CITY OF MOUNT HOLLY

CITY COUNCIL MEETING MINUTES

MONDAY, DECEMBER 9, 2024

COUNCIL CHAMBERS

7:00 PM

CALL TO ORDER

Mayor Moore called the meeting to order at 7:00 pm. The following were present:

Mayor David Moore	Jonathan Blanton, City Manager
Mayor Pro Tem Lauren Shoemaker	Brian DuPont, Assistant City Manager
Councilman Ivory Craig	Alexis Hines, Human Resources Director
Councilman Jeff Meadows	Brian Reagan, Police Chief
Councilman Bryan Hough	Greg Beal, Planning Director
Councilwoman Phyllis Harris	Ryan Baker, Fire Chief
Councilman Kenneth Reeves	Robert Stewart, Deputy Utilities Director
Marie M. Anders, City Attorney	Mark Jusko, Recreation Supervisor
Tara Douglas, City Clerk	Michelle Wood, Finance Director
	Matt Black, Economic Development Director
	Jason Green, Public Works Director

INVOCATION

Officer Tony Walker from the Mount Holly Police Department led Council, staff, and attendees in prayer.

PLEDGE OF ALLEGIANCE

Boy Scout Troop 59 led the Council, staff, and attendees in the Pledge of Allegiance.

SET THE AGENDA

Mayor Moore recognized Councilman Craig who requested that item two on the consent agenda be moved to New Business item one due to a conflict of interest. Mayor Moore recognized Councilman Craig who requested to move item five on the consent agenda to New Business item two for further discussion. Mayor Moore recognized City Manager Jonathan Blanton who requested to move item one from New Business to item four under Presentations. With no other changes, Mayor Moore entertained a motion to approve the agenda as presented.

Motion: Councilman Craig made a motion to approve the agenda as presented. Councilwoman Harris seconded the motion. *All Council members present voted in favor. (Motion Carried)*

CITY OF MOUNT HOLLY

CITY COUNCIL MEETING MINUTES

MONDAY, DECEMBER 9, 2024

COUNCIL CHAMBERS

7:00 PM

<u>CONSENT AGENDA</u>

1. Approval of the 2025 City Council Meeting Schedule
2. ~~Call for a public hearing to consider rezoning a portion of a 1.44-acre tract of land, located at 501 Belmont-Mount Holly Road, Tax Parcel ID # 183899, from B-3 General Business to R-12 Single Family, as submitted by Billy Rick~~
3. Acceptance of NCDOT Funds for Tuckaseege Road Sidewalk Project [Project #: EB5912]
4. Approval of the Appointment of Ruth Neely to PAAC
5. ~~Approval of the Reappointments of Teraseta Ellerbe & Rodney Williams to the Planning Commission for a Three-year Term Ending on December 9th 2027~~
6. Approval for installation of actuated flashing pedestrian crossing signs on South Hawthorne Street at crossing between auditorium and Mount Holly Middle
7. Approval of a policy authorizing an official or employee to conduct sales according to G.S. 160 A-266 (c).
8. Approval of firm for Mountain Bike Master Plan
9. Approval of Installation of 2 Stop Signs on Cavin Avenue at Pine Street
10. Requesting approval to apply for the Assistance to Firefighters Grant (AFG) through FEMA
11. Approval of Minutes from the November 18, 2024 Council Meeting
12. Approval of Minutes from the November 18, 2024 Closed Session

With no other changes to the agenda, Mayor Moore entertained a motion to approve the Consent Agenda as presented.

<u>*Motion:*</u> Councilman Hough made a motion to approve the Consent Agenda as presented. Councilman Meadows seconded the motion.

All Council members present voted in favor. (Motion Carried)

<u>PRESENTATIONS</u>

1. Employee Years of Service Recognition ***Mayor Moore***

Mayor Moore requested that the Councilmembers meet him on the floor to recognize employees for their years of service. Mayor Moore recognized the following employees for their years of service: Tammy Earney-Police-25 years, Michelle Nichols-Police-20 years, Ralph Hall-Streets and Solid Waste-20 years, Clint Laughlin-Fire-20 years, Mike Martin-Water-20 years, Becky Conder-Finance-20 years, Tony Walker-Police-20 years, Jason Black-Fire-15 years. Timothy Treece-Fire-15 years, Jerry Arthurs-Police-15 years, Chris Riddle-Fire-15 years, Patrick Brittain-Streets and Solid Waste-10 years, Madison Massey-Water-10 years, Austin Cox-Police-10 years, Sean Helman-Police-5 years, Haley Helton-Police-5 years, Jacob Bonnin-Fire-5 years, Patrick Craig-Fire-5 years, Brian Baldwin-Streets and Solid Waste-5 years, Joseph Griffin-Police- 5 years, Zechariah Wiggs-Fire-5 years, Brandon Potts-Fire-5 years, Blake Buchanan-Fire-5 years.

2. Swearing in of Fire Captains Gaetano Leone and Hayden Kish
Ryan Baker and Mayor Moore

Chief Ryan Baker introduced Fire Captains Gaetano Leone and Hayden Kish. Mayor Moore administered the Fire Captain Oath of Office to Gaetano Leone and Hayden Kish. Fire Captain Gaetano Leone and Hayden Kish were pinned by their families.

3. Swearing in of Battalion Chiefs Blake Buchanan, Justin Westbrook, and Patrick Mayhew
Ryan Baker and Mayor Moore

Chief Ryan Baker introduced Battalion Chiefs Blake Buchanan, Justin Westbrook, and Patrick Mayhew. Mayor Moore administered the Battalion Chief Oath of Office to Blake Buchanan, Justin Westbrook, and Patrick Mayhew. Battalion Chiefs Blake Buchanan, Justin Westbrook, and Patrick Mayhew were pinned by their families.

4. Collaboration with the University of North Carolina at Charlotte MPA Capstone Project Discussion
Jonathan Blanton
MaeLynn Joyner and Kyle Brun

Mr. Blanton introduced the students from the University of North Carolina at Charlotte who have been working with the City of Mount Holly on their MPA Capstone Project. Mr. Blanton stated that this is the first time that they have partnered with the City of Mount Holly on their Capstone project. Mr. Blanton stated that they have done a thorough review and have recommendations to update the City of Mount Holly's personnel policy. Ms. Joyner and Mr. Bryan introduced themselves and stated that they are here on behalf of the University of North Carolina at Charlotte Gerald G. Fox Master of Public Administration Program and the eleven students from this program who have spent the past semester reviewing Mount Holly's personnel policy. Ms. Joyner stated that over the course of the semester, they have benchmarked the City of Mount

Holly's personnel policy against thirteen other North Carolina municipalities to identify opportunities for improvement such as better alignment with state and federal statutes and municipal best practices. Ms. Joyner stated that the purpose of a personnel policy is to set expectations between employee and employer. Ms. Joyner noted that Mount Holly's personnel policy was last updated in 2018. Ms. Joyner reported that Mount Holly is doing an average job of keeping up with best practices and out of fourteen North Carolina municipalities ranks at number eight in comprehensiveness. Ms. Joyner stated that their team formulated five formal recommendations to improve the comprehensiveness of Moun Holly's policy. Ms. Joyner recommended that the City include a manager's message and a city history page to give new employees an idea of who they are working for, what the goals of the organization are, and what they can expect from the City and the community. Mr. Brun discussed article one and recommends adding three new sections and updating the definition section. Mr. Brun stated that the first recommended section addition would include clarifying the responsibilities of the City's Human Resources department. Mr. Brun stated that 62% of the benchmark cities included this detail. Mr. Brun stated the team recommends adding a merit statement within article one that stated the intention of the City to utilize only impartial and fair judgement of any candidates considered for hire or promotion. Mr. Brun stated that while this is in line with state statutes, this boilerplate language can also be important in creating a more equitable work environment and reducing City liability. Mr. Brun reported that 69% of benchmark cities include this language. Mr. Brun stated that the City of Mount Holly should consider implementing a structured review mechanism where supervisors would deliver merit-based feedback using a standardized score card ensuring that each employee's performance is evaluated objectively. Mr. Brun stated that the team recommends adding an employment at will section which would clarify that employees can be terminated without further contractual obligations on the part of the City. Mr. Brun discussed adding additional term definitions to this section of the policy. Mr. Brun discussed the work schedule, severe weather, and defamation sections and the updates needed to build solid lines of communication between management and their employees. Mr. Brun discussed article five and that there are three sections that are recommended to be moved from this section to a new employee responsibilities section which include the outside employment, dual employment, and the employment of a relative clause. Ms. Joyner stated that as the City of Mount Holly continues to grow, the City should delve into the evolving demographics and population trends that may influence Municipal services and workforce dynamics. City Manager, Jonathan Blanton, thanked the team for all of their hard work.

5. Martin Starnes Audit Presentation ***Brandi Fesperman with Martin Starnes***

Brandi Fesperman presented the 2024 audit and financial statement that were submitted and approved by the Local Government Commission (LGC). Ms. Fesperman reported that Martin Starnes issued an unmodified opinion which is a clean opinion and is the best that they can give. Ms. Fesperman thanked Finance Director, Michelle Wood, for all of her assistance during the audit process. Ms. Fesperman stated that there was a decrease in the total fund balance for the general fund of approximately $3.9 million dollars in the current year leaving the balance at $23.3 million. Ms. Fesperman stated that the decrease was due to a transfer of $5.2 million of ARPA funds (American Rescue Plan Act) from the general fund to the capital project fund. Ms. Fesperman reported that the unassigned fund balance is $11.5 million compared to $18.4 million in the prior year, which is a decrease of approximately $6.9 million, but this is due to the decrease in the overall general fund balance. Ms. Fesperman reported that the City of Mount Holly has approximately eight months worth of fund balance for 2024. Ms. Fesperman reported that the general fund revenues went from $19.9 million to $24.6 million in the current fiscal year and the expenses went from $18.4 million to $23.3 million. Ms. Fesperman reported that the majority of the City's expenses come from public safety making up 40% followed by general government and capital outlay, both making up 16%. Ms. Fesperman stated that these top three expenditures make up 72% of the City's total expenses. Ms. Fesperman stated that the public safety department expenses went from $6.9 million to $9.2 million, which was an increase of approximately $2.3 million or 33.46 % which is mainly due to an increase of salaries and benefits in the current year. Ms. Fesperman reported the capital outlay went from $3.1 million to $3.6 million, which is an increase of approximately 17.5% and this was due to the purchase of a fire truck and several other vehicles in the current year. Ms. Fesperman reported that the water sewer fund's operating revenues increased approximately 3%, which is comparable to the prior year. Ms. Fesperman reported that the debt services increased approximately 75% and this is due to the issuance of new debt in the current year. Ms. Fesperman reported that the operating income decreased $697,000 due to the increase in debt services. Ms. Fesperman reported data from the LGC looking at the liquid assets over the current liabilities that show a consistent decrease. Ms. Fesperman stated that this ratio measures how many times current assets are able to cover current liabilities or the ability to meet short-term liabilities and the City can cover its current liabilities with current assets 1.05 times. Ms. Fesperman stated that the LGC is normally concerned with a rate below 1.0 so you are still above that and the reason for the decrease is due to a large advance from grantors that were received in the prior year for future projects. Ms. Fesperman reported that the operating net income excluding depreciation and debt service principle and in 2024 that was $5.5 million. Ms. Fesperman stated that a negative balance would indicate that rates are not covering the operating expenses, but the City has a positive balance. Ms. Festerman reported that in the current year the City had one performance indicator, which was the water sewer capital asset conditions ratio at .43 and this ratio calculates the remaining useful life of your current assets. Ms. Fesperman reported that a remaining useful life with a value less than .5 may signal that the City would need to replace the asset in the near future. Ms. Fesperman stated that while this is not a finding, the City would need to keep an eye on this and provide the LGC an action plan within 60 days of this presentation. Ms. Fesperman reported that the City did have one finding in the current year which was concerning procurement for Powell Bill funds, and this was the first year that this program was considered a major program under the state audit but single audit status. Ms. Fesperman confirmed that Finance Director Woods and City Management have addressed this issue with a corrective action plan. Ms. Fesperman gave financial updates for Tourism Development Authority (TDA), which showed a revenue increase from $196,000 to $201,000 while the expenses went from $169,000 to $189,000. Ms. Fesperman reported that the occupancy tax increased by 2% and expenses increased by 12% in the current year. Ms. Fesperman reported that the fund balance had an increase in the current year of $12,000. Ms. Fesperman concluded the presentation.

Councilman Meadows asked for clarification regarding the assets and the ratio and if the decommissioning of the wastewater treatment plant is our biggest issue. City Manager Blanton confirmed that the issue is with the depreciation of the older equipment that this being used at the wastewater treatment plant and that the issues will be resolved once it goes offline in the next eighteen months.

Councilman Meadows asked what the corrective action plan would be regarding the Powell Bill procurement finding. Mr. Blanton reported that this is the first year that the Powell Bill has been considered a major fund and that the issue was that the City had utilized one contractor for multiple projects and when those projects were combined, they met the threshold for what needed to be formally bid out. Mr. Blanton stated that the corrective action would be for the City to put an RFQ/RFP together for on-call services going through the vetting process in order to be able to have one contractor on standby to help provide those services. Mr. Blanton confirmed that the City worked with the auditing company and the LGC (Local Government Commission) and they were satisfied with that corrective action.

Councilman Meadows confirmed that instead of calling on contractors for miscellaneous issues, the City is going to go through a public process, select the firm that will provide those services and that will satisfy the procurement requirements going forward so the amounts will not be an issue cumulatively. Councilman Meadows stated that the Finance Team does an amazing job as is evidenced by the report this year.

PUBLIC COMMENT-Three (3) Minute Limit

Mayor Moore confirmed that no one signed up to speak at public comment.

OLD BUSINESS

1. Riverbend Access Area Discussion ***Mark Jusko***

Mr. Blanton reviewed that this was discussed by the Council at the August 26, 2024 and the September 9, 2024 meetings. Mr. Blanton stated that he submitted a non-binding letter of agreement that was signed on September 23, 2024 indicating that the City was interested in pursuing a 30-year lease for these sixty-eight acres of Riverbend access area owned by Duke Energy. Mr. Blanton stated that this letter provided that if no agreement was reached by December 31, 2024, we would forego that opportunity. Mr. Blanton confirmed that this is not an annexation project and that all sixty-eight acres are within the city limits of Mount Holly, and we are currently responding to calls for service. Mr. Blanton updated the Council that they have researched the possibility of partnering with Gaston County and to date have not been able to find any interest from Gaston County.

Mr. Jusko confirmed that the boat landing for this area would not be part of the lease and that the day-use area would include the beach, the swim area, trails, bank fishing, fishing pier parking and the restroom facilities. Mr. Jusko confirmed that Duke Energy will be constructing this whether the City decides to lease it from them or not.

Councilman Meadows made a motion to approve leasing the Riverbend access area from Duke Energy. Councilman Hough seconded the motion. ***The motion passes 4-2.***

Councilman Meadows, Councilman Hough, Mayor Pro Tem Shoemaker, Councilman Craig all voted in favor.

Councilwoman Harris and Councilman Reeves voted against.

NEW BUSINESS

1. Call for a public hearing to consider rezoning a portion of a 1.44-acre tract of land, located at 501 Belmont-Mount Holly Road, Tax Parcel ID # 183899, from B-3 General Business to R-12 Single Family, as submitted by Billy Rick.

This item was moved from the Consent Agenda in order for Councilman Craig to recuse himself from this vote.

Councilman Craig recused himself from this vote. Councilman Hough made a motion to approve the call for a public hearing to consider rezoning a portion of a 1.44-acre tract of land, located at 501 Belmont-Mount Holly Road, Tax Parcel ID # 183899, from B-3 General Business to R-12 Single Family, as submitted by Billy Rick. Councilman Meadows seconded the motion.

All Council members present, and voting voted in favor 5-0. (Motion Carried)

2. Approval of the Reappointments of Teraseta Ellerbe & Rodney Williams to the Planning Commission for a Three-year Term Ending on December 9, 2027.

Councilman Craig stated that this topic had been brought up in past meetings to be discussed. Councilman Craig stated that he would like to discuss having a term tenure and how we select and reappoint committee members.

Councilman Meadows stated that the idea is to have a uniform process with a standard procedure. Councilman Meadows stated that this came up when the Council passed an ordinance for appointing a City Council member and that this should follow a similar process and procedure. Councilman Meadows stated that the structure that he is familiar with is that it is a Council approval and not necessarily a board approval of who gets selected for the board or committee. Councilman Meadows stated that this process is usually managed by the City Clerk and follows a very similar process that Mrs. Anders walked the Council through for appointing City Council members where there are nominations from the Council and a subsequent voting process. Councilman Meadows stated that he is not challenging the current appointments, but that the City needs to be exploring alternatives to making the process uniform and to provide as many opportunities to serve as possible.

Councilwoman Harris stated that Recreation Commission has challenges with retention and reliability of those that say they would like to be on the Commission. Councilwoman Harris stated that they are welcoming of new members, but they have historically not been committed. Councilman Craig stated that they cannot base the future on the past but recommends coming up with a solution.

Jonathan Blanton stated that the City has made great strides since the spring when this was initially discussed. Mr. Blanton stated that Mr. Lowe and Mr. Beal did a great job putting together rules of procedure for our Planning Commission which the Council did adopt. Mr. Blanton stated that we can certainly take a look at specifics to include how the recommendation comes to the Council. Mr. Blanton reviewed the reorganization that was done for the TDA (Tourism Development Authority) that included expanding the board with new members. Mr. Blanton noted that the Council made some appointments to the ABC Commission. Mr. Blanton stated that the Clerk's Office has done a tremendous job working with these organizations over the last six months cataloging their rules of procedures as recently as last month when we were evaluating the ABC Commission. Mr. Blanton noted that with this tonight, there will be one open seat on the Planning Commission. Mr. Blanton stated that there are three open seats that will be coming up this month, two incumbents that are seeking to be reappointed, and there will be a vacant seat. Mr. Blanton encouraged anyone that has an interest in serving to let it be known. Mr. Blanton stated that we have discussed creating a master list of those that may be interested in serving for when there are vacancies. Mr. Blanton reviewed the process stating that some of the committees are by ordinance such as the Recreation Commission, TDA, and the Planning Commission, which are all prescribed by ordinance. Mr. Blanton explained that there are other advisory committees that are created by the Council. Mr. Blanton confirmed what Councilman Meadows stated and that these appointments are all subject to the approval of the Council.

Councilman Meadows stated that he would like to have this conversation as a stand-alone conversation about the process for all the committees and not when there are people being discussed for appointments. Councilman Meadows stated that he would like to know what other cities are doing.

Councilman Hough made a motion to reappoint Teraseta Ellerbe & Rodney Williams to the Planning Commission for a three-year term ending on December 9, 2027. Councilwoman Harris seconded the motion. *All Council members present voted in favor. (Motion Carried)*

CITY OF MOUNT HOLLY

CITY COUNCIL MEETING MINUTES

MONDAY, DECEMBER 9, 2024

COUNCIL CHAMBERS

7:00 PM

1. Manager Report ***Jonathan Blanton***

Mr. Blanton reported that it is an exciting time to be in Mount Holly noting that the Miracle on Main Event was a success, and that Santa will be visiting the Grand Hall. Mr. Blanton reminded the Council and the public that the Christmas parade will be this Saturday, December 14, 2024 at 5:30 pm. Mr. Blanton reminded everyone that the Municipal Complex will be closed December 24, 25, and 26 for the Christmas holidays and then again on January 1, 2025. Mr. Blanton reported that there will be a delay in residential garbage pickup. Mr. Blanton thanked our Streets and Solid Waste workers as well as all of our Utility, Fire, and Police workers for working during the holidays. Mr. Blanton commented on the financial audit by stating that there was a note regarding a decrease in the general fund and that this decrease was planned. Mr. Blanton sat in the audience in November 2023, not as a City Manager but as someone whose employment agreement was being deliberated by the Council and Councilman Hough stated that the City was going to be committed to bringing that fund balance down as a commitment to financial responsibility and we did just that. Mr. Blanton stated that the City has funded many capital projects, and we are going to continue to promote financial stability by ensuring that we have enough money in the fund balance to fund these capital projects. Mr. Blanton reported that sales tax and investment earnings have grown. Mr. Blanton stated that we have had an incredible year and that is a testament to our award-winning Finance staff. Mr. Blanton stated that there was a note about the water and sewer rates and noted that the City is bridging that gap by adopting and soon implementing a 5-year rate plan which will continue to bridge that deficit the revenue and the expenses in the Utility fund. Mr. Blanton stated that the City's corrective actions regarding the Powell Bill have been accepted by the Local Government Commission. Mr. Blanton stated that he is confident that this will not be an issue moving forward. Mr. Blanton stated that he has received inquiries about the recycling program and that the planned course of action that we intend to bring to the Council is to surplus those blue cans as there has been a need form Gaston County for additional blue cans as well as our friends in the western region of North Carolina. Mr. Blanton stated that there will be an informative campaign brought to the Council for review that will let our residents know that they can put their blue cans out to be picked up.

Councilman Meadows asked Mr. Blanton for an update on the Stanley water agreement.

CITY OF MOUNT HOLLY

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MONDAY, DECEMBER 9, 2024

COUNCIL CHAMBERS

7:00 PM

CLOSED SESSION

1. Closed Session Pursuant to N.C.G.S 143-318.11 (a) (3 and 5)

Mayor Moore entertained a motion to go out of the regular meeting and into closed session pursuant to N.C.G.S 143-318.11 (a) (3 and 5).

Motion: Councilman Craig made a motion to go out of the regular meeting and into closed session at 8:16 pm. Mayor Pro Tem Shoemaker seconded the motion.

All Council members present voted in favor. (Motion Carried)

Motion: Councilman Hough made a motion to come out of closed session and back into the regular meeting at 9:09 pm. Councilman Meadows seconded the motion.

All Council members present voted in favor. (Motion Carried)

ADJOURN

With no additional items for discussion, Mayor Moore entertained a motion to adjourn the December 9, 2024 City Council meeting.

Motion: Councilman Hough made a motion to adjourn the December 9, 2024 City Council meeting at 9:10 pm. Councilman Reeves seconded the motion.

All Council Members present voted in favor. (Motion Carried)

The meeting adjourned at 9:10 pm.