to page two of the contract and gave an overview of Article II, Management of the System and Plant; 2.1 SGWASA's Responsibilities for the day-to-day operations of the System and Plant. He advised they will provide labor, parts, supplies and materials except as set out in section 2.1.1 Non-Routine Expenditures.

Commissioner Piper expressed that the City could run into a major problem that takes more than the City's maintenance personnel. He said that the City has limited staff and there have been several leaks in different areas of town in the past few weeks. Commissioner Piper said if the City has a major mishap that under the SGWASA agreement crews from the City of Creedmoor, Butner, Stem and County would be called in to accomplish the job. He said that he feels that the SGWASA agreement would also eliminate the meter reading problems that the City has been facing.



Commissioner Mangum said that according to the SGWASA schedule an employee could be making \$37,000 as a meter reader and this is a concern. Commissioner Mangum said that this salary is the pay for a teacher position with ten years of experience. She said that she has concerns of how SGWASA uses its money. Commissioner Mangum expressed that she feels that the only thing that the City needs is to become fully staffed.

Commissioner Ray said that the City has not been very successful in having a full staff. He noted that the City seems to lack the ability to hire competent personnel to stay in the positions. Commissioner Ray said this is an opportunity for the City to relieve itself of some of the responsibilities. He expressed that there have been a few issues that the City has not been unable to accommodate. Commissioner Ray said that the Public Service Director position has not been filled and the water plant has not had adequate manpower for months. He said that this is an opportunity to address the water plant issues and allow for the City to take care of other pressing issues. Commissioner Ray said that if anyone on this Board can come up with a better solution that he is willing to listen. He expressed that at this point he has not seen anyone else come forward with other solutions nor has the City Manager come forward with other suggestions as to how this might be addressed. He added that the City Manager has not taken any action to bring in qualified personnel. Commissioner Ray also addressed that if the City is going to be competing with someone that pays a meter reader \$37,000 it would be hard to bring in personnel at City pay. He said that it is his opinion that you get what you pay for.

Commissioner Mangum reiterated that the City does a good job at watching how money is spent and no one seems to be taking a look at the pay scale provided by SGWASA or anything else that goes on within SGWASA. She said that the taxpayers are monitoring what the City spends. Commissioner Mangum asked the City Manager if the City can find someone to manage the water system.

Mr. Robert A. Schaumleffel, Jr., City Manager said that the water system was placed under the management of the Public Service Director. He said that he has not tried to spend the money to fill the position because he knew that the Board was considering the SGWASA agreement. Mr. Schaumleffel expressed that SGWASA has raised their water/sewer rates 70% in the last year, which gives them additional revenue. The City's utility rates have not been raised very much in the last ten years.

Commissioner Robinson said that this is a utility that is not regulated; therefore they can raise rates at any time. He expressed that the City has control of rates at this time and the Board had done a good job at keeping the rates down. Commissioner Robinson said that he feels the City will lose this control.

Commissioner Karan said that the City has no water plant and no control over the sewer.

Commissioner Ray said that he differs in that the City has done a good job in controlling expenses. He said he feels the Board has done a good job in trying to keep a cap on the budget; however, the fact that the City had a 1.7 million tax bill for non paid taxes and

penalties that has been reduced to \$400,000 shows that someone along the way was not interested in paying attention to where the money was going.

Commissioner Robinson said that it might be best for the City to contract out everything.

Commissioner Ray said that at this point that may be most economical and efficient way.

Attorney Currin expressed that regardless of the policy decision the Board makes there are some practicalities that should be considered. He added that the Mayor did a good job of taking the initial offer and making changes. Attorney Currin said that SGWASA was receptive to look at the process; however the numbers in general were from a budget that anticipated the operation of the water plant. He said that when the discussions began the City did not have numbers representing the costs of operation when the water plant is not in operation in reference to personnel and chemicals. Attorney Currin expressed that the City now has the experience from June thru November as to what those numbers are. He suggests that the Mayor review the numbers and ask that SGWASA make adjustments for those numbers. Also, because the City is putting in the corrosion control and automatic reading devices, there will be a reduction of times that a water plant operator will physically have to be present at the water plant to take readings. Attorney Currin said that this makes it possible for staff to be absent up to four hours; which will reduce the manpower requirement. Secondly, SGWASA has agreed to do the maintenance agreement at cost and say that they are not interested in making money. The City can make it a requirement that they attempt to keep a record of what they are actually spending on the Creedmoor side of the ledger. This will allow the City to reexamine the figures at the end of any period and if it appears they are not spending as much as anticipated they can cut back the figures. Lastly, there needs to be discussion of the proposed budget increase if the City does not fold its system into SGWASA. It was discussed previously with SGWASA that any increases in water/sewer rates would become effective at the end of the fiscal year for budget purposes. He said that the City just needs to remind them of this understanding. Attorney Currin said that the proposal to double the rates 2/3rds of the way through the fiscal year would play havoc with any budget.

Mayor Moss said that the budget for chemicals on the water side will be reduced and there will also be savings for the sewer side as well. These savings will reduce the \$38,000.00 monthly fee.

Mayor Moss said that this agreement is a temporary solution. He advised that if this Board chooses not to fold the City's system into SGWASA by February 1, 2008 the citizen's water rates will double. Mayor Moss said that this Board has discussed the other solution to hook up to the Oxford; however the Oxford line is not going to happen by February. He noted that the City may not be in a situation to burden the citizens with a 25 million dollar number. Mayor Moss said that he understands the concern of control; however, long term the City will gain control. He said that the City should use the limited capacity of water/sewer to turn our weakness into our strength and focus on quality vs. quantity. Mayor Moss said that the

City has literally been forced into making the decision of folding into the SGWASA system or double the rates for our citizens.

Commissioner Mangum said that no, we are not doubling the rates.

Commissioner Karan said that we are doing so by default.

Commissioner Mangum said that the phrase “we” is not correct. Commissioner Mangum said that she was not doing this. She said that there are only two people sitting on this Board that made the decision that our rates should be doubled if our system is not given away.

Commissioner Ray said that the other three members of this Board have not come up with any other options.

Commissioner Karan noted that five of seven members is still a victory vote.

Commissioner Mangum asked what type of defense the City has. She said that she does not want to have an entity manage our day-to-day operations that says give us your system or we will double your water rates. She said that it was already mentioned that they are not supposed to raise rates until the budget cycle and it is wrong to double the rates.

Commissioner Ray said that Creedmoor also charges its outside customer’s a higher rate than citizens living within the City limits.

Commissioner Mangum said that it is not fair that a Board of people can make a policy that specific citizens are going to have to pay double. She expressed that the citizens of this town have a right and she emphasized that she feels that the policy is wrong.

Attorney Currin said that he would not conceive that this would be legal.

Commissioner Karan expressed that when you have only 25% ownership in an entity and the other 75% of those individuals decide that they want to do something you can stand alone and be one of the 25% that says no; nevertheless, you will still have to go along with the decision. He noted that when SGWASA purchased the plant from DHHS they were given the authority to set rates. There is no choice, SGWASA is a utility entity. The City can either stay with SGWASA or add \$37.00 per month to our resident’s bill for the next 30 years in addition to the water line hook up with Oxford for water/sewer. If the choice is to hook up to Oxford the City could apply for a USDA grant to build a line. Commissioner Karan said to stay with SGWASA the City can remain owners of an entity and grow and prosper with the rest of Southern Granville County. He said that the rates charged by Kerr Lake Regional Authority for their established rates for water/sewer verses what SGWASA will charge their customers for newly established rates will not be any different. Commissioner Karan made reference to the capacity fees and said that he feels the new developments that have come before this Board in the last four years will not happen. He expressed that the building boom that was in Creedmoor is no longer here and used the

Brassfield Road development as an example. Commissioner Karan expressed that because of the outsourcing of jobs and the economy the good old days are behind us. Commissioner Karan noted that the citizens of this community are still paying for the Kayser Roth and Georgia Pacific infrastructure. He added that SGWASA picked the February date because they want the City to be in the organization for long term and work with them to explore new technology and other sources to double our capacity without the investment of building a new line or plant. Commissioner Karan said that there are good things happening with SGWASA. They have professional management and they are paying their employees high salaries; however, these were State employees before the purchase. He advised that part of the deal for SGWASA to purchase the entity from the State was to continue the State salaries, State benefits and State retirement system. Commissioner Karan expressed that when the Town of Butner became a Town the amount of money to be paid back on the loan decreased from \$768,000 per year to \$500,000. He said that the City does not know if we will receive the USDA grant, we do not know if Oxford will allow the hookup nor do we know if the Kerr Lake Regional Authority will authorize Oxford to allow the City to hookup. He said that with the draught a small municipal system is a thing of the past. The only way to survive is to regionalize. Commissioner Karan expressed that you can't travel anywhere in Granville County without going through Creedmoor or Stem. He reiterated that he commends County Commissioner Gooch of District Five for caring and taking a stand to support our school systems and making a motion for an adequate public facilities ordinance, which failed for lack of a second. Commissioner Karan advised that Creedmoor is going to price ourselves out of business by all the fees that we charge. He said that SGWASA is going to move forward and if the City wants to be part of it, they welcome us. Commissioner Karan said that the City Engineers have done an appraisal as to the value of the City's system and we can negotiate a selling price. Commissioner Karan expressed that the City needs to do something and it needs to be done now. He said that looking at the sidewalk and dredging project time frames, it should not take the City this long to get something done.

Mayor Moss said that he took out the \$71,000 from the water side, which brought that total down to \$149,500. He took out another \$15,000 on the sewer side, which brought that total down to \$143,827. Mayor Moss said that there would be an amount of \$80,000 added back in for personnel costs, which reduces our monthly cost from \$38,297 to approximately \$31,130.

Attorney Currin advised that if SGWASA doubles the rates in February, the City does not have the money to pay. He expressed that the Board can not authorize this without a budget amendment. The Finance Officer would have to give pre-audit approval for the Board to spend the money that has not been budgeted. In doing so, she has to consider that the enterprise fund charges are going to double in February. He said that the Board has budgeted 100% of water/sewer costs at the existing rates. The Finance Officer has been informed that the cost of water/sewer for the months of February, March, April, May and June will be twice the budgeted amount. Attorney Currin said that there would be a check out of the enterprise fund for the monthly authorized amount.

Commissioner Karan said that this would be written to SGWASA rather than the power company, the phone company, ABC Lab Company, etc. He said that this money has already been budgeted.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he would have preferred that Lindsay Mize give the numbers as to how much he feels it would cost to manage the system.

Mayor Moss said that the City was better off allowing Mr. Lindsay Mize, Executive Director go with the City's budget.

Commissioner Ray said that it was best that they used the City's numbers and expressed that SGWASA is not out to make a profit. The numbers are based upon what it is already costing the City to produce. He referred back to Commissioner Robinson's comment that there are other companies that can be hired to manage; however, they are going to want to make a profit.

Mayor Moss said that the Management Agreement numbers are already in the budget; however, there are some numbers going to different areas of the budget.

Attorney Currin said that the City's new policy states that the City is going to comply with Statutory Session, which states that the City will not incur a new obligation during the course of the year for any program, function or activity unless the budget ordinance includes an encroached creation authorizing that obligation and an unencumbered balance remains in the appropriations sufficient to pay the current fiscal year sums obligation. He added that this would be a new obligation, which would be a payment under contract to a third party.

Commissioner Karan suggests that any equipment that has a dual use not be included. He said that SGWASA understands that the City will need a backhoe for road repair; however they would like to have items such as a sewer camera to be transferred.

Commissioner Mangum said that it was mentioned that all the money was in the budget; however, she was told by the City Manager that there would have to be more dollars appropriated for the Public Service Director because SGWASA would be taking half of that salary. She said that this would not be an even match.

Attorney Currin said that the City would need to determine if the Public Service Director position is to be filled and what the salary would be. The salary can be pro-rated on the basis of the year and the remainder could be available for transfer.

Commissioner Karan noted that the Public Service Director position would be a moot point while the contract is in place. He said to hire personnel to oversee maintenance and employees that cut grass is not a \$70,000 or higher salary.

Upon discussion, moved by Commissioner Karan and seconded by Commissioner Ray to enter into a Management Agreement with SGWASA at a dollar amount to be approved by

the City Board and SGWASA Board and when the agreement of cost is determined that the sum be pre-audited and come back before this Board for an appropriate budgetary amendment with a pre-audit statement by the Finance Officer for this Board's approval. The motion passed by a three to two vote.

Aye Votes: Commissioner Karan, Commissioner Piper and Commissioner Ray

No Votes: Commissioner Mangum and Commissioner Robinson

### **Department Head Reports:**

Commissioner Karan expressed that Mr. Joe Lyle of Millridge Properties has done 95% of everything that has been asked of him for the Special Use for the Parkway Project. He said that Mr. Lyle said that he was told that the City is waiting for the State to bring information back in reference to the road widening and the drainage for the new curb cut.

Mr. Dave Roesler, Planning Director advised that the initial plans were reviewed and the City sent out a deficiency letter. He said that the Special Use Permit was approved and a checklist was provided, which stated that they were to provide detailed items on the plan. Mr. Roesler said that he is waiting for final approval of the improvements for NC 56 from NCDOT District Five. He said that he is hoping for approval within a few days. Mr. Roesler said that he met with the engineer late this afternoon in his office and they are getting very close. He said that he also provided more storm water details to the Wooten Company for review. Mr. Roesler said that he is hoping that the permit will be issued for the driveway next week. He added that Commissioner Karan was correct in saying that they are 95% or closer to getting construction approval.

Commissioner Karan said that one of the small holdups for this project was that the servicing of the newly annexed commercial entities abuts Hwy. 56. The Town of Butner will be taking the residential that backs up the commercial. He said that there have been discussions with the Wooten Company about the entrance to the proposed office areas. The City only has a main feed line infrastructure in the water/sewer capacity on that side of town. Commissioner Karan said that there was a previous meeting with Mr. Lyle of the Millridge Group, Mr. Bob Jones, previous Public Service Director for the City and the Wooten Company. At this meeting they came to an agreement that the City would be happy with a meter vault, which houses the meter from SGWASA to be moved closer to the City and this is shown on the engineering drawing plans. The City also insisted that they draw a redundant water supply into the commercial portion of that project; however, the City has not addressed the issue of effluent. He said that the plan currently shows that the effluent would go further down into the Parkway project and go in through the residential area and come back out to East Lyon Station Road to be handled by SGWASA. Commissioner Karan suggests that the Board allow SGWASA to be responsible for all water/sewer, which would include inspections of the infrastructure. In doing so, the City would remain the tax collector and SIBDA collector. Commissioner Karan said that he would like to see the Board give a formal approval to Mr. Lyle that he can move forward with this project.

Attorney Currin asked if the City Inspector would be doing the building inspections.

Commissioner Karan said that the City Inspector would still be responsible for the inspections; however the City would be relieved from the taps and metering dealing with infrastructure.

Attorney Currin expressed that the City is currently charging substantial tap fees and this would require a division of the City's fee schedule.

Commissioner Karan said that the only way to charge a connection fee is if the City has the infrastructure in place.

Attorney Currin said that the City can require that they pay the connection fees and also have an agreement with SGWASA to provide the service.

Attorney Currin said that the current ordinances set forth requires him to pay all the fees and costs to the City of Creedmoor whether or not the effluent runs into the City or to SGWASA.

Commissioner Karan expressed that at this point he is only looking for the Board to formally allow him to move forward and that the City not ask to be shown the infrastructure from the water/sewer side.

Mr. Dave Roesler, Planning Director said that staff and the developer have agreed that they not put in a dry line at this time. This will be evaluated when they bring plans to the City for the commercial area. At that point they will have to show connection to water/sewer.

Attorney Currin noted that there is no infrastructure currently going in either direction. It might be best to bring effluent in a combined system back down the hill or put in a pump station constructed at the bottom of the hill rather than at the commercial area.

Commissioner Ray advised that the developer said that the residential project would be developed before the commercial area.

Mr. Dave Roesler, Planning Director said the original request from a financial and logical standpoint was that they put in the water lines to residential and drop another one in the ground for commercial to eliminate future disruption and higher costs.

Commissioner Karan said that he did not realize that the process for this project was moving along and no action was taken.

Commissioner Mangum commented that she received a list of property owners involving the cleanup plan and the notes state that the properties would be re-inspected on the 15th and 22nd. She asked if there were names that should be removed from the list.

Mr. Dave Roesler, Planning Director replied that there were no names to be deleted at this time. He said that he plans to go out to do inspections tomorrow and will keep the Board updated.

Commissioner Mangum read the list of names that were on the list of violations. She said that it is good news to see that there are people taking the initiative to cleanup and as this happens we can take their names off the list.

Mayor Moss inquired about the Wilton EMS connection to the water line.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he believes the connection has taken place. Mr. Schaumleffel said that he will be watching closely because he feels that they should not have built the EMS building until the work at Mt. Energy had been corrected. He said that he took the County Manager's word and this is a good faith venture.

#### **Mobile Home Park Ordinance:**

Mr. Dave Roesler, Planning Director addressed the Board and advised that at the Public Hearing of October 23, 2007 several changes were suggested by the Commissioners in the Draft Mobile Home Park Ordinance. The changes are reflected in the revised document provided in the Board packets.

Moved by Commissioner Robinson and seconded by Commissioner Ray to adopt the revised Mobile Home Park Ordinance. The motion received a unanimous vote.

#### **To Do List:**

Mayor Moss advised that #2 EMS Station connect to Wilton Line on the To Do List could be deleted and #15 the SGWASA Management contract is pending.

#### **NEW BUSINESS:**

##### **Code of Ethics:**

Commissioner Karan said that he and Commissioner Ray requested that the City Clerk get a copy of the County's Code of Ethics. He said that the Board was presented this evening with an exact copy of that Code of Ethics with the changes made to state City of Creedmoor. He commends the City Clerk and City Attorney for making this happen. Commissioner Karan said that the purpose of this document is to establish guidelines for ethical standards of conduct for Commissioners. He used the example of trading a favor for a vote as being unacceptable.



Moved by Commissioner Ray and seconded by Commissioner Karan to adopt the Code of Ethics for the City of Creedmoor Board of Commissioners. The motion received a unanimous vote.

Mayor Moss said that he supports the adoption of this ordinance. He said that during the New Orleans Conference one of the themes was the negative impact of elected officials.

Commissioner Ray said that he hopes that if someone is found in violation of this Code of Ethics that the next Board will take appropriate action against the individual.

### **Election of SGWASA Representative:**

Mayor Moss said that the Board needs to appoint a new representative for the SGWASA Board to replace Commissioner Ray.

Commissioner Ray noted that there are two positions on the SGWASA Board. His term is a three-year term and Commissioner Karan's position is a one year term.

Commissioner Robinson asked if this appointment needs to be made at this time.

Commissioner Ray said that his time expires at the next SGWASA meeting.

Attorney Currin explained that the statutes require a date and time that the new Commissioners are to be sworn in. The statutes say that it will be no later than the first regular scheduled meeting in December, which is the Work Session of December 12th. Mr. Ray will represent the City at the next SGWASA meeting and the following night on the 12th his term will end and he will be replaced by a new representative.

Moved by Commissioner Ray and seconded by Commissioner Mangum to appoint Commissioner Karan to fill the three-year unexpired term on the SGWASA Board effective immediately. The motion passed by a 4-1 vote.

Aye Votes: Commissioner Karan, Commissioner Piper, Commissioner Mangum and Commissioner Ray

No Votes: Commissioner Robinson

Attorney Currin explained that Commissioner Karan resigned from the one-year term on the SGWASA Board and this Board appointed him to the three-year term; therefore, there is now a vacancy for the one-year term.

Commissioner Mangum said that she would prefer that this vote wait until after the two new Board members have been sworn in.

Moved by Commissioner Robinson and seconded by Commissioner Karan that Commissioner Piper be appointed to the one-year term on the SGWASA Board. The motion passed by a 4-1 vote.

Aye Votes: Commissioner Karan, Commissioner Piper, Commissioner Ray and Commissioner Robinson.

No Votes: Commissioner Mangum

**Internal Control Policy:**

Commissioner Ray said that he would like this item to be deferred until the new Board members are sworn in.

No action was taken.

**Zoning Map Amendment – Averett Property:**

Moved by Commissioner Ray and seconded by Commissioner Mangum to approve that the property consisting of 48.55 acres located on the south side of NC Highway 56 and Hayes Road be rezoned R-3 Residential Watershed Zoning District. The motion received a unanimous vote.

**MAYOR’S REPORT:**

Mayor Moss reiterated that one of the themes of the New Orleans Conference was the negative perception of elected officials. He expressed that three of the other themes were 1) environmental issues; 2) infrastructure and 3) immigration. Mayor Moss said that every City has these same issues.

Mayor Moss presented a Proclamation to proclaim November 30, 2007 as HIV/AIDS day. He advised that the Community Resource Solutions, LLC has scheduled an event for World Aids Day and he plans to attend and present them with this proclamation.

Moved by Commissioner Karan and seconded by Commissioner Ray to adopt the Proclamation proclaiming November 30, 2007 as HIV/AIDS Day as follows:

***Proclamation***

*WHEREAS, the Community Resource Solutions, LLC, does commit to provide quality HIV/AIDS Case Management Services to the citizens affected and infected in Creedmoor, North Carolina and Granville County.*

*WHEREAS, the Community Resource Solutions, LLC proclaims that no person, while under their watch, should ever have to suffer from lack of access to quality health care services, because “enhancing the quality of our consumer’s lives is the nature of our business”.*

*NOW THEREFORE, I, Darryl D. Moss, do hereby proclaim November 30, 2007 as HIV/AIDS day.*

*Adopted this the 27th day of November, 2007.*

The motion received a unanimous vote.

Mayor Moss announced that there are two vacancies on the Planning Board. Ms. Nellie Daniel, ETJ member has resigned and the other position will be to replace Commissioner Elect Jimmy Minor as a City member. These two positions will need to be filled in January after the new Board members have been sworn in.

#### **COMMISSIONER REPORTS:**

Commissioner Ray thanked everyone for giving him the opportunity to serve on this Board for the last four years and he wishes the Commissioner Elects success.

Commissioner Mangum said that she attended the Granville County Board of Commissioners meeting this month and there was a lot of discussion of an Adequate Public Facility Ordinance. She said that she was excited to hear the positive feedback in reference to the ordinance and did not understand why it did not pass. Commissioner Mangum noted that Commissioner Lumpkins commented that it was time to address this issue and referenced the 47 million dollar school debt. Commissioner Mangum said that there were negative comments by the builders/developers in reference to the ordinance. She noted that Commissioner Gooch was the only Commissioner to vote yes for the ordinance.

Commissioner Mangum also announced that Mr. John Bryant spoke to the County Board at that meeting and said that he would like to receive yard waste and turn it into topsoil.

Mr. Steve Colenda, City Inspector said that Mr. John Bryant uses new technology to turn compost into topsoil.

Commissioner Karan inquired about a previous discussion in reference to paying Commissioner Retiree lifetime benefits. He said that he would like to see a date certain cap as to when the Commissioners would qualify for this benefit. Commissioner Karan said that as elected officials they are compensated financially on a small amount; however, it is a drain

on the taxpayers to pay the lifetime benefits. Commissioner Karan said that he would like this Board to direct staff to eliminate this benefit.

Commissioner Robinson said that he, Commissioner Piper, Chief Benware, and Assistant Chief Williams met to discuss many issues. He said that one of the discussions was about the use of tasers. He said the Police Department has one taser and it is already in the budget to purchase a second one. Commissioner Robinson said that there will be training for the officers on the use of the tasers.

Commissioner Piper said that he would like to commend Commissioner Mangum and Commissioner Ray for their hard work and dedication as a member of this Board for the past four years.

Moved by Commissioner Piper and seconded by Commissioner Ray to go into Closed Session pursuant to NCGS 143-318.11(3). The motion received a unanimous vote.

Upon return to regular session, moved by Commissioner Piper and seconded by Commissioner Karan to cancel the December 12, 2007 Board meeting. The motion received a unanimous vote.

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

---

Mayor

---

Clerk

