

MINUTES OF
BOARD OF COMMISSIONERS
WORK SESSION
MARCH 20, 2023
6:00 PM

Present

Mayor Bobby Wheeler, Mayor Pro Tem Emma Albright, Commissioner Edward Gleason, Commissioner Georgana Kicinski, Commissioner Robert Way, and Commissioner Archer Wilkins. Also present were City Manager Michael Turner, Community Development Director Michael Frangos, City Attorney Kevin Hornik, Executive Assistant Sarah Spruill, Recreation Director Christopher Horrigan, Public Works Director Steve Edwards, Interim Finance Director Carla Hobbs, Police Chief Troy Wheless, City Engineer Carl Barclay, and City Clerk Barbara Rouse.

Absent

None

Call to Order And Invocation

Mayor Wheeler called the meeting to order at 6:01 p.m. and Mayor Pro Tem Albright offered the invocation.

Pledge of Allegiance

Commissioner Kicinski led the Pledge of Allegiance.

Roll Call

Roll call by the City Clerk determined that a quorum was present.

Approval of Agenda

Commissioner Kicinski added a Closed Session to the agenda for Personnel matters. Commissioner Wilkens then made a motion to approve the agenda as amended. The vote was approved by a vote of 5-0.

Discussion Items | ETJ Expansion, Mayor Wheeler

Mayor Wheeler began the discussion by saying he put the ETJ Expansion on the agenda knowing the City cannot grow right now, but, he said, he wanted to be better prepared when opportunities arise in the future. The Mayor then posed the question to the Board, whether this expansion of the City's ETJ was something they were interested in pursuing. A map was presented in the agenda packet outlining the proposed limits of the City's ETJ. Commissioner Kicinski added that in 2008 the Board had suggested expanding the ETJ. She continued and said that they [the previous Board] took it to the County Commissioners and it passed at the public hearing but the County Commissioners never moved on it so, she said, it is supposedly "still out there" but she didn't know if there was an expiration on it or not. The Mayor said he was looking for a consensus from the Board, which he received, after which he directed City Attorney Kevin Hornik to proceed to the next step on this item. City Attorney then disclosed to the Board that his firm represents the Town of Stem also, and he added that before the firm gets involved substantively with the City's ETJ issue, especially if Creedmoor and Town of Stem engage in any negotiations or discussions about limiting expansion towards one another, he would likely prepare a resolution for the City to sign, acknowledging and waiving any conflict of interest.

Discussion Items | Go.Gov

Commissioner Gleason introduced the Board to GOGov, Citizen Request Management (CRM) software, for citizen notification and alerts, which, he explained, is an app for iPhones or Android phones that in essence would be a link between the City and its citizens. He presented the example of notifications of road closings to citizens in real-time, and on the other end, citizens being able to snap a photo of a pothole, etc., and send it directly to the City as well as giving the City a tracking tool. He continued and said that there are citizens who do not have computers, but there are very few citizens who do not have smartphones and he added that this product would give two-way constant contact between the City and its citizens which

engages the community. Gleason added that the software also piggybacks on the City's website so all of the City's information would be available on the Go.Gov app. There was a bit of discussion on the product and Commissioner Gleason asked the Board to look at the Go.Gov presentation he shared with them and give their thoughts at the April 17th BOC meeting.

Discussion Items | DEI Addresses the Board

DEI Advisory Board Member Dennis Daniels introduced himself to the Board and thanked them for their participation in the recent DEI-sponsored Town Hall meeting held at the Creedmoor Community Center. He continued and spoke about the relationship between the BOC and the DEI and how important it is to work together towards their common goals. He also said he wanted to advocate for another Town Hall for the benefit of the citizens of the City. Mr. Daniels then spoke in depth about communication and how important it is for the citizens of Creedmoor and the need to communicate to them in a way they associate with it to help bridge any gaps in communication. Mr. Daniels then thanked Mayor Pro Tem Albright for her involvement, support, and patience in working with the DEI. He closed by stressing the need for continued and better communication. The Mayor and Board then engaged Mr. Daniels in some discussion about the roles of the DEI Advisory Board and the BOC's takeaway from the DEI-sponsored Town Hall meeting. The Mayor then thanked Mr. Daniels.

Discussion Items | Five Year Financial Projections, Interim Finance Director Carla Hobbs

Interim Finance Director Carla Hobbs presented the Board with an overview of the last five fiscal years and the projections for the next five fiscal years. She said she looked back at the financial projections back from 2019 to see what revenues versus expenditures have done and she continued to say that as per her observations, the revenues; FY19 - \$3,515,839 / FY20 - \$4,355,546 / FY21 - \$4,269,388 / FY22 - \$4,732,119 / and FY23 - \$6,057,056 have not been keeping up with expenditures; FY19 - \$3,515,839 / FY20 - \$4,355,546 / FY21 - \$4,269,388 / FY22 - \$4,732,119 / FY23 - \$6,057,056, with the revenues over/under expenditures; FY19 - \$687,571 / FY20 - (\$126,185) / FY21 - \$164,627 / FY22 - \$26,519 and FY23 - (1,045,409). Interim Finance Director Hobbs said that when you look at the total of the last 8 years or so, because of the SGWASA buyout, the City has been flush with cash, and there hasn't been as much emphasis on prioritizing spending because the money was there. She continued to say that the FY24 projections had total revenue at \$4,974,140 and expenditures at \$5,821,392 leaving a negative balance of (\$847,252) she explained that these numbers included no new personnel, merit raises, and bonuses but no COLA, no manager cuts, no debt service payments, and no tax increase. Furthermore, she added, it would take almost a 24-cent tax increase to balance the FY24 budget.

Next, Interim Finance Director Hobbs presented the Five Year Revenue Projections; FY24 - \$4,974,140 / FY25 - \$5,735,221 / FY26 - \$5,912,190 / FY27 - \$6,105,770 / FY28 - \$6,317,862 saying this was assuming, the Ad Valorem Tax revenues increase by 30% in 2024 and are held steady through the projection period, the sales tax revenue increase by 5% per year, the unrestricted intergovernmental revenue are held constant, sales and service have a 10% increase per year, permits and fees hold constant and recreation revenues increase by 15% per year. She then presented the FY 24 Expenditures Projections; FY24 - \$5,821,392 / FY25 - \$5,668,439 / FY26 - \$5,823,713 / FY27 - \$6,092,647 / FY28 - \$6,268,206. Again, the revenues over/under expenditures were presented; FY24 - (\$847,252) / FY25 - \$66,782 / FY26 - \$88,477 / FY 27 - \$13,123, and FY 28 - \$49,656 with no new personnel during this period, salary increases of no more than 3% and capital expenditures and projects capped for all departments.

The fund balance was presented to the Board next; Unassigned Fund Balance on 06/30/2022 - \$7,942,087 / Board Amendments adopted \$572,577 / Pending Amendments \$122,000 / Available Fund Balance on 06/30/2023 - \$7,247,510 / 70% of 2024 General Fund Expenditures \$3,762,858 / Fund Balance Available for Projects \$3,484,652. She continued and reminded the Board that the current City policy, which was adopted in 2013, requires 100% of general fund expenditures to be kept in the fund balance. In closing, Interim Finance Director Hobbs said, that basically, the City's problem is its expenditures are increasing significantly faster than its revenue growth and have been for the last few years. She said the timeliness of this conversation is that, as this Board is making budget decisions for next year or talking about capital projects, she wanted this Board to have a good handle on where they are and how much money they have to spend so they can prioritize what are the most important things they want to accomplish for the community. There was some discussion by the Board, and then the Mayor thanked Interim Finance Director Hobbs for her presentation and insight into the finances of the City.

Discussion Items | Active Projects list regarding priorities, updates and assigned staff responsible, etc.

Commissioner Kicinski shared with the Board that at the County Retreat, the County presented its project list which had projects listed by date range of expected completion, for example, 2-5 years, 5- 10 years, etc. She continued that the City has a lot of projects on the Active Projects list and she would like to see some regular reporting on the projects to keep the list current and move the list forward. Projects that came in with City Manager Turner are moving along, she said, but several old ones are stagnant and she would like to see where we are and what we can do to get some projects completed. She said that more discussion by the Board was needed on the Active Projects list, and they [the Board] need to prioritize the projects for the City Manager and staff because it is easy to lose track she added that she would like a monthly update/report on the projects (at least the top 5 at every meeting). City Manager Turner added that it would be helpful for the Board to prioritize what they would like the staff to focus on. There were some questions about specific projects and the Mayor then asked that each Board member select their top 5 projects from the list and send them to the City Manager so he can then compile an updated list. City Manager then asked Alan Steinbeck if there was anything he wanted to add to the conversation for the Board. Steinbeck then took the podium telling the Board that the Active Projects list was created 4 years ago and he said that the original goal of the list was to have a regular tracking mechanism so the Board and staff could see where everything stood with the projects on the list [he noted only projects over \$25,000 were on the list with the smaller projects not on the list]. No action was taken.

**Discussion Items | Budget Amendment #13 | Interim Finance Director
Carla Hobbs**

Finance Director explained that the "Interlocal Agreement" was executed on June 28, 2022, but the funding was not incorporated into the FY 2023 Annual Budget for approval by the BOC. She continued by telling the Board that the first Annual Payment in this five-year (2022 - 2026) Agreement was made on June 30, 2022, for \$16,926, and on March 7, 2023, City Manager received notification from SGWASA Finance Director, Richard Balmer, that the 2nd Annual Payment of \$16,926 will be due on March 31, 2023. She closed by saying that Budget Amendment #13 is necessary to transfer funding to cover the 2nd Annual IAIA Payment to SGWASA. Commissioner Gleason made a Motion to approve Budget Amendment #13. The motion was approved by a vote of 5-0.

Discussion Items | Budget Amendment #14 | Interim Finance Director Carla Hobbs

Finance Director explained to the Board that Budget Amendment #14 was Amendment #2 to the Little Architectural Agreement for Vapor Mitigation Design Services that was discussed at the Board's March 7th, 2023 Legislative Meeting. Commissioner Way made a motion to table Budget Amendment #14 until the next Budget Work Session meeting [April 17, 2023]. The motion was approved by a vote of 5-0.

Closed Session // NC GS 143-318.11 (a)(6) Personnel

Commissioner Gleason made a motion to go into Closed Session at 7:45 p.m. The motion was approved by a vote of 5-0.

Commissioner Gleason made a motion to leave the Closed Session at 8:19 The motion was approved by a vote of 5-0.

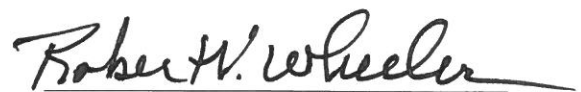
Adjournment

There being no further business to come before the Board, Commissioner Gleason made a motion to adjourn the meeting at 8:20 p.m. The motion was approved by a vote of 5-0.

ATTEST:


Barbara Rouse, City Clerk




Robert V. Wheeler, Mayor

