

TOWN OF BLACK CREEK  
TOWN BOARD MEETING

Date: June 13, 2006

Place: Black Creek Town Hall Meeting Hall

Present: Mayor Howard Moore, Commissioners Seltzer, Franks, Lucas, Smith

Absent: Commissioner Godwin

Minutes Taped Yes

Mayor Moore I declare this Public Hearing open. This Public Hearing for June 13<sup>th</sup> is being held to hear comments on our proposed 2006-2007 budget. Notice of this hearing has been reported in The Wilson Daily Times and a copy of the budget has been available at the town for review. Miss Aycock, have we had any calls or written comments regarding the budget? Ms Aycock replies, that there has not been any calls or comments. Are there any comments from the audience regarding the 2006-2007 proposed budget? Do I hear a motion that we close this hearing. Motion made by Commissioner Seltzer, 2<sup>nd</sup> by Commissioner Franks all in favor say I. All opposed. Meeting is closed. We'll open our regular meeting. Meeting for June 13<sup>th</sup>, 2006 9<sup>th</sup> session. We need to approve the payment of the bills. Has everybody read the bills. Commissioner Lucas makes a motion that they pay the June bills. Second by Commissioner Seltzer, all in favor say I, all opposed. Motion made to pay the bills. Approve the minutes of our May 9<sup>th</sup> regular meeting. Motion by Commissioner Seltzer, second by Commissioner Franks, all in favor say I, all opposed. Minutes approved. Approve the minutes of our May 2<sup>nd</sup> informational meeting. Motion by Commissioner Lucas, second by Commissioner Franks, all in favor say I, all opposed. Minutes approved. Approve the minutes of our May 23<sup>rd</sup> Public Hearing. Motion made by Commissioner Seltzer, second by Commissioner Lucas, all in favor say I, all opposed. Minutes approved. We'll get into our regular business meeting. As we start, I want to say that there will be no vote on the Carr Rd annexation, that will be at our July 11<sup>th</sup> meeting. We'll have that in the community building, so we'll have room for everybody that wants to attend. I wanted to make that clear right off to start with. Do we have any old business? First order of business is swearing in Mr Mack Smith as commissioner. I believe Candy Minshew is going to do that.

For swearing in Commissioner Mack Smith see attachment 1.

Mayor Moore: The next item on the agenda is to adopt the Wilson County Solid Waste Management Resolution. Do I hear a motion on that? Motion made by Commissioner Seltzer, second by Commissioner Lucas, all in favor say I, all opposed. Motion carried. We're going to change the status of a part time police officer to full time. I believe that's your department Mr Franks.

Commissioner Franks: Yes, we're going to put Jill on full time, from a part time status. And I make a motion that we do that.

Mayor Moore: Motion made by Commissioner Franks, second by Commissioner Seltzer, all in favor say I, all opposed. Motion carried. We've got blue prints for our park bathroom, estimated cost of \$2500.00 to \$3000.00 from Bartlett Engineering. Do I hear a motion on that. Motion made by Commissioner Lucas, second by Mr Seltzer, all in favor say I, all opposed. Motion carried. We've got some budget amendments to approve.

Commissioner Lucas: That's final for year end, so everything will balance. I make a motion that we approve the budget amendments.

Mayor Moore: Motion made by Commissioner Lucas, second by Commissioner Seltzer, all in favor say I, all opposed. Motion carried. Approve the no change in lowering town tax. Town tax at 55 cents per one hundred dollars. Do I hear a motion on that? Motion made by Commissioner Seltzer, second by Commissioner Lucas, all in favor say I, all opposed. Motion carried. Approve the Black Creek Fire Dept. budget of \$78229.00. Motion made by Commissioner Seltzer, second by Commissioner Franks, all in favor say I, all opposed. Motion carried. We're moving along real fast here. Adopt and approve the fiscal year 2006-2007 budget for the Town of Black Creek.

Commissioner Lucas: I make a motion that we adopt the budget for 06-07, and also the raises that you have there in front of you for the employees which amounts to 3% to 8%.

Mayor Moore: Motion made by Commissioner Lucas, second by Commissioner Seltzer, all in favor say I, all opposed. Motion carried. We're down to Mr Kevin O'Donnell from Nova Energy. He's going to make a presentation on utility, water, and sewer services.

Kevin O'Donnell: If it's ok with the board, I'm going to rearrange some things and use an easel for what I'll be presenting. I'm going to put the board right here so everyone can see it while I'm talking. If anyone wants a copy we will have them available. Mayor, as you know you asked me to take a look at what the town has invested in Carr Rd. And what the economics would be for persons to be annexed in versus water, and sewer, and utility rates. So to start off with the investment that the town has right now in water and in electric facilities is about \$190,000.00. These numbers came from the utility director here and it includes underground services and overhead electric lines that serve the area. The sewer line was paid for by the developer, the water line was not. Basically the town has \$191,000.00 invested in that area. It needs to recover that investment. The next thing I was tasked with doing was trying to determine the economics of those who take water only, and those who take water, and sewer, versus the cost of the property tax. One thing I think is important to understand when I start off on this analysis is your property taxes are tax deductible. So there is a tax effect so that when you try to do an apples to apples comparison here you have to take your tax savings out of the equation and look at your net of tax numbers. So what I did was in this analysis I looked at roughly what would it

cost the town to recover it's investment and I primarily looked at the water line investment only. And then I looked around at other towns and said how do other towns handle investment outside the town. And what I found was the great majority of towns in North Carolina have rates for residents outside of town that are any where from 110% to 400% higher than the rates inside of town. And if anyone wants to look at that I've got some numbers. I've got some detailed tables from the University of North Carolina that will show what rates are inside of town versus outside of town. You'll see that rates for example Wilson utility rates, water and sewer rates are double for those citizens outside of town than those inside of town. The primary reason for that is fairness. If the people outside of town are not paying property tax and you have the same rates outside of town as inside of town then the folks inside of town are subsidizing what's outside of town. So you will see that rates outside of town are typically higher. For example in Cary the rates outside of town are 300% higher than what they are inside of town. So with that caveat to start off with, what I did with this analysis is I looked at where Black Creeks current rate structure is now for water and sewer. I assume the town will go to the same kind of rate structure that the vast majority of other towns in the state have. Rates out of town are double that inside of town. That's the only way you can recover that investment in water lines. When doing this I also assumed that the net profit level of the town would stay the same on it's water and sewer fund. So we're basically going to be earning the same kind of money that we are now. Our water and sewer fund is not how Black Creek basically supports the town services. All the towns that I work with, the electric fund supports the town services. Water funds are pretty close to bread even. So in any event I assumed that it was going to go forward and I redesigned the rate. When I did that, it would mean roughly that in town citizens would see about a 20% rate cut. Out of town citizens would see rate increasing. But when you run through the numbers and assume that the change in rates took place over three years, the typical customer who takes only water service from Black Creek, their bills would increase \$209.00 a year. If you look at that same analysis and came down here under the property taxes, and I assumed an average value at about \$70,000.00 per home. I went through in my office and pulled all the property values of homes that we had or the lots I should say, and we took out values that were \$20,000.00 or less, because the odds are that there's not a home on them. The average came out to about \$70,000.00. You apply the tax rate including the fire assessment to that \$70,000.00 value and it came out to about \$416.00 then you have a tax savings of 20% which is your federal tax rate of 15% and your state tax rate of 7%. I just for simplicity purposes rounded it down to 20%. The bottom line is if you're a water only customer your annual cost increase would be \$209.00, your net of tax would be \$333.00. In straight economic terms, for those customers, being annexed may not necessarily work out economically. That's for water only customers. For water and sewer however things are different. In that case your total cost would be \$457.00, where as your net of tax is \$333.00. So if you take water and sewer it's better to be annexed. Economically it's better to be annexed. But if you're water only maybe not. It's marginal. This doesn't even assume electric. We didn't factor in electric, we also didn't factor in the difference in fire insurance because there was some discussion early on whether there was going to be a difference in insurance between in town and out of town. We left that out and we just tried to look at this from a straight financial stand point. But one thing to keep in mind is utility tax rates are not tax deductible, property tax is. When

assumes that there's a difference on in town and out of town rates. I've got the data to show that the vast majority of towns have rates outside of town that are double inside. Wilson has that, you can go on our website and see those rates. The 257 municipalities of North Carolina, I didn't add them all up, but I'm willing to bet that there's probably at least 200 that have rates that are substantially higher outside of town than in town. That's really the only way that you can recover the investment in that water line out on Carr Rd. That's my presentation, that's what I came here to basically present the economics

See attachment 5

Mayor Moore: Does any body want to ask Mr. O'Donnell any questions?

Linda Mckeel: isn't the property tax only tax deductible if you itemize?

Kevin O'Donnell: Yes you're absolutely right. Only if you itemize, and most folks do itemize. The only way you wouldn't itemize is if you have \$2000.00 or less in interest expense. If you don't have any interest expense you may not itemize.

Audience: You said the developer pays for water or sewer lines. Was it a specific subdivision that they did.

Kevin O'Donnell: I don't know. When I talked to Greg, he told me that the sewer lines were paid for, and to not include them in this analysis. So we didn't.

Audience: I was wondering if that was the Bear Creek subdivision, and the Village of Black Creek subdivision. There's 54 available lots but there's only 6 current homes built in those subdivisions. It was annexed in last year or 2 years ago, whatever. I was wondering if you were talking about that developer that did that work.

Kevin O'Donnell: No, I think Greg knew exactly what we were looking at. I'm pretty confident that he did the right numbers. He specifically said Carr Rd. Greg went out this past week and walked the line. Then he talked to the water engineer as to what that line cost. We looked at only the water line. We did not factor in the electric plan investment that the town has out there also. When you factor in the electric line investment it's \$191,000.00 that the town has not recovered yet.

Audience: The annexed area will be paying a 20% increase. But the citizens of Black Creek will have a lower rate.

Kevin O'Donnell: No, I said this analysis which is forward looking and therefore has some flaws basically everything's frozen in time. Citizens in town would see a 20% cut I didn't figure out the exact rate increase for citizens outside of town. You can look at this and do it pretty easily. It would probably be about a 25% increase for out of town versus in town. In town right now, if there's not a change in the utility rate structure. Those

folks in town would be subsidizing those folks out of town. What I was asked to do was assume that there was no change in profit level that the town earns on it's water plan. Therefore the only way to do that considering we have so many customers outside of town that take water and sewer, you have to reduce the in town rates. Which are already by comparison purposes to other municipalities around are pretty low.

Audience: The difference in rates between Black Creek in particular, say a family uses 7000 gallons a month in town versus out of town rates are \$6.00. One hundred houses using 70,000 gallons that would come up in a months time to about \$42,000.00. Why come that alone couldn't offset that cost in about 4 months.

Kevin O'Donnell: First of all there are only 13 customers that take water and sewer. And only 33 who take water only. So there's 46. Audience member asks' wouldn't the rates alone in a short period of time cover the \$191,000.00 and haven't they already recovered it. O'Donnell replies, No they haven't already recovered it because the rates have been the same. There is a slight difference now, but my analysis in going forward you'd have to have rates in town cut while rates outside of town increase to keep profit levels the same. But embedded with those numbers are operating, maintenance, and salaries and so forth and so on. Under the numbers you just gave me, that's not pure profit. Over time it may recover in a period of maybe 20 or 30 years. Don't forget there are expenses, it's going to cost to go out there and maintain those lines. And to maintain the electric lines that are already out there. At some point and time yes, those will be paid off but that may be 30 years down the road, and mean time there's \$191,000.00 that could have generated interest, had they not used that money. They could have put it in a T bill and been earning 4% interest instead of putting it in the ground for service. There's other things they could do with that money as well.

Mayor Moore: Thank you Mr O'Donnell, that was a very informative presentation. Now we've got someone who is going to speak from Carr Rd. Tom Beamon.

Tom Beamon: For Mr Beamon's speech and letter from Lydia Bosh see attachments 2 and 3

Mayor Moore: Your remarks and the letter will be entered into our minutes of this meeting. Commissioner Seltzer wants to say something.

Commissioner Seltzer: For Commissioner Seltzers remarks see attachment 4

Mayor Moore: Thank ;you. Now we've got commissioner business. Commissioner Lucas, do you have something?

Commissioner Lucas: There's a class coming up August 26<sup>th</sup>. It's an advanced government accounting class. Ms Aycok would like to go to that class, and I think it would be very informative. I make a motion that she be able to attend.

Mayor Moore: Motion made by Commissioner Lucas, second by Commissioner Seltzer. All in favor say I, all opposed. Motion carried. If there is no other business meeting adjourned.

TOWN OF BLACK CREEK

NORTH CAROLINA  
WILSON COUNTY

I, \_\_\_\_\_, do solemnly swear  
(or affirm) that I will support the Constitution of the United States; that I  
will be faithful and bear true allegiance to the State of North Carolina, and  
to the Constitutional powers and authorities which are or may be  
established for the Government thereof; that I will endeavor to support,  
maintain and defend the Constitution of the United States, to the best of  
my knowledge and ability; and that I will well and truly execute the duties  
of the office of COMMISSIONER for the TOWN OF BLACK CREEK  
according to the best of my skill and ability, according to law; so help me,  
God.

SIGNED: \_\_\_\_\_

Ralph Mclean Smith Jr.

ATTESTATION:

I, the undersigned, do hereby attest and certify that I  
administered the foregoing oath to the person named above prior to his or  
her taking office on this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_; and that,  
following the taking of this oath, that the above named individual signed  
the aforesaid oath in my presence.

SIGNED: \_\_\_\_\_

SEAL:

My Commission Expires:

\_\_\_\_\_

LYDIA BOESCH

June 8,2006

The Honorable Howard Moore  
Town Commissioners of Black Creek  
PO Box 8  
Black Creek, NC 27813

Re: Carr Road Forced Annexation

Gentlemen:

I serve as Legal Advisor for StopNCAnnexation, a statewide coalition opposed to forced, involuntary annexation. We have been instrumental in either avoiding or reversing forced annexation throughout North Carolina. You may learn more about StopNCAnnexation at [www.Stopncannexation.com](http://www.Stopncannexation.com).

Presently, only four states still allow forced annexation. Also, several North Carolina Boards of Commissioners have passed resolutions against this practice, with more being proposed. and support for tbe amendment of the forced annexation statutes is growing within the General Assembly. Out organization is working to assure that this grossly unfair and undemocratic process is discontinued.

We recently were approached by residents of the Carr Road area, which you propose to annex. They were seeking assistance and guidance in resisting this effort on the part of Black Creek. This group of citizens has affiliated themselves with us and we are assisting them in preparing for the upcoming events.

We initially find several likely violations of the statute; including, but not limited to, failing to furnish a suitable location for all attendees of the public and informational meetings, failing to answer many questions posed by this group as strictly required by the statutes, and failing to extend essential municipal services.

A major victory against forced annexation recently was won in the North Carolina Supreme Court in the case of Nolan vs. Village of Marvin, 360 N.C. 256 (2006). In Nolan,.. the Court ruled that the "Village did not substantia1ly comply with the statute because the services to be provided simply filled needs created by the annexation itself, without conferring significant benefits on the annexed property owners and residents as required by statute. NCGS I 60A-35(3) is grounded in a legislative expectation that the annexing municipality possesses meaningful services to extend to the annexed property."

The Honorable Howard Moore  
Town Commissioners of Black Creek  
June 8, 2006  
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Enclosed is a brief article written by the law firm of Poyner & Spruill LLP about the Nolan decision. Poyner & Spruill are experts in the areas of land use and annexation. As you can see, the article concludes with the following: "Since the Village of Marvin set forth principles new to North Carolina, municipalities should carefully consider its holding before proceeding to involuntarily annex property adjacent to their borders."

After reviewing the documentation furnished to us and through discussions with the individuals who will be affected by the annexation, we believe that the Black Creek annexation will fail for essentially the same reasons set forth in Nolan. It appears that nothing significant would be furnished that isn't already available to these residents, that all benefits will inure to the Town, and that the residents will be harmed by the annexation.

I urge your counsel to study the Noland case, the related statutes, and the Poyner & Spruill article. A lengthy and expensive court challenge can be avoided if the Town will abandon this annexation plan. If the Town Commissioners adopt the annexation ordinance, a petition will be filed in the Superior Court within the time prescribed by law. .

Thank you for your careful consideration of this issue. Please call me if you have any questions.

Very truly yours,

Lydia Boesch

Enclosure

cc: Rufus Webb  
Tom Beaman, Jr.  
Buck McKeel  
Donnie Sauls  
Helen Barnes

Comments to be Delivered at the Black Creek Town Meeting of June 13,2006

Mr. Mayor and Town Commissioners of Black Creek,

On two different occasions, at scheduled informational and public meetings, many of the residents from Carr, Yank, Akron, and Frank Price Church roads have come before you to speak out against the proposed forced annexation of these areas. They have expressed their desire to not be annexed and have attempted to describe their displeasure at the action as well as the harm that the additional financial burden will place on them. It is our opinion that these hearings were conducted only as a statutory requirement. During these meetings and in conversations with officials both prior to and following these meetings, we have seen no indication, or heard any responses, that would indicate that our voices have been heard or our objections seriously entertained.

Fully realizing that we are facing a legal procedure that is strictly controlled by North Carolina General Statutes, there was no choice but for us also to resort to legal assistance. We recently became affiliated with StopNCAnnexation, a coalition whose mission is to stop this awful practice of forced annexation and to have the, laws amended to give the affected citizens a voice. StopNCAnnexation has furnished us guidance, written resources, and legal assistance. Like this coalition, we believe that forced annexation disregards the rights of citizens, is outdated, unfair, and undemocratic. Since no resident in the proposed affected area could vote in the election that elected this body, the entire process becomes "taxation without representation".

As evidenced by the number of recent court cases and defeated annexation efforts across North Carolina, there is every indication that the political tide of forced annexation is changing. North Carolina is one of only four states that still permit this archaic practice. Some county Boards of Commissions have passed resolutions against forced annexations, and a number of our State Senators and Representatives have now come out as being against the practice. Sensing this change, it is understandable that the North Carolina League of Municipalities may have issued recommendations to proceed now with forced annexations. This is evidenced by the binge of forced annexations being attempted across North Carolina, as well as their own press releases and web site.

As we have learned, North Carolina General Statute dictates the procedure for forced annexation, and cities and towns have been held to strict adherence to these statutes. We believe, as do our advisors, that Black Creek may have failed to substantially adhere to these statutes. A few examples are:

1. North Carolina General Statute 160A-37 (c) and (d) states that at the informational and public, hearing, "all" residents of the municipality shall be given an opportunity to be heard, to ask questions, and to receive answers to those questions. This clearly could not happen when the residents were divided into an "inside" and "outside" group. Those outside residents were denied the opportunity to hear all proceedings and therefore were denied information and responses. Prior to the public hearing, one resident requested that the meeting be moved one block to a larger facility and was told that "that wasn't possible". In 2005, in a public meeting in a Goldsboro proceeding, the city placed television monitors in anterooms to ensure that all citizens could hear

and therefore ensured compliance with this statute. We were not accorded this advantage. For this reason, we intend to challenge the fact that the meeting was ever held in accordance with the statute. If upheld, this could possibly disrupt the entire timetable of the annexation proceedings. Also, at the informational meeting, minutes of that meeting, and testimony of those present, reveal that answers to questions asked of the Board were vague at best, and often not given. Residents attempted to determine costs of sewer installation and tap fees, among other things. Answers offered were "well, maybe this and maybe that." This clearly violates the statute, which strictly states that residents shall be allowed to ask questions and have those questions answered. Following the meeting, most felt that they had learned nothing from the meeting.

2. North Carolina General Statute 160A-37(c) requires that the Board approve the report provided in NCGS 160-35, and make it available to the public for inspection at the office of the municipal clerk. NCGS 160A-35 in its entirety details that an extensive report be prepared, containing many details including, but not limited to, the services, utilities, impact statements on various items, and plans for extending those services. When we asked for that plan on June 12, 2006, we were given an engineering study dated in 1995 that did not contain nearly all of the requirements of NCGS 160A-35. In addition, the statute requires that the Board vote adoption of the plan described in NCGS 160A-35 not less than 30 days prior to the informational meeting. A search of the town minutes did not reveal such an adoption.
3. North Carolina General Statute 160A-35(5) states that a statement showing how the proposed annexation will affect the town's finances and services, including city revenue change estimates, shall be delivered to the clerk of the Board of County Commissioners at least 30 days before the date of the public informational meeting on any annexation. An inquiry of the county clerk on June 12, 2006, did not reveal that the described report, or any variation thereof, has ever been delivered to the county.
4. North Carolina General Statute 160A-35(l)(b) requires that a map of water and sewer extensions must be available. When we asked for this map, we were referred to a map of the water .lines and told that "the sewer will follow the water lines". Again, there was no documentation. The 2004 map of the planned water lines did not even show water lines on Carr Road, which were installed many years prior to 2004.
5. North Carolina General Statute 160A-35(3)(c) is that the town must state exactly how the project will be financed. While we were verbally told that several methods were available, the statute requires that the method be specifically stated in the report required by NCGS 160A-35. Despite our efforts, we could not locate any such plan or statement.

We have also been informed that the statutes mandate that the town pay a cash settlement for lost revenue to any vendor who is displaced by an annexation, of which you are no doubt aware. One example would be a trash collection service. The statute bases this payment on a formula. We believe that this fact should be revealed to the present residents of Black Creek, along with any other costs associated with this forced annexation that may affect them. We would not hesitate to challenge this action based on any or all of the suspected technical violations in the above paragraphs. Upon closer inspection, there may be other procedural

matters that have fallen short of the requirements as specified in the North Carolina General Statutes. Such forced annexation challenges based on technical violations have largely been met with success in the courts by those who challenge the annexation on those grounds. However, we do not believe that these technical violations are our primary avenue to stopping this forced annexation.

In 2006, the North Carolina Supreme Court ruled on a case entitled Nolan Vs. Village of Marvin. The court overturned and voided Marvin's forced annexation. More importantly, the decision gave opposition to forced annexation a new and important perspective. In a nutshell, the court ruled that Marvin did not furnish any necessary services to the annexation area that the residents did not already enjoy. In addition, the court looked at the effect on the citizens and ruled that the annexation would cause financial harm to the residents. In addition to failing to comply with statutory procedures for a forced annexation because the services provided simply filled needs created by the annexation itself, without conferring significant benefit to the annexed property owners and residents, although these services were identical to those provided to other residents already within the Village. The decision further states that "the statute was grounded in a legislative expectation that the annexing municipality possess meaningful services to extend to the annexed property." Clearly, the operative word in that test was "meaningful". It should be clear to all that our proposed, forced annexation area already enjoys all benefits that Black Creek can presently provide. Another factor in the Nolan decision was whether or not all benefits inured to the municipality, which we believe mirrors our situation. This decision was welcomed by opponents of forced annexation and greatly increased the tide against this awful and archaic practice. We believe, as do our advisors, that the Black Creek proposal is at least as weak as Marvin's proposal was in the Nolan case.

We would like to resume the practice of living our everyday lives, but you have our word that we shall stay on this endeavor as long as required. You have earlier received a letter from attorney Lydia Boesch, legal counsel for StopNCAnnexation. We ask Attorney Boesch's letter, as well as a copy of this statement presented here, be made a part of the minutes of this meeting. We respectfully ask again that this proposed forced annexation be abandoned. We are prepared to file a formal challenge if necessary, but sincerely hope to prevent expensive and protracted legal proceedings for us both. The future direction of this matter now rests entirely in your hands.

Thank you for your time and attention.

There has been a great deal of discussion on this annexation issue. The issue itself demands a great deal of scrutiny and debate. This will affect the lives of the citizens in the proposed area as well as the citizens of the Town. From the citizens standpoint in the proposed involuntary annexation area, the main focus has been centered on the fact that you will have to pay an added tax you feel is not fair. Even the Wilson Daily Times seemed to side with this position in an editorial they ran on June 8th. They stated that this issue, "smells of taxation without representation". The property owners of this area have all stated, ( I or We) are not interested in this annexation because we already have the benefit's the Town has to offer without being a part of Black Creek. We have even been accused of having financial difficulty and are using the involuntary annexation as a way of bailing ourselves out of this situation. Then there were concerns raised over mandatory hookups to the sewer system.

The Board has listened intently to your concerns and opinions and we do not take this involuntary annexation issue lightly. We have discussed the issue of septic tanks and the Board is in agreement to work out a compromise to allow septic systems that are functional and meet inspection requirements to continue their usage.

"Smells of taxation without representation." An interesting quote that the Wilson Daily Times decided to use in their editorial. . This statement is so ridiculous that I still can't believe they printed it. A responsible writer would have done his homework and realized that once an area is annexed they would have the right to vote in our elections as well as the ability to run for office and be representatives on this very Board. However I guess it matters more to sell papers than print the truth.

On the topic of financially difficulty, I can assure you that we are one of the healthiest towns of our size in the state. Our records are available for you to review if you would like the opportunity. Our Audit reports over the last ten years are strong and we have even received an award for the effort put into them.

While the Town certainly has invested a great deal of money in building our infrastructure we did not do this out of generosity. Make no mistake, the Town of Black Creek is a business and must be run like one in order to remain alive and well. I will not sit here and act like the added revenue we might receive from this area won't be welcome. I just want you to understand that we will be as frugal with your tax dollars as we have been over the years with our own. We have spent our monies in the past in a way to better our community and allow citizens to reap the benefits of strength in numbers. This has been expressed in the form of the Town reaching agreements with our neighbors to allow us to buy and sell electricity at reduced rates. Some of you already enjoy the fruits of this cost saving effort. We have the privilege of one of the finest Electrical Distribution systems in the state for a small town. We also maintain an elite fleet of service vehicles for a town of this size. We started building water, sewer and electric services to these areas to further the growth of the Town. We realized the criteria set forth in the statues that required the same services be provided to residents of this area that the township now enjoys and that there would be a time issue involved. Since we are a small town with limited funds it was a project that we knew would take time and money assisted by Grants and loans to accomplish our continued growth. It seems to me that we have already proven to you what can be accomplished when proper planning and follow through have been achieved. While you listen to my words I hope you will understand that the intent of the Town of Black Creek is an honorable one. Your

statements have all focused on the fact that you don't want to be included into a township that you feel is not giving you enough back for the amount of money you will have to pay out. On the contrary if you will think hard about what you already have, it is only because normal small town growth has provided it. Very few of you do not receive some kind of service from this Town and our growth has given you that opportunity. While 95 parcels are looked at to be annexed all the taxpayers in Black Creek have allowed their tax dollars to be used to extend our service capabilities to your area. Not just to install them, but to maintain them as well.

Our primary focus is to increase our population and make Black Creek more attractive to businesses so that they might locate their operations in or around our area. This would provide more jobs for the citizens of the community as well as lure developers to realize our potential and look carefully at this area when they are considering new facilities. Our location to major highways with the opening of Hwy 264 and soon to be open Hwy 117 put us in an excellent location for manufacturing corporations to have access to highways taking their products throughout the State and the Country. We also have an attractive personnel pool that they can draw from. Other encouraging factors include those same low electric rates, two daycares that offer above average equipment and technology as well as a Senior Center and a Park of such quality that children from nearby townships have traveled here just to enjoy the activities. While this area continues to develop, your property value should increase and that will make your investment that much more lucrative.

Throughout North Carolina small towns watch as their children grow up and move away to relocate elsewhere. We would like to see that trend change in Black Creek. By creating jobs and improving living conditions for the township we feel that the reasons for moving away might well disappear and encourage the children to establish themselves here to raise their families. Small town growth is being looked at by State and Federal Agencies who have now established programs such as the Main Street Program, that are designed to aid small towns grow, develop and revitalize themselves.

There are some of the ideas behind the involuntary annexation issue that you have before you. It doesn't focus on greed and political muscle flexing that so many of you have been talked into believing. Instead we have instigated what we believe will be the future of this Town. We do not propose to have all the answers to the direction we need to take or the steps to get there. Instead we share an idea that we would like all of you to be a part of. So many people talk about what could have been or should have been, talk is cheap. We decided to act on what is needed to ensure our prosperity and secure our position for future generations. I hope now you have a better understanding of our position on what this truly all about and hope you will review as we have the comments placed before you today with an open mind. Thank you for your time and patience as I have gone over this material.

READ AND PREPARED BY: COMMISSIONER SELTZER  
JUNE 13, 2006

## Analysis of Black Creek Annexation Issue

	Year					
	06-'07	07-'08	08-'09	09-'10	10-'11	11-'12
<b><u>Sewer</u></b>						
Out of Town Sewer Bill	\$381.60	\$437.85	\$495.36	\$495.36	\$495.36	\$495.36
In-Town Sewer Bill	-\$309.60	-\$270.90	-\$247.68	-\$247.68	-\$247.68	-\$247.68
Difference in Sewer Bills	\$72.00	\$166.95	\$247.68	\$247.68	\$247.68	\$247.68
<b><u>Water</u></b>						
Out of Town Water Bill	\$380.40	\$433.80	\$418.56	\$418.56	\$418.56	\$418.56
In-Town Water Bill	-\$261.60	-\$228.90	-\$209.28	-\$209.28	-\$209.28	-\$209.28
<b>Difference in Water Bills</b>	<b>\$118.80</b>	<b>\$204.90</b>	<b>\$209.28</b>	<b>\$209.28</b>	<b>\$209.28</b>	<b>\$209.28</b>
<b>Total Water and Sewer</b>	<b>\$190.80</b>	<b>\$371.85</b>	<b>\$456.96</b>	<b>\$456.96</b>	<b>\$456.96</b>	<b>\$456.96</b>

### **Property Taxes**

Avg. Property Value	\$70,000
Tax rate	0.00595

	Year					
	06-'07	07-'08	08-'09	09-'10	10-'11	11-'12
Property Tax	\$416.50	\$416.50	\$416.50	\$416.50	\$416.50	\$416.50
Tax Savings @20%	\$83.30	\$83.30	\$83.30	\$83.30	\$83.30	\$83.30
<b>Net of Tax</b>	<b>\$333.20</b>	<b>\$333.20</b>	<b>\$333.20</b>	<b>\$333.20</b>	<b>\$333.20</b>	<b>\$333.20</b>

### **Conclusions to Residents in Annexed Area**

**If resident takes water and sewer from town, it is more economical to be annexed and pay in-town rates**

**If resident takes water only, it is more economical not to be annexed.**