

MINUTES OF
CITY OF CREEDMOOR – BOARD OF COMMISSIONERS
REGULAR MEETING AND PUBLIC HEARING
AUGUST 28, 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 Karan

REQUESTS TO ADDRESS THE BOARD:

No one was scheduled to speak this evening.

MINUTES:

Moved by Commissioner Piper and seconded by Commissioner Karan to approve the minutes of July 24, 2007 and August 8, 2007. The motion received a unanimous vote.

APPROVALS/ADDITIONS TO AGENDA:

Mayor Moss expressed that under Old Business, item “b” Tax/Audit Report and item “c” Lake Rogers /Water Supply Update will be discussed under the Manager’s report.

Moved by Commissioner Ray and seconded by Commissioner Ray to adopt the agenda with the deletion of items “b” and “c” under Old Business. The motion received a unanimous vote.

PUBLIC COMMENT:

Mr. Sam Bradsher of Lyon Street spoke in opposition to a basketball goal that is located at the end of the cul-de-sac of Lyon Street. He said that this is creating a litter problem. Mr. Bradsher said that he was also speaking on behalf of citizens that live at Pecan Hill that have concerns of a speed bump being placed on Watson Street. He also expressed that the citizens of Watson Street would like a curfew placed on that area because of the activity that takes place at night. Mr. Bradsher expressed concern of the ditches on Allen and Watson Street. Lastly, Mr. Bradsher expressed concern of the fire hydrant that is out of service located at the end of Lyon Street.

Mayor Moss referred the basketball goal and the ditch issues to the Transportation Infrastructure Committee. He referred the curfew request to the Public Safety Committee. Mayor Moss referred the fire hydrant issue to the City Manager.

MANAGER'S REPORT:

Mayor Moss advised that for the past five weeks the Local Government Commission, IRS and the City's auditor have been working with City staff to review our tax and finance issues that Commissioner Karan brought forth at the Board's July, 2007 meeting. The LGC has identified twenty-one work tasks that the City is required to complete. Mayor Moss said that he received notification today that the City will be receiving communication from the State Treasurer's Office with the initial findings up to this point. He noted that this document will detail the City's deficiencies along with the associated interest and penalties.

Attorney Currin advised that what the City has received thus far is transcripts from the IRS and State. At the moment, they have not made a final determination as to what they believe is owed in assessed penalties and interest. He said that the City owes 1) principal 2) penalties for either late filings or late payments; 3) interest for payments that were not paid on time. Generally speaking, penalties are rarely waived; however, interest can be waived. Attorney Currin expressed that interest can be waived with a series of informal discussions after an assessment has been made or through an appeal process. Attorney Currin said that it was his understanding that through discussions with Mr. Winston, the City's auditor and Mr. Cunningham of the LGC agreements have been reached about principal owed and that principal has been paid.

Mr. Robert A. Schaumleffel, Jr, City Manager said that 100% of the principal owed has been paid.

Attorney Currin said that the items that remain outstanding and will need to be discussed are penalties and interest. Attorney Currin advised that the City has not received an assessment letter. Once an assessment has been received the City will go through a formal process to reach a compromise in regard to the results. He referred to the discussion of last month's meeting of retaining a CPA other than Mr. Winston for assistance to go over the assessments and advocate for compromises with the IRS. If at this point an agreement or compromise can not be established with the IRS and or the

State Department of Revenue in regards to penalties or interest owed, the next step will be to go to tax court.

Mayor Moss said that The State Treasurer's Office advised that the letter is in route; however, it has not been received as of today. He noted that the letter will be addressed to the Mayor and copies are to go to the Commissioners, staff and City auditor.

Attorney Currin said that the City will also be receiving a document from the IRS as well as the State Department of Revenue assessing any interest and penalties that they believe are due. He expressed that due to the fact that there are filings that the City has not completed they are not in a position at this time to make an assessment.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he asked the LGC to place the recommended tasks in a letter so that the past can be corrected and move forward with today's fiscal and budget matters in a more uniform demeanor. He expressed that he will be reassigning job responsibilities of personnel in the Finance Department and outsourcing items such as payroll that meet these new standards and staff levels. He gave the Board a handout of changes to be made. Mr. Schaumleffel advised that some of the changes are going to be national as far as rulings in the tax code as to whether people have to file a 1099 or W2s and the status of individuals that have not received W2s in the past. He said that he has talked with the Board of Commissioners, Planning Board and Board of Adjustment to make sure the City has the correct filings on each member.

Attorney Currin said that over a number of years small and large communities have often paid Board members and reported their relatively small monthly earning by 1099s. He said that the IRS has determined that 1099 recipients are not independent contractors and instead City employees should receive W2s and social security and FICA should be withheld.

Mr. Schaumleffel, Jr., City Manager reported that there are cases where copies of documentation for reimbursements to City employees can not be found. He advised that staff has been researching diligently to find this documentation because the reimbursable amounts will have to be considered income and W2s will have to be made, which will require amended returns.

Mr. Schaumleffel said that the LGC made it very clear that there must be a separation of responsibilities in the Finance Department. He said that the Finance Director is to be the fiscal control agent to oversee the checks and balances and can not participate in the actual work process. He said that presently there are two temporaries in Finance and he has lost one full time employee. Mr. Schaumleffel said that he can fill the full time position and would like to take the funds that were budgeted for a part time code enforcement personnel to create an additional position in finance. He expressed that the City has changed the total chart of accounts and is going to provide accounting upgrades. He said that a new process has been placed in regards to spending. Mr. Schaumleffel said that before money can be spent it must go through the department head and the Finance Director must sign off acknowledging that there is sufficient funds budgeted for this item

He said that it is now mandated that State Retirement and 401K must be generated electronically. As of October 1, 2007 the state retirement reports must be submitted within five days. This State system is the ORBIT system. Mr. Schaumleffel said that within the next couple of weeks he plans to submit proposals to source out the payroll.

Mayor Moss said that in the beginning of this process Mr. Cunningham was questioned as to why he was spending so much time in Creedmoor. After review, the LGC has assigned Mr. Cunningham to Creedmoor until completion of this investigation.

Commissioner Mangum said that she would like to seek direction from the City Attorney. She said that it has been this Board's desire for years now to resolve the finances and get things right. Commissioner Mangum asked about the implications and who is liable for the years of mistakes.

Attorney Currin said that it appears from the materials that he has seen from the City Manager there are a number of instances where the funds were available to pay liabilities and they were not timely paid. He said that there were instances where filings were made late and other instances where it is apparent that they were not made and the monies were not paid on time. Over a period of time it will show who the responsible parties were for filings when it is known what the assessments are, the periods that were supposed to be filed and the periods where they were not paid. Attorney Currin said that he has not spoken to Mr. Cunningham about this situation other than a brief conference call two weeks ago; however, it is his understanding that it does not appear that there is one cent missing. He advised that there are several forms of liability; 1) the kind of liability that is a very serious level of criminal responsibility, which is malfeasance and 2) a situation where you were supposed to do something and you did not do it. This is considered a misfeasance, which is not a crime. Attorney Currin said that the principle is something that the City owed. If there is an amount of principle that was due and has not been paid it just needs to be paid and this is not a matter of great concern. The penalties and interest that have accrued as to what the City may have to pay is a concern and can not be speculated until the City receives an assessment. He said that after the assessment we will look at whether or not there are any parties that could be legally responsible to reimburse the City for any sums that might have to be paid that should not have occurred.

Mayor Moss said that the LGC file for Creedmoor begins in 1989. He noted that this particular probe for the purposes of IRS and State retirement begins in the year 2003 to the present.

Commissioner Karan expressed concerns and suggests that this issue be investigated by the SBI.

Commissioner Robinson inquired if the Board was hasty to turn this matter over to the SBI at this time.

Commissioner Karan said that he asked on February 18, 2005 almost one year after being sworn into office about penalties and interest and was told not to worry about it and that

there would be a letter sent to the City if any existed. He said that currently he is fearful of the dollar amount and preferred that it be turned over to a third-party agency that is responsible for criminal investigation to make a determination whether there is a criminality involved. He said there might not be; nevertheless, utilizing the LGC as a third party entity was an incredibly smart move and he would like to continue that trend with outside sources to make the decisions to eliminate any question of doubt as to whether this Board took the correct action.

Commissioner Robinson inquired about civil actions.

Attorney Currin said that there could be potential civil actions.

Commissioner Karan said that is the next step; however, he is more worried about criminality at this point. He expressed that criminal action is not something that this Board or the Attorney is in a position to pursue.

Mr. Robert A. Schaumleffel, Jr., City Manager said that this is also something that the LGC is in a position to do. He said that they will look at the numbers and give the City the facts. He said that what the City does with the facts would require an outside agency to determine any recourse based upon the LGC's report. Mr. Schaumleffel said that the LGC came to review the records and report the facts to the IRS and State Department of Revenue.

Motion made by Commissioner Karan and seconded by Commissioner Ray that upon completion of the tax probe that the City Manager be directed to hand over all information from the LGC investigation to the SBI for their determination of any criminality associated with this tax probe. The motion received a unanimous vote.

Mr. Schaumleffel, Jr., City Manager said that under Department Head Reports the Finance Director will present a Budget Amendment.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he provided the Board, City Attorney and the Administrative Services Director with a letter from the North Carolina Department of Environmental Natural Resources in regards to the sediment that will be coming out of Lake Rogers during the dredging project. This letter was forwarded to the Granville County Planning Director. Mr. Schaumleffel expressed that previously the County said that they have jurisdiction and they felt the sediment could not be deposited upon the City owned property. Mr. Schaumleffel advised that the State had a different position on this matter.

Attorney Currin said that he has met with Mr. Barry Baker, Granville County Planning Director today and he indicated that the County's position as of this moment is that there is no indication that the soils being deposited are anything except inert and they have no problem with it. They are not going to require a Special Use Permit unless it turns out

that something that the City will be depositing is in fact a prohibited material. He said that all of the tests to this point show that there is no evidence of contamination.

Mr. Robert A. Schaumleffel, Jr., advised that he has sent the City Attorney the proposed contract agreement with Verizon Wireless. He said that this is the fourth contract for wireless that will go onto the water tower. Mr. Schaumleffel said that the City Attorney has a concern of some of the language.

Attorney Currin said that as all wireless carriers they want to enter into a contract with a municipality as if they were entering into a contract with an individual or a company. He said that a municipality has requirements because of public purpose and this type of contract will not suffice. He said that the City has to have the ability to have the option to end the lease early if elected for public policy reasons to replace the tower. Attorney Currin said that he hopes that the contract will be in a position for approval within thirty days.

Mayor Moss asked if the City is reaching capacity on the water tower.

Mr. Robert A. Schaumleffel, Jr., City Manager said that the City is almost to capacity. He said that when someone makes the request he asks that they contact Southern Corrosion. He advised that Southern Corrosion handles the maintenance of the water tank. Mr. Jim Dodson of Southern Corrosion makes the decision as to whether there is capacity and if the tank can handle another carrier. He said that in this case there will probably have to be a special bracket placed under the catwalk. Mr. Schaumleffel said that he has tried to divert carriers to the water tank at Kayser Roth; however because of the proximity to I-85 they prefer this tank. Mr. Schaumleffel expressed that this will probably be the last carrier for this tank.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he asked the City Attorney to meet with the City's Planning Director to resolve the legal issue of certain improvements to the Hunter's Ridge Subdivision. He said that City records indicate that the improvements to Hunter's Ridge have not been accepted. Mr. Schaumleffel said that the owners of Hunter's Ridge Subdivision went to a former employee last month to have him sign a statement for their documentation.

Attorney Currin asked for a copy of the minutes for review. He expressed that the recommendation from the Planning Board was that the City not accept the improvements until certain tests are run and approved by the engineers. Attorney Currin said that has not occurred, Based upon this, it would be fair for the Board to take the position that they are not going to accept the improvements.

Mr. Robert A. Schaumleffel, Jr., City Manager said that there have been previous discussions about capital improvements at the Water Plant in regards to filters and other needs. He said that in the budget this year he placed a \$217,000 for capital costs and there is another line item for additional improvements if needed. Mr. Schaumleffel said that Mr. Dan Boone, of the Wooten Company said that he feels the costs will be

approximately \$100, 000 in addition to the \$217,000. He said that as a result of the City's water situation with the lake being low and buying water from Butner that he feels the need for discussion with the Board to determine if it will be in the best interest of the City long term to spend \$300,000. Mr. Schaumleffel said that as we are using Butner's water the filters will remain a part in treating the water. He suggests that Mr. Dan Boone, of the Wooten Company do another presentation on the capital costs. Mr. Schaumleffel expressed that the cost is getting so high that the long tem options need to be reviewed.

Commissioner Karan asked if the City is treating the water or boosting the chemical level.

Mr. Schaumleffel replied that they are boosting the chemical level.

Commissioner Robinson asked if the City Manager was saying that the City can not produce water.

Mr. Robert A. Schaumleffel, Jr., City Manager said that currently the level of the lake is so low that if the City tries to draw water from the lake that the gruesome stuff at the bottom is being sucked into the filters. He expressed that it takes more chemicals to get the correct levels to meet DWQ standards. Mr. Schaumleffel said that Mr. Tom Mercer, Administrative Services Director has collected the numbers and he is not here this evening. He advised that Mr. Mercer will present the figures at the September Work Session.

Commissioner Robinson said that he does not understand how the top is being lowed and you are sucking mud. He expressed that if he puts it back is he not still sucking mud. Commissioner Robinson said that he has had lots of calls asking why the City is not producing water. He asked if it was because the lake is low or the City can not produce water.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he was told that it is because of the elevation of the water and secondly, the City has inefficient equipment such as the filters that need to be replaced.

Commissioner Robinson asked where he is getting this information.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he received this information during discussion with Dan Boone and the Water Plant personnel. He said that he will be talking with Mr. Boone again about feasible options. Mr. Schaumleffel said that if the City can receive five years of use until a permanent solution the money would be justifiable. He added, to spend \$300,000 and receive no immediate benefits and still have imperfections with the water is something to review. He advised that there were numerous calls in reference to brown water.

Mayor Moss advised that he has been receiving the same criticism calls. He expressed that prior to the use of Butner water his wife had white clothes ruined by the brown

water. Mayor Moss said that there have been no more issues with brown water since the use of Butner water and that tells him that there is a connection to the water level.

Commissioner Robinson said that he is questioning if there were qualified people to make water. Commissioner Robinson said that he has seen the lake low in prior years and the plant produced water. He noted that citizens are asking why the City does not call Lynwood Hicks back to work at the Water Treatment Plant.

Mayor Moss said that he agrees there has to be a connection to the lake level and the production issue at the Water Plant. He said that a gentleman that lives on Elm Street was recently complaining about brown water. Mayor Moss replied that the City is currently on Butner water. The gentleman's reaction was that the water is still running through the same line. Mayor Moss said that in another instance, Mr. Paul Baker asked him why the City is not calling Lynwood Hicks.

Mr. Schaumleffel said that not only is the costly \$300,000 for the filters a concern, it should also be taken into consideration that the Water Treatment Plant is 60-70 years old and has out lived its usefulness. He said that if the City would place a new plant at that location and deepen the lake the City could easily produce enough water for the community.

Commissioner Robinson said that there is no doubt that to place a new plant and deepen the lake would produce good water. He expressed concern that with the turn over of employees at the Water Treatment Plant this year that the City can not produce water. Commissioner Robinson said that he does not know that the problem is not the employees producing the water and not the lake itself.

Commissioner Piper said that he has been in Creedmoor for almost thirty years. He expressed that he lives on Stem Road and has never had water that was not clear; however he is not saying that certain streets in Creedmoor has not had problems. He said that he agrees with Commissioner Robinson in that it has to do with the way the City is treating the water. He suggests that the City produce water one-half of the day and draw water from Butner one-half of the day. Commissioner Piper said that the cost is based on the amount of gallons purchased from Butner. Commissioner Piper said that the filters need to be changed or shut the lake down. He said that the Board should consider that there is a proposal to purchase water from Oxford in one to years and that Commissioner Karan and Commissioner Ray is trying to negotiate the purchase cost of water from SGWASA.

Mr. Schaumleffel, City Manager reiterated that Mr. Mercer has been working on the comparison of cost to produce the water versus purchasing the water.

Commissioner Mangum asked that the City Manager to e-mail the figures that Mr. Mercer, Administrative Service Director has comprised as soon as they are available. She also referred to the report from Mr. Baker and asked how this will affect the dredging process. Commissioner Mangum inquired about the time frame for the dredging.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he asked Mr. Dan Boone of the Wooten Company that question and everything is still on schedule as last reported to the Board. Mr. Dan Boone is supposed to have the EPA approval by the 31st. Once EPA approval is received and the issue of placement of the sediment has been finalized the final document should be drafted, the bids will be sent out and the process should begin by year end.

Commissioner Ray said that it is his understanding that during the course of the wet dredge the plant will not be producing water.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he feels this is a question to be answered by Dan Boone and reiterated that he is going to request that Mr. Boone do another presentation for the Board concerning this issue.

Mayor Moss asked how the City Manager is going to handle the qualifications of the Water Plant personnel. He said that after this meeting that employees will receive word that staff has no confidence in the employees of the water plant.

Commissioner Robinson said that he was not saying that the employees do not do a good job at the Water Plant; however, Lynwood has over twenty years experience at the City's Water Treatment Plant and he knows how to handle situations such as low water levels. Commissioner Robinson said that it takes a special person to make water out of the mud and he believes it can be done. He added that the employees that were placed in Mr. Hick's position may be qualified to make water; nevertheless, there may be something that needs to be done to tweak it to produce the water properly and Mr. Hick's expertise is no longer there. Commissioner Robinson said that from the comments that he has been hearing from citizens he feels Lynwood may be able to help the City

Mr. Robert A. Schaumleffel, Jr., City Manager said that if there was going to be a discussion about this he would like the Board to call a Closed Session on personnel. He said that it relates to some of the other nonsense that has been heard this evening. Mr. Schaumleffel said that the City does have qualified personnel. He said that the State monitors the qualifications and certifications.

Commissioner Robinson said that he understand that. He said that he has been to school and he has been out in the real world. There is a right way, a wrong way to do things and our way to do things. Commissioner Robinson said that a lot of times our way works better than what they can teach in school. He said that he is not saying that the employees are not educated or good enough to make water. Commissioner Robinson said that he does not want the employees misinterpret what he is saying. Commissioner Robinson said that he feels that the lake is a little on the special side because of how shallow and the amount of debris that is in the lake. He said that we are dredging the lake because of the sediment that is in the lake. Commissioner Robinson expressed that his point is that it takes a little more to produce water out of the lake. He suggests that even with another foot of rain the City will probably still have the same problem.

Commissioner Robinson said that the lake was producing bad water when it was flowing over the dam.

Commissioner Mangum said that the City had brown water a year ago, two years ago and longer. She said that the individual personnel that he was referring to was employed for the City at that time. Commissioner Mangum said that she previously brought her tea water to City Hall.

Commissioner Ray said that he has been a resident here for fifty years and the City has always had brown water at times. He expressed that he does not know whether it was the operator of the plant or maybe caused by flushing hydrants. Commissioner Ray said that he agrees with Commissioner Robinson that when there is a plant as old as the Creedmoor plant and there are employees that have been there for years they have grown with the plant and have learned the quirks of the plant. He said that he was not saying that the City has incompetent personnel. Commissioner Ray reiterated that when something has grown old together there tends to be more knowledge of quirks and this may be something that the Board should consider.

Mr. Robert A. Schaumleffel, City Manager said that the recreation equipment has been ordered. He said that it was delayed for ten days because of clarification of the color. Mr. Schaumleffel said that as soon as the playground equipment arrives he will arrange for installation.

Mr. Robert A. Schaumleffel, Jr., City Manager said that he received only one bid for the AMR from Carolina Meters. He said that he was not happy about making a decision upon one bid and he has notified other companies. Mr. Schaumleffel said that he will keep the Board updated.

Commissioner Ray asked if the bid received was based upon the City's budget.

Mr. Robert A. Schaumleffel, Jr., City Manager said that this bid was within the budgeted amount for the AMR system. He said that he can not make any guarantees until the other bids arrive.

Mr. Robert A. Schaumleffel, Jr., City Manager advised that an employee from the Maintenance Department has resigned. He said that they are considering an employee that previously worked for the City. Mr. Schaumleffel said that they have been advertising for the Public Service Director position and have only received an application that will not suffice. He said that the advertisement has also been placed once again in the NCLM publication and if no feasible applications are found he will have to advertise in other states. For now he and Tom Mercer have split the responsibilities to oversee the Public Service Department.

Mr. Robert A. Schaumleffel advised that there was a sewer spill of approximately 2,100 gallons west of the Joe Peed Lift Station this morning. He said that the report was processed and sent to the State.

Department Head Reports:

Provided in the Board packets were monthly reports from the various City departments.

Ms. Lenessa Hawkins, Finance Director addressed the Board and presented Budget Amendment #1. She said that LGC representative Cunningham suggests that the Board appropriate a fund balance to cover some of the taxes, penalties and interests that have already been incurred. Ms. Hawkins advised that this figure could go up or down depending upon the conclusion of the investigation.

Mr. Robert A. Schaumleffel, Jr., City Manager advised that the other half of the money that would have been part of this was already booked by the previous Finance Director last March; therefore, it will have to show up in this year's audit.

Ms. Lenessa Hawkins, Finance Director explained that on page two there is a Section II that authorizes the Budget Officer to transfer appropriations up to \$5,000 between departments. She noted that this protects her as Finance Director and gives her the authority to transfer up to the amount of \$5,000 without having to make a request from the Board. Ms. Hawkins expressed that this is a summary of the first month of July. She said that this amount may have to be revisited at a later date.

Mayor Moss said that one of the reasons that Finance is requesting for the ability to transfer within the budget is because of the procedure referred to as the Pre-audit Certification. He said that prior to the Board making a motion to authorize the money, the Finance Officer is required to 1) certify that the funds have been budgeted and 2) the funds are in the account. He said that Mr. Cunningham told him that this policy has been in effect since 1933 and is something that the City has not done in the past.

Mr. Schaumleffel, Jr., City Manager said that by the Finance Director signing off the dollars are encumbered and there is no chance that there will be double spending. He said that they will be using thirty day blanket Purchase Orders.

Mayor Moss advised that the Board will be adopting Section II separately.

Moved by Commissioner Piper and seconded by Commissioner Ray to approve the Budget Amendment No 1 as follows:

Amendment # 1

BUDGET AMENDMENT 2007-2008

SECTION I:

GENERAL FUND

REVENUE:

Increase Fund Balance Appropriation	\$	215,000.00
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EXPENSE:

Increase Taxes, Penalties, & Interest	\$	215,000.00
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{New line item}

NET CHANGE IN BUDGET	\$215,000.00
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The motion received a unanimous vote.

Mayor Moss called for a motion to Section II of the Budget Amendment.

Moved by Commissioner Karan and seconded by Commissioner Piper authorizes the Budget Officer to transfer appropriations up to \$5,000 within a department as follows:

Section II.

The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He/she may transfer amounts between line item expenditures within a department without limitation and without a report being required. These changes should not result in increases in recurring obligations such as salaries.**

- b. He/she may transfer amounts up to \$5,000 between departments, including contingency appropriations, within the same fund. The budget officer must make an official report on such transfers at the next regular meeting of the Board of Commissioners.**

- c. He/she may not transfer any amounts between funds, except as approved by the Board of Commissioners in the Budget Ordinance as amended.**

The motion received a unanimous vote.

Ms. Lenessa Hawkins said that the purchase orders will be housed in the Finance Director's office and no longer available from the accounting staff. She said that everybody that obligates the City places her in jeopardy because of GS §159.

Mr. Robert Schaumleffel, Jr., City Manager advised that Commissioner Ray requests that Mr. Dave Roesler, Planning Director speak this evening in reference to political campaign signs.

Mr. Dave Roesler, Planning Director said that he has copies of the current sign regulations available.

Commissioner Ray said that because of the upcoming election and the problems the City has been having with real estate signs he feels it would be beneficial to have this on public record.

Mr. Roesler read the Ordinance as follows:

Political campaign signs advertising a public event located off premises may be displayed on private property only after the official campaign period has begun. It must be removed within one week after elections. Such signs shall not exceed six square feet in area except beginning the week before the elections, which such signs may be 16 square feet in area.

Commissioner Ray thanked Mr. Roesler for his presentation.

Mayor Moss asked Captain Williams if the Police Department was routinely having officers on site for school traffic.

Captain Williams said that the Police Department is rotating their schedule to where there will be an officer that comes in at 7:00 p.m. for night shift and stay on duty until 8:30 a.m. to cover the school traffic from 7:30 a.m. until 8:30 a.m.

Mr. Schaumleffel said that he thinks the Mayor may be referring to a phone call from a citizen that said the first day of school there was not an officer for school traffic.

Captain Williams said that the Police Department was short staffed because there were officers attending school. He said that as of today there should be someone on duty.

Commissioner Robinson said that the Chief did get back to him in reference to the 1½ hours. He said that he figured it out by the day and it will be approximately \$6,000 overtime per school year.

Mayor Moss asked about the parking at the Post Office, stoplight and speeding initiative. He said that he had an e-mail from a citizen inquiring about a stoplight at Hawley School Road. Mayor Moss said that Representative Crawford said that the stoplight is on the list and would take about two years.

Mayor Moss announced that the Police Department is steadily writing tickets to slow down traffic in Creedmoor.

Mayor Moss asked Chief Benware to pay special attention to people that are parking in front of the hydrant that is located in front of the Post Office.

Commissioner Piper said that there was a stoplight going up at Wilton and questioned why Creedmoor did not receive a stoplight at South Granville High School before Wilton.

Commissioner Ray said that they upgraded from a flashing light to a stoplight.

Commissioner Mangum said that it is her understanding that their plan was already in place before Creedmoor.

Petition for Voluntary Annexation – Averett Property – 48.55 acres on the South Side of Hwy. 56/Hayes Road:

Mr. Dave Roesler, Planning Director advised that the Clerk has certified for sufficiency and if the Board so chooses they may schedule the Public Hearing date.

Attorney Currin said that the title search has been completed and the petition is certified by all current owners.

Moved by Commissioner Karan and seconded by Commissioner Piper to adopt the Resolution Fixing Date Of Public Hearing On Question Of Annexation for Pursuant to GS 160-A-31 and scheduled the Public Hearing for September 25, 2007 at 7:00 p.m. The motion received a unanimous vote.

To-Do-List:

Commissioner Karan asked the audience if the Commissioners leaning forward to speak into the microphones help the audio.

The audience replied yes.

Mayor Moss requested an update of the Taxi Cab Ordinance. He said that this was previously referred to the Transportation Infrastructure Committee.

Mr. Dave Roesler, Planning Director said that he distributed samples of several ordinances if the Board so wishes to call a public hearing. He said that this item does not have to go before the Planning Board.

Attorney Currin said that the Board is not required to hold a public hearing for this issue. He said that the regulations in the various ordinances that were given to the Board varied

in the degree of involvement of the City in regulation bearing. The issue is whether the City needs to be involved in Taxi Cabs and if so, to what extent. Attorney Currin said that staff would be happy to draft an ordinance according to the preferred specifications of the Board, which will be brought back to the Board for consideration.

Commissioner Karan asked if a Taxi Cab is authorized to work in the City if there is not an ordinance.

Mayor Moss said that there was a Taxi Cab Ordinance back in 1989.

Commissioner Karan asked if this could be treated as a business and the only requirement be the purchase of a business license.

Commissioner Ray said that he does not see a problem at this point because the City does not have several Taxi Cab businesses competing against each other.

Mayor Moss said that he would contact the person that inquired about the Taxi Cab Ordinance and let her know that she needs to purchase a business license.

Attorney Currin said that the Department of Insurance also needs to be notified.

Commissioner Mangum said that staff has done an excellent job on the mailings and using the phone system for water conservation. She inquired about the status of educating the citizens about the recycle center.

Mr. Robert A. Schaumleffel, Jr., City Manager said that currently nothing has been done. He said that there have been other distractions and he plans to talk with the Administrative Services Director about how they want to promote recycling.

Commissioner Ray inquired about the brochures that Mr. Billy Williams of Waste Industries offered as a courtesy for distribution.

Mayor Moss said that the Administrative Service Director has received the brochures and already loaded the information to a disk to place on the City's Website.

Commissioner Ray inquired about the screening of McCracken Oil Company.

Mr. Dave Roesler, Planning Director said that he spoke with McCracken Oil Company and they are aware of what they need to do. However, that this is not the proper time for planting and they have agreed to plant pertinent screening in the month of November.

Commissioner Karan said that there are others that are not in compliance with their Special Use Permit. He noted that American Dream Realty is not in compliance for their driveway. He suggests that there be a Special Use Permit Review and Compliance.

Mr. Dave Roesler, Planning Director said that he has spoken with American Dream Realty about the driveway.

Mayor Moss said that he has made a note about the hydrant on Lyon Street.

NEW BUSINESS:

SGWASA Management Contract:

Mr. Guy Smith addressed the Board and said that he had the honor of representing Creedmoor by attending the Granville County Planning Board Special Use Permit hearing. He said that there was a significant turnout of the local community. Mr. Smith expressed that the community was unanimously in opposition. The Special Use Permit was denied.

Mayor Moss announced that the Board will not be talking about the SGWASA Management Contract this evening.

MAYOR'S REPORT:

Mayor Moss said that he would once again like to thank everyone for their efforts in the National Night Out. He expressed that Captain Danny Eudy did an excellent job and also thanked Chief Benware and Captain Williams for an outstanding evening. Mayor Moss said this was a successful event in the community and hopefully next year it will be even bigger and better.

Mayor Moss thanked everyone for a successful Alive-After-Five. He thanked Steve Colenda and Tom Mercer for their participation and hard work putting together the logistics for the event. Mayor Moss announced that there were 3,000 or more people in attendance that evening.

Commissioner Robinson said that during the event he saw a squadron of Navy intruders that flew planes over and he thought that the Mayor had planned this. He said that he researched the matter and found out that on the same evening there was a Fifth Division Marine Reunion at the Battle Roberts ball field. Commissioner Robinson said that this is something that is not seen everyday in Creedmoor.

Mayor Moss announced that September 6, 2007 he will be attending the Butner Town Council meeting to deliver the Resolution of Support adopted by this Board.

Mayor Moss advised the Street Committee that Mr. Ralph Seagroves has requested a streetlight at Ms. Joy Grady's house on Crescent Drive.

Mayor Moss announced that the new car wash located by Food Lion requested to drill a well, which began yesterday.

Mr. Robert A. Schaumleffel, Jr., City Manager said that the gentleman that owns the carwash has an investment of approximately two million dollars in the carwash. He said that he met with me recently to request permission to drill a well. Mr. Schaumleffel said that the owner had researched having the water brought in and found that this was an expensive venture. He said that the City has given him permission to drill a well as an alternate source during a draught. Mr. Schaumleffel said that he will drill a well, pump it into a tank and pressurize it. He said that this is one of the better construction projects in Creedmoor and staff felt that the City should try to find a way to help him out and still stay within the requirements of the City codes.

Mayor Moss advised that all carwashes located in the City of Oxford do not use City water.

Mr. Dave Roesler, Planning Director said that the new car wash recycles over 80% of the water.

Mayor Moss said that Carl Norgard has requested a speed limit sign for Park Avenue. He referred this to the Transportation Infrastructure Committee.

Mayor Moss announced that September 18, 2007 at 6:00 p.m. at South Granville High School there will be a meeting to discuss the possibility of locating a Bio Agro Defense Facility in the Town of Butner. He encourages anyone interested to attend.

Commissioner Mangum said that she is continuing to work on the Music Festival. She advised that she has put together a draft of the dates and asked Mayor Moss for contact information for Nicki Baker. The festivities will be as follows:

- 12:00 Noon - Melissa's School of Dance
- 12:15 p.m. - Irish School Dancers
- 12:45 p.m. - Web High School

She said that she was not sure what time that Wayne's group, The Grass Straight and Niki can perform. At some time during the afternoon Suzanne Moody-Smith and ensemble will be performing with strings, Mr. Yancey and his children will be doing a melody ensemble. Following the scheduled performers the stage will open to community soloists. The karaoke hour is scheduled from 3:00 p.m. until 4:00 p.m. and the Battle of the Bands is still developing. She said that the confirmed bands are Dollar Issue, The minstrels, Frontal Assault and Anointed Faith. She said that she has four other slots and it is first come, first serve. Commissioner Mangum said that Mr. Matt Cooper from Sam Ashe has contacted her and is going to contribute freebees for some of the band members. She thanked Mr. Deuard Bowden for allowing the City to use his grass lot next to Southern States. Commissioner Mangum said that he has graciously offered access to water if needed. She asked the Clerk to announce some of the vendors.

Ms. Sandra Harper, City Clerk announced that Texas Roadhouse would there to sell pork ribs chicken and cheeseburgers and there are two hotdog vendors that will need access to

power. She advised that currently there are approximately 14 vendor applications that have been received.

Commissioner Mangum inquired about health permits. She said that she has received calls from various Church groups that are not sure what they need to do.

The City Clerk said that she has not heard from Peter Lambert the Granville County Health Inspector personally; however, there were a couple of vendors that said they already had their trailers inspected and the others I referred to the Granville County Health Department.

The City Clerk asked Commissioner Mangum if a gentleman called that was concerned about his daughter's wedding that is scheduled for 4:00 p.m. at First Baptist Church. His concern is that the music will disturb the wedding.

Commissioner Mangum said that the Battle of the Bands will be rocking at 4:00 p.m.

Commissioner Robinson said that it should not be a problem since the bands will be at the other end of Main Street.

Commissioner Mangum inquired about moving the festival to the gym in case of rain. She said that she does not recommend having a rain date because everyone's schedule changes and they are only committed for the one day.

Commissioner Robinson said that the performers can be moved inside of the gym.

By consensus of the Board the gym will be available for use in case of rain.

Commissioner Mangum inquired about community sponsors.

Commissioner Karan said that he is still working on sponsorship.

Commissioner Robinson said that he has a map from last year as to the street markings for vendor spaces.

Commissioner Mangum said that the streets will be closed from 10:00 a.m. until 7:00 p.m.

The City Clerk said that a few vendors have inquired about spaces with available electric and she told the vendors that there were a few and it would be first come, first choose.

Mr. Steve Colenda, City Inspector said that wherever there is a pole there is electric availability. He said that the vendors are responsible for bringing electrical cords. Mr. Colenda said that the Maintenance staff will have a ladder for hookup.

Mayor Moss said that Chief Benware will be sending a letter to NCDOT for confirmation of the Main Street closing for the festival.

Commissioner Ray asked that the hours be changed to 10:00 a.m. until 7:30 p.m. to give the vendors enough time to get off the street before reopening.

Commissioner Karan announced that there is a Public Information Session on Traffic Calming Devices scheduled for Wednesday, September 12, 2007 at 7:00 p.m.

Commissioner Robinson said that the Mayor has called a Town Hall Meeting for Monday, September 17, 2007 at 6:30 p.m. at City Hall. He said that this meeting will be a Candidates Forum. Commissioner Robinson volunteered to preside over the meeting for the Mayor so that there will not be a conflict of interest. There will be a Meet and Greet at 6:30 p.m., Candidate Introduction at 7:00 p.m. along with questions and answers and lastly, there will be closing Remarks at 9:30 p.m. Commissioner Robinson said that he is going to moderate and hopes to have a good turnout.

Commissioner Piper said that everyone knows that there is a water crisis and it is inconvenient for most people. He acknowledged that most people have lost flowers, grass and gardens. Commissioner Piper said that the community will get through this together and he prays that things will get better.

Attorney Currin gave the Board a handout of a Resolution Of Intent To Annex And Fixing Date of Public Hearing On Question Of Annexation Pursuant To N.C.G.S.160A-31(g). He also passed out the map for the Board's review. Attorney Currin advised that this annexation is for two parcels of the three parcels that the City purchased. He noted that the map shows two larger pieces are outside of the Butner City limits. Attorney Currin said that he and the Mayor met at Ellis Hankin's office with representatives from Butner Corporation Group and their limits as shown in blue originally extended through the City's property and the next interstate intersection. He said that they took out a portion that was originally within their jurisdiction of the incorporated area. The two larger pieces are currently outside of the ETJ and are not contiguous. He advised that because they are not contiguous extra steps will have to be taken and the resolution provides that the City will comply with the provisions regarding notice of agreement on taking Satellite Annexations where they are closer to another municipal corporation other than itself.

Moved by Commissioner Ray and seconded by Commissioner Mangum to adopt the Resolution Of Intent To Annex And Fixing Date of Public Hearing On Question Of Annexation Pursuant To N.C.G.S.160A-31(g) and schedule the Public Hearing date for September 25, 2007 at 7:00 p.m. The motion received a unanimous vote.

Moved by Commissioner Ray and seconded by Commissioner Mangum to go into Closed Session for Property Acquisition in accordance with G.S. 143-318.11. The motion received a unanimous vote.

Upon return from Closed Session, moved by Commissioner Robinson and seconded by Commissioner Ray to adjourn. The motion received a unanimous vote.

Mayor

Clerk