



MINUTES OF
CITY OF CREEDMOOR
BOARD OF COMMISSIONERS MEETING
MAY 15, 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, Attorney TC Morphis, Administrative Services Director Camille Lockley, Executive Assistant Sarah Spruill, Police Chief Troy Wheless, Public Works Director Steve Edwards, and City Clerk Barbara Rouse.

Absent

None

Call to Order and Invocation

Mayor Wheeler called the meeting to order at 6:00 p.m. and Commissioner Wilkins led the invocation.

Pledge of Allegiance

Commissioner Gleason led the Pledge of Allegiance.

Roll Call

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

Approval of Agenda

Commissioner Wilkins made a motion to approve the Agenda as presented. The motion was approved by a vote of 5-0.

Discussion Item | Resolution for Commissioner Archer Wilkins to remain on the BOA

Commissioner Wilkins had been a Board of Adjustment (BOA) in-town member before he was asked and accepted the invitation to serve with the Board of Commissioners following the resignation of Commissioner Mims. Wilkin's term on the BOA was not scheduled to end until January 2024 and Commissioner Wilkins would like to continue to serve on both Boards. Commissioner Gleason made a motion to adopt Resolution 2023-R-02 acknowledging that Commissioner Archer Wilkins will remain on the Board of Adjustment until his term expires on January 2024. The motion was approved by a vote of 5-0.

Discussion Item | New PD Building and City Hall Update

Community Development Director Michael Frangos explained to the Board that this item on the agenda addressed two issues, one, the requested amount for FY23 Budget Amendment #14, which was equivalent to Consulting Agreement Amendment #2 for Vapor Mitigation Design Services, for \$8,300, that was discussed at the Board's March 7th, 2023 Legislative Meeting. Frangos told the Board that the need for vapor mitigation only became truly evident after the groundwater test results from NV5 were made available to the architect, Little Diversified Architectural Consulting Firm (Little). Once the water sampling results were known, and pollutant levels were shown to still be high, an expert geotechnical design firm, Froehling & Robertson, Inc., was employed to interpret the test results and determine appropriate mitigation measures and they found that vapor mitigation would be prudent, and incorporating accommodation for both active and passive vapor blocking would be the most efficient design technique in the long run. Frangos added that Agreement Amendment #2 was an unpredictable expense, not known to Little at the beginning of the Design Phase. He added that Little did not intend to bill the City the full contract amount of \$8,300 but instead, a reduced amount of \$3,950, which was only for the work that had been completed to date. As there were no questions from the Board at this point, Community Development Director Frangos continued and told the Board that they must now decide on the second issue, how to wind down, or conclude, the P.D. and City Hall Renovation Project. He said that the most recent estimate put the total construction cost at about \$8.99M which, he continued, appeared to outstrip the City's predicted ability to repay the potential debt incurred, and with that being the case he said, a decision needed to be made on how to wind-down or redirect the design phase. He then told the Board that Little suggested the City stop at the 60% complete construction drawing level (point City is at now) and they (Little) thought that this would extend the "shelf-life" of the design, but theoretically would leave 40% more work and expense for when the project is picked up again. Continuing, Frangos said that the alternative is to finish the design to 100% complete construction drawings, but this would potentially shorten the shelf-life because there is a chance that code requirements would change and therefore the plans would require additional design expenses to update at a later time. Frangos then told the Board that the final bill from Little totaled \$125,897.41 for invoices through April 27, 2023, and he continued that stopping at this point will leave the City with the design plans at 60% completion, as well as various surveys and engineering reports completed. As there were no questions from the Board, the Mayor asked if Budget Amendment #14 needed approval

as well as Consulting Agreement Amendment #2. Frangos said that was correct. Interim Finance Director Hobbs interjected and said that Budget Amendment #14 was not necessary because there was adequate money to cover it (if stopping at 60%), and the only thing she needed at this time would be a purchase order to cover the amount of \$3,950. After some further discussion, City Attorney T.C. Morphis added the BOC will need to confirm at what point they wanted to close the design phase. Commissioner Kicinski then asked the Interim Finance Director to go over all of the invoices and confirm what amount was still outstanding for the City before any more money was expended. Commissioner Gleason then made a motion to stop the P.D. and Town Hall Renovation Project at 60%. The motion was approved by a vote of 5-0. Charlie Hagen-Cazes then spoke briefly to the Board reiterating that the amount for Consulting Amendment #2 was \$8,300 but she said, they (Little) would not bill the entire amount because all of the work had not been completed, therefore they were only billing the City \$3,950. Commissioner Kicinski then made a motion to approve Consulting Amendment #2, with a not to exceed the amount of \$3,950. The motion was approved by a vote of 5-0. Charlie Hagen-Cazes suggested the City could redirect the design process to focus on a smaller-scale renovation of the existing City Hall if they choose. The Board thanked her for all her hard work on this project.

Discussion Item | Finance Update

Interim Finance Director Carla Hobbs told the Board that as the City gets closer to the end of the budget process, she wanted to update the revenue projections and project how the City was going to do in Fiscal Year 2023. Hobbs then presented the Fiscal Year 2023 Projections to the Board (clarifying that the numbers were not exact but projected estimates). Presented first was the General Fund Total Revenue as of June 30, 2023; *Taxes \$91,000, SRO \$77,000, Franchise Tax \$243,000, Interest \$96,000, Sales Tax \$640,000, Vehicle Tags \$10,500, Beer and Wine \$19,500, Solid Waste Disposal Tax \$1,700, Sale of Property \$299,085, and ARPA \$735,790 totaling \$5,874,534.* Next up were the FY 2023 Projected Expenditures: *General Government \$107,000, Governing Bod \$96,000, City Manager \$284,700, City Clerk \$119,300, Administrative Services \$603,700, City Attorney \$52,000, Finance \$549,914, Police \$2,213,000, Fire \$271,262, Public Works \$433,000, Community Development \$272,000 and Recreation \$778,500 totaling \$5,780,376.* Interim Finance Director Hobbs then added that she had good news and told the Board that the City would not have to use its \$1.2 M in fund balance. She then further clarified, saying that the *Revenues of \$5,874,534 minus the Expenditures of \$5,780,376* resulted in a surplus of *\$94,158* (approximate per Hobbs), and she said the following assumptions for FY23 were made: the projections show the addition of the ARPA funds (approximately *\$750,000*) which were designated to offset salaries and benefits, the projections reflect the sale of 109 Park Avenue for *\$336,050* minus the commission of *\$20,163*, revenues for interest are expected to average *\$32,000* per month in the General Fund, sales tax for April, May, and June are projected to be 20% more than the same time in FY22, she continued, projected expenditures were calculated (conservatively) by subtracting amounts that were not designated to be spent from the total budget. In closing, Hobbs reminded the Board that the Undesignated Fund Balance at the end of fiscal year 2022 was *\$7,942,027*, and, adding the current projected surplus of *\$94,158* for the fiscal year 2023, as well as adding back the fund balance of *\$621,231* (monies that were taken out of the fiscal year 2022 budget ordinance and needed to be added back) she said, resulted in the General Fund balance (unassigned) projection to be *\$8,657,416* at the end of this fiscal year (2023). After a bit of discussion, the Board thanked Interim Finance Director for all of her hard work.

Discussion Item | Continuation of FY-2024 Budget Workshop

City Manager Michael Turner presented the FY-24 Recommended Budget to the Board for the second time, which, as he explained, will be presented with a few changes made since the May 6th Budget Workshop. The General Fund Revenues (FY24) were presented (the Powell Bill and Stormwater Funds had no changes, therefore, were not presented again); *Ad Valorem Taxes - \$2,305,996 increased by \$122,527, Other Taxes and Licenses - \$1,725,000 increased by \$85,846, Unrestricted Intergovernmental - \$345,000 increased by \$5,000, Restricted Intergovernmental - \$75,000 had no changes, Permits and Fees - \$50,000 had no changes, Sales and Service - \$385,000 increased by \$39,857, Investment Earnings - \$250,000 increased by \$150,000, Miscellaneous - \$30,000 had no changes, for a total of \$5,165,996 (total increase in revenue projection of \$422,870)* with the assumptions that: Ad Valorem Taxes are held to the projected 2023 level, Restricted Intergovernmental included only the school resource officer (SRO at South Granville High School) in which \$75,000 was budgeted for the position and, City Manager added, is a refund/payment from Granville County Government. City Manager then told the Board that at a school board meeting that afternoon, a second SRO was added for Hawley Middle School (to be funded by NCDPI Grant and not the County). He then told the Board that the expenditures of one PD Officer for the SRO position will be added as well as the revenue to cover it in the next budget update scheduled for June 6, 2023. Continuing his presentation, City Manager said that *Permits and Fees were held at the 2023 level, Sales and Services was projected to grow by 10 %, and Investment Earnings were held to their projected 2023 level.* City Manager went on to present the additions to the budget by the Board since the May 2nd meeting which included: *Grant Writer (shared 50% with the County) at \$40,000, a Mini Excavator and Trailer at \$68,250, the bi-annual Newsletter at \$3,500, Way-finding Signs at \$6,000, two LED Message Boards for PD at \$30,000, and consideration of the 4.6% COLA.* He then said that the updated number for the CVFD was now *\$277,029 (an increase of \$5,767)* which included *\$49,750 for the ladder truck and 4.6% COLA at \$124,320.* City Manager said the total updated expenditures were now *\$5,357,018* adding that property and Liability insurance represented an increase of *\$4,000* and Finance reflected the exact salary of the new finance officer. As an aside, City Manager added that on May 3rd an offer was made to one of seven Finance Director applicants, the offer was accepted and the chosen applicant was currently going through the pre-employment process and would be presented before the Board at their June 6th meeting if all goes well. In closing, City Manager said the only other thing to still consider for the FY24 Budget is the Creedmoor Veteran's Organization Memorial for *\$20,795* and he asked for the Board to give him direction on that item. Commissioner

Wilkins said that the Veterans Organization asked that this item be added to this year's budget and they (Creedmoor Veterans Organization) would host fundraisers and return up to 50% of the expense of the monument back to the City. After some discussion, Commissioner Kicinski requested that all Memorial Brick fundraising profits be redirected to a fund to support the Veterans Memorial Monument. After some further discussion, Commissioner Kicinski made a motion to approve the Creedmoor Veterans Organization request, in the amount of \$20,795 plus tax, to be put into this year's budget. The motion was approved by a vote of 5-0. City Manager then told the Board that the deficit was now \$211,817 which, he said, included the adjustment for the CVFD and the Veterans Monument request. The Board held some further discussion on the changes to the budget presented and Commissioner Way then suggested revising the COLA adjustment up to 5% (from 4.5%), which, according to Interim Finance Director Hobbs, would bring the budget amount of that line up to \$135,130 (an increase of \$13,513). As there was no further discussion or questions from the Board, City Manager concluded his presentation.

Closed Session | Closed Session per § 143-318.11.a (3), (6) Attorney-Client Privilege and Personnel

Commissioner Gleason made a motion to go into Closed Session at 7:08 p.m. The motion was approved by a vote of 5-0.

Mayor Pro Tem Albright made a motion to go back into Open Session at 8:18. The motion was approved by a vote of 5-0.

Adjournment

As there was no further business to come before the Board, Commissioner Way made a motion to adjourn at 8:21 p.m. The motion was approved by a vote of 5-0.


Mayor Robert V. Wheeler


Barbara Rouse, CMC

