

**CITY COUNCIL
REGULAR MEETING
March 8, 2004**

CALL TO ORDER BY THE MAYOR

The regular meeting of the City Council of Mount Holly was called to order at 7:00 P.M. by Mayor Hough. The following were present:

Mayor Bryan Hough	Jamie Guffey, Assistant to City Manager for Finance/Administration
Mayor Pro-Tem Michael Helms	Danny Jackson, Assistant to City Manager for Community Development
	Benson Hoyle, Police Chief
Councilman Jim Hope	Don Price, Utilities Director
Councilwoman Phyllis Harris	Mike Santmire, Street & Solid Waste Director
Councilman Frank McLean	Greg Beal, Community Dev. Officer
Councilwoman Pat Hubbard	Ryan Baker, Fire Inspector
Councilman David Moore	Megan Hanks, Communication Director
City Manager David Kraus	
City Attorney Kemp Michael	

INVOCATION

The invocation was led by Councilman Jim Hope.

PLEDGE OF ALLEGIANCE

Boy Scout Troop 59 led the Council and audience in the ceremony of the Pledge of Allegiance. The Scouts introduced themselves to the audience.

APPROVAL OF THE AGENDA

The agenda was approved as amended, upon motion by Councilman Helms, seconded by Councilwoman Harris, with all in favor.

CONSENT AGENDA

Councilwoman Harris **MOVED** to approve the Consent Agenda with 3 items, seconded by Councilwoman Hubbard, with all in favor. The items approved were:

CA#1. To Accept and Approve the Minutes. Approval of January 6 and February 9, 2004, minutes as written.

CA#2. To Call for a Public Hearing for Rezoning of the Rhyne Property on West Catawba Avenue.

CA#3. To Appoint Alternate Council Delegate to Centralina Council of Governments. Mayor Hough appointed Councilman Moore as the Alternate delegate to CCOG.

PRESENTATIONS

PR#1 Proclamation for Mayor T. A. Belk.

The Council and Mayor stepped down to the Council floor to make a special proclamation. Mayor Hough noted that this year the City is recognizing a historical

event, that Mount Holly is 125 years old. He announced that the Council had invited former Mayor Belk and other former Mayors and Councilmen who served along with Mayor Belk for many years, along with their families. Mayor Broome, Mayor Charles Black, Mrs. J. C. Whitt (widow of Mayor Whitt), Mayor Bobby Black, and Mayor McLean were asked to stand. He stated that mayors would not be mayors without their wives, and asked them to stand also. Miles Biggerstaff and Bob Duke, past councilmembers were recognized as well. Mayor Hough read the proclamation in honor of former Mayor Belk. (copy attached) Mayor Belk said he'd like to thank everyone, and was very moved by the presentation.

PR#2 Proclamation for East Gaston High School Wrestling Team

Mayor Hough asked the East Gaston High School wrestling team to come in and stand. This is the third year in a row that they have won the state championship. Mr. Hough had wrestled at East Gaston and with Coach Goins, who is still their coach. He read a proclamation recognizing their accomplishment. (copy attached) The wrestlers introduced themselves.

Councilwoman Harris and Hubbard announced that the city will put on one of its city signs the teams winning record.

PR#3 Proclamation for Dusty McKinney, four time State wrestling champion.

Mayor Hough stated that, while wrestling is a team sport, Dusty McKinney is only the fourth student in state history that has won four times. Mr. Hough read a proclamation in appreciation for the excellent representation of our city by this student. (copy attached)

Council took a five minute recess.

PR#4 Presentation by Ms. Diana Cole, Manager of the Cloisters Apartments.

Not present

PR#5 Introduction of Mr. Steve Blake, fire chaplain.

City Manager Kraus introduced Steve Blake, a resident of Deertrack SD, and a volunteer in our department, who is the new fire chaplain. Mr. Blake said he is thankful he is being allowed to serve the firemen, as a friend and a counselor; his wife, Judy, helps him. He stated, "I just follow orders from God and have been blessed from it." He felt that the firemen here are very nice and have welcomed him. Mayor Hough said he knows Mr. Blake has helped our department through a tough time recently with Chief Calder's death.

PR#6 Presentation by Mr. Omarr Reid.

Mr. Reid presented to Council an overview of the services of his company, Goshen Digital and Ethics Enterprises.

UNSCHEDULED PUBLIC COMMENT

Travis Benfield, of 204 Deerfield Drive, was recognized first. This young man asked to address the need for a skate park in our city. He said he had spoken with Mr. Kraus before. He is aware the City has had trouble with skateboarders; his father is a policeman. Whether or not you charge an admission, having a skate park will help with that problem. Councilwoman Harris asked him to serve on her committee; he said he would.

Keith Jones, of 204 Green Acres, was recognized next. He stated that he knows almost every skater in town. We have lots of signatures by the skaters asking for a skate park here. Councilwoman Harris asked him to serve on her committee as well; he said yes.

NEW BUSINESS

NB#1 To Consider Ordinances for Skateboarding Regulations

Chief Benson Hoyle said that he has two items to talk about related to skateboarding regulations. One is a general ordinance so the police can write citations with fines and penalties that would be paid at City Hall as opposed to having to go through the court system. The second is specific to child helmet issues and gives us a method of enforcing it outside the court system. We have a handle now on the kids who are the actual trouble-makers with skateboards. It will take a little time after this is adopted to get this designated and implemented. Mayor Hough stated that we already have signs for no skateboarding downtown. Chief Hoyle said this would be city-wide, not just downtown, and they can pay the fine here unless they choose to go to court. Councilwoman Hubbard asked if the city attorney had looked over this. City Attorney Michael stated he had reviewed the proposals, and we need to decide where to put it in the ordinance books, but first we want the Council to look over this. Mr. Michael said this takes it further than the state law that governs wearing helmets on bicycles; it includes lots of other things. Councilwoman Hubbard asked if this would help the problem at the middle school? Chief Hoyle said it will help somewhat, but there is a group that will not comply with anything we have on the books, and they have to be addressed. City Manager Kraus said these ordinances will only control public property and right-of-ways. Councilwoman Hubbard asked what can be done about private property such as the church parking lots? Chief Hoyle stated that some of the property owners have signed up for the police to keep trespassers off their property. Councilwoman Hubbard asked if this will be in effect for Springfest? Mr. Kraus said it can be if Council makes it effective before then. Mayor Hough recalled there was a problem last year when skateboarders came out at the car show and it caused some of the car owners to leave. Councilwoman Harris said we have an ordinance for downtown that takes care of that. Mayor Hough said this is another tool to use.

NB#2 To Consider Increasing Capital Threshold to \$5,000

Jamie Guffey stated that as part of the Governmental Accounting Standards Board requirements, the City is now required to report fixed assets, so that it is more like

a corporate budget report. The Auditor said we should use a graduated system to increase this from its current \$1,000 to \$5,000.

Motion: Councilman Helms **MOVED** to approve increasing the capital threshold to \$5,000, seconded by Councilwoman Hubbard.

Vote: unanimous. CARRIED.

UNFINISHED BUSINESS

UFB#1 Presentation by Mr. Christian Sottile on Development/Design Standards

Mr. Sottile, an urban designer from Savannah, Georgia, was introduced by David Creech of Narmour-Wright, who recommends that the City use his services. Mr. Sottile said that he has experience working with new development and preservation hand in hand. Mr. Creech said his firm will support Mr. Sottile from an architectural standpoint. Mr. Sottile gave an outline of proposed goals (with printed information). He asked if Council had any questions or suggestions at this point. Next, he reviewed the rough format referred to as the "Manual". They will need input as to how much Council wants the City to regulate style and materials. The landscape area is reserved for input from the City's existing guidelines or to be developed, but is not included in their synopsis. Mayor Hough asked when this process would get started, for a time frame, and an expect finish date. Will there be public meetings organized or just a drop in? Mr. Sottile intends to use a public input workshop to present what Council had just heard and to go over the existing character of the city, and then we will listen to their comments on what they see; he expects a meeting of about three hours, using the same outline and photographs. After that, they will draft an initial set of regulations, and then come back to Council with another meeting to critique our draft. Then final revisions will be made and brought to Council for adoption. The Council agreed to have the first meeting on March 30th, Tuesday, at 6:30 PM, in the Tuckaseegee Community Center. Mayor Hough said that #7 in the manual said that sign guidelines are to be copied into the manual at that point from somewhere else; will he be developing those? Mr. Sottile said it was his understanding that the City is already revising that, and they are not drafting that at this point unless you ask us to look at it. Danny Jackson said that is in process, but had been held up because of this process. Mr. Sottile had photos to show the interesting buildings in town. He said it gives a blueprint for them to use. There are a lot of upper levels that are not currently being used. He had what he saw was good examples and bad examples. Old mills are opportunities in themselves. He also sees opening up the buildings at the street level to draw in the public. You can assign a percentage of glass on the front perhaps to help that. City Manager Kraus said we are actually taking photographs of every building in downtown, making an inventory.

UFB#2 To Consider Co-Existing Uses

Greg Beal stated that this proposed change would be put under Note 23; this is a draft to amend our code, and includes suggestions by the planning commission. He requested Council give feedback on the proposal, he will make changes, and then a public hearing can be held (probably in May). Danny Jackson and Kemp

Michael have reviewed this. The Council authorized him the to take this draft to planning commission and proceed.

UFB#3 To Consider Awarding of Bids for East Gaston for water and sewer lines. Mr. Don Price said this will also replace a line on Old Mine Road. This is the first phase that goes almost to Lane Road. The engineer and I recommend the low bidder, Hickory Sand Company. It will be about 30 to 60 days before they can begin. We can use a construction loan and grants from the State temporarily until the next budget year, at a low interest rate. Councilwoman Hubbard saw that Buckeye was lower for our part of the project, but you are saying we have to look at the total cost. Mr. Price said, Yes. Mayor Hough asked if the City is the decider? Mr. Price said, Yes, we are the lead agent. City Manager Kraus said we always intended to finance this project, but the state has low interest money right now and we are going to try to get that. City Attorney Michael be sure the lineal feet for the second section does not exceed the county budget. We need an acknowledgment that the County has seen this and have no objections.

Motion: Councilwoman Hubbard **MOVED** to award the bid for water and sewer lines to East Gaston High School to Hickory Sand Company, Inc. for an amount not to exceed \$1,350,000.00, contingent upon approval by the county, and further that staff is authorized to look into financing with or through the state, seconded by Councilman McLean.

Vote: Unanimous. CARRIED.

UFB# 4 To Discuss the Whitewater Contract

City Manager Kraus said that staff has information about the Whitewater contract for Council to review, but there is no need to vote on it tonight. Mr. Kraus said that under Article #3, payment obligation, there is an annual service fee and a net service fee resulting in a credit. If they meet their projections, we get our credit to offset our fee; but if not, then we pay the balance due. The first payment, if any, would not be due until one year after it opens, because payments are in arrears. The City has the right to review audits. City Attorney Michael said that on the contract the areas with lines are the things that have changed since you saw it last, due to staff input, mainly in the default provisions. City Manager Kraus said that at Section 9.02, Item M, there is an outline for profits coming back to municipalities via a trust fund. Mayor Hough asked if they have reviewed the Charlotte and Mecklenburg County contracts yet? Mr. Michael said we asked for that and for the bank commitment, as well as for updated pro forma financial statements, but do not have them. Jamie Guffey said the lease is the holdup. Councilman Helms asked, if we had a major shortfall in our budget, are we locked into this money? Mr. Kraus said, yes. Councilman Hope noted that this is called a "service agreement", so he asked, what service are they providing? Mr. Kraus said basically recreation services. Councilman Hope wanted to know what our payments would be used for? Mr. Michael said for operating and capital expenses. Mr. Michael stated that if they don't make a go of it, they cease operating, you are still obligated to pay the money. Jamie, yes, as long as they

open the whitewater portion. Mr. Michael said, the reason they say that is the case because they cannot get a bank commitment without it. Jamie Guffey said the only that would not trigger the payments is if they don't open the whitewater park. Kemp Michael said in the remedies for default, we would be able to sue them for specific performance, and money damages, but if they are bankrupt we won't get anything. Mr. Kraus said in Item D, we have some say in the auditing firm they use, and we receive budget and midyear reports and financials. Councilman McLean asked about Section 14.16, is the eleven million for everyone? Yes, it is. Mr. Michael said the effective date might get changed for the obligation since this has been delayed. Mr. Kraus said if all local governments do not agree, we can pull out of the contract. Mr. Michael noted there is a conflict in the dates that will have to be fixed. Councilman Hope recalled that the first contract we received was not acceptable; he asked, what makes this one acceptable? Mr. Michael replied that the very first one we saw had the service factor in it; we never got a written agreement with a guarantee factor in it like they had discussed. Mr. Kraus said that is because it was not legal. Mr. Hope asked, how long will this be? Mr. Michael said they have to show the bank they have people willing to buy the service, which in this case are the government entities. Councilman Hope asked, will our payments be applied to operating expenses and not to payment of the loan? Mr. Michael said, it is one and the same. The money from us would go into their budget, and would be used for operating costs. Councilman Hope, asked if then it could be used to repay the loan? Mr. Michael said, yes. Mr. Kraus said the definition for "shortfall" includes debt service. Jamie Guffey said the contract does not allow us to dictate where the money goes. Kemp Michael said he is not a tax attorney, but their attorney is one, namely, Scott Leo (who is our bond counsel). Mr. Leo states that this format is legal. Councilman McLean asked what is the cost? Jamie Giffey said \$23 million. Mr. Kraus said they are seeking \$12 million from local governments. Councilman McLean asked when would they do construction? Mr. Kraus said in 2007, but we do not pay until one year after they open, if we pay at all. Mr. Kraus stated there is one other point we raised on page three, defining operating costs; we cannot figure out how to control this, so we are waiting to see the bank documents because we feel the banks will control that. Mr. Kraus further stated that we also demanded the budget and fiscals to keep an eye on that so we could go to the board of directors if we see something not appropriate. Councilwoman Harris asked if only Charlotte has signed? Mr. Kraus said, yes, and now they are working on all of us in Gaston County. Their goal is to get all the signatures by June. Mr. Michael said we want to see the other documents to be sure nobody got a deal better than we did. Mr. Kraus said operating revenues includes everything they collect, so if they were to get a grant that helps us toward the credit, as does a donation. Mayor Hough asked if we can apply for grants to our payment? Jamie Guffey said, yes, but grants are not carried forward, so they can only be applied in the year received. Mr. Kraus stated that any payments required would be pro-rated between all the local governments. Councilman Moore asked what other sources of funds do they have? Mr. Kraus said donations, naming rights, grants,

and sponsorships. Jamie, there are no contracts for that part of their revenue. Mr. Kraus, they will do flat water racing but that does not trigger our contribution.

ROUND TABLE

Councilwoman Hubbard asked what the next step is on naming of the new bridge. Mr. Kraus said we take the three resolutions and send them to Raleigh.

Councilwoman Hubbard said everyone got copies of the improvements that are going to be done on South Street in Gastonia. She reported that when they went to First Friday, she saw some good ideas they are using, and brought good articles on bringing in new jobs. One point she learned is that NC does not allow self-financing bonds; we are one of only two states in the country that have that restriction; this matter will be on a referendum in November to change that.

Councilwoman Hubbard reported that on Hawthorne Road there is a big hole where the gravel has disappeared.

Councilwoman Hubbard noted a letter from Mr. and Mrs. John Peterson. She asked staff to please respond; apparently they have been in touch with Danny Jackson and want action.

Councilwoman Harris asked the City Manager if he had contacted Ted Harris. Mr. Kraus said that John Hope has.

Councilman McLean said that Mr. Dimmer said that on Tuckaseegee that "cave-in" is worse. Councilman McLean said he got a letter about those trailers; Danny will look at that.

Councilman McLean are we still paying Wachovia \$400 a month for the bank account? Jamie Guffey said, yes, but we are looking for proposals from other banks.

Councilman Moore asked if there is a final solution to the situation with the Friedls; he felt we need to resolve this. City Manager Kraus said that Lee Skidmore is supposedly going to give us a quote, and we will present the amount to the Friedls as a settlement cash payment to them. Mayor Hough said we have not been able to get a bid on it until now. Councilman McLean said that Mr. Friedl gave him a flyer about a play they are going to have at the mill in conjunction with Lucy Penegar and the historical society.

Councilman Hope said that in the packet it said we need to go into executive session for personnel reasons.

CLOSED SESSION

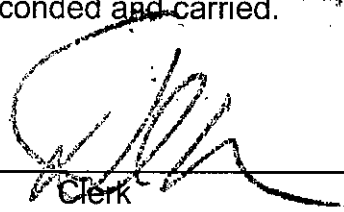
Councilwoman Hubbard moved to go into closed session for the purpose of discussing attorney-client & personnel matters, seconded by Councilman McLean, with all in favor.

Councilman Helms moved to return to open closed session, seconded by Councilwoman Harris, with all in favor.

ADJOURN

There being no further business, the meeting was adjourned, upon motion duly made, seconded and carried.

9:35 PM



Clerk

Mayor

cpm