

CITY OF MOUNT HOLLY



MOUNT HOLLY CITY COUNCIL WORK SESSION

TUESDAY, MARCH 2, 2004

The Work Session of the City Council of Mount Holly was called to order at 6:30 p.m. by Mayor Bryan Hough. The following were present:

Mayor Bryan Hough
Mayor Pro-Tem Michael Helms
Councilwoman Phyllis Harris
Councilman Jim Hope
Councilwoman Pat Hubbard
Councilman Frank McLean
Councilman David Moore
City Attorney Kemp Michael
City Manager David Kraus

Assistant to the City Manager Jamie Guffey
Assistant to the City Manager Danny Jackson
Utilities Director Don Price
Police Chief Bence Hoyle
Street and Solid Waste Director Mike Santmire
Community Development Planner Greg Beal
Communication Director Megan Hanks
Fire & Rescue Dept. Assistant Cheri Love

Mayor Hough called the meeting to order at 6:30 pm.

The invocation was led by Councilman McLean.

ITEMS OF THE AGENDA

Item #1 on the Agenda: To Discuss ABC Board and Store with Representative from Gastonia ABC Board

Tim Novence, Chairman of Gastonia ABC Board; Tom Sumner, Treasurer; and Larry Beck, Executive Director of the Gastonia ABC System; made the presentation.

They mentioned that they have met at least ten times with city officials; once with Mayor Hough to discuss Mount Holly's possibilities regarding an ABC store.

Mr. Sumner mentioned that their main objective is to set a date tonight for the Council to come to Gastonia to have dinner at their main office. They want to show the Council their stores so they can see how they are operated and what is involved in running a store.

Mr. Sumner spoke about the liquor market. Alcohol sales are on the decline. For the next 5-7 years, we can expect a 1-2 % decline in alcohol sales. He attributed the decline to the idea that people are drinking different things; there are new options in alcohol sales; wine coolers, etc. Laws have become stricter in recent years. He said sales reach approximately \$6-7 million in Gaston County each year. He said 10% of the drinking population consumes 60% of alcohol sales.

Mr. Beck stated that he is responsible for operations of Gaston County ABC stores. He stated that the public has a perception of his business that is entirely different than the reality of it. Sales in quantity are down 13% over the past ten years. Anytime you open another store, the overhead costs go up while the collective revenue goes down. The rate of sales are not consistent with the rising rate of operational expenses

Councilwoman Hubbard asked if an ABC store in Mount Holly would not bring more business to Gaston County because it would take away from the ABC store on Little Rock Road in Charlotte.

Mr. Beck responded that he has spoken with the directors of the ABC Board in Charlotte-Mecklenburg and they do not have any significant data to speak to that. Mr. Beck stated that the growth in alcohol sales have been in mixed beverages, not hard liquor. We should expect a five year wait for mixed beverage sales (restaurants) to pay off. Distributors have seen an increase in market share. Mr. Beck discussed the repeal of prohibition. The federal government told the states that it is up to them as to how they manage alcohol sales in their states; most other states (32 of them) allow liquor to be sold in private businesses. North Carolina is unique, especially in the south. Local ABC boards are the only allowed method of liquor sales. Out of the original 18 closed sales states, only 3 remain, showing a move toward privatization. Mr. Beck stated that alcohol is the most heavily taxed item in the country.

Mayor Hough asked for staff to give an update on where we are with a contract.

Mr. Kraus stated that a second draft was delivered to us just before the meeting tonight.

Mr. Sumner stated that the Gastonia ABC Board is completely separate from the City of Gastonia. The board is run as a business, not politically. Its sole purpose is to make money for its customers, i.e. the City of Gastonia, or perhaps the City of Mount Holly. He believes our store could soon sell over \$1 million each year. They provide all the up-front expenses of starting the store; Mount Holly would be entitled to 100% of the profits, but the board would keep 25% for capital expenses/

Mayor Hough asked why the Board must get approval from the City of Gastonia for approval to open a store in the City of Mount Holly?

Mr. Sumner stated that the City of Gastonia would have their investment capital involved in the opening of a Mount Holly store.

Mayor Hough asked in a partnership, if Mount Holly were to service Belmont and Stanley areas, does that figure into the equation as an operating entity?

The ABC Board would track all mixed beverage sales in Mount Holly, and we would be credited for those sales.

Mayor Hough clarified that MH would not receive profits from Belmont or other areas; just for restaurants in Mount Holly.

Mayor Hough has a concern about representation. He mentioned that the current board has five members, and that Mount Holly would provide a sixth. While the Board may not be associated with the City of Gastonia, Mount Holly must look out for our own interests.

Mr. Sumner stated that the Board will not differentiate among the stores. They will treat all six equally.

Councilwoman Hubbard asked a financial question about how the profits are distributed.

The board tracks what money comes from what store.

Councilwoman Hubbard asked if Mount Holly profits would ever go to the City of Gastonia?

Mr. Sumner stated that this cannot happen, by law.

Councilwoman Harris asked if they did a survey of sales at Cox Road showing how many of the customers were from Mount Holly?

Mr. Sumner stated that yes, an informal study was conducted to ask customers for their zip code when they came in the store. Eight customers out of 100 came from Mount Holly.

Mr. Sumner stated that in closing, they want to make sure that we don't have more stores than we need; keep it as profitable as possible;

Mayor Hough stated that Council will discuss a possible date to meet in Gastonia and we will let them know...

Mayor Hough thanked the gentlemen for coming to Mount Holly.

Item #2 on the Agenda: To Discuss Interest on Late Taxes.

Mayor Hough recognized Mr. Gregg Dietz of 325 Gaston Avenue. Mr. Dietz stated that back in August, the City's tax collector said he owed money on his property. He bought the house seven

years ago, and he does not think it is fair that he should pay the interest since this has just been brought to his attention.

Mayor Hough stated that Council will look at this and will get back to him.

Mayor Hough recognized that there were people in the audience from the Optimists Club, and that they would be recognized shortly.

Item # 3 on the Agenda: To Discuss the East Gaston Water and Sewer Line.

Mr. Hough recognized Mr. Kraus and Mr. Price to discuss this issue.

Mr. Price stated that the sewer line near Creekside Shopping Center is an 8 inch line. We have had a lot of problems with this line; several residents on this road have made complaints about it. Manholes are overflowing; the line needs to be replaced. It has been engineered and drawn as a 15 inch line that will extend halfway to East Gaston High School. It is one project that has been split into two phases; this is the first phase, and it will take about 6-8 months to complete. The rest will be engineered at a later date. We held a meeting today with school officials. They finally made contact with Clean Water Management Trust Fund. The school will get help with the funding because they are eliminating a discharge;

Mr. Kraus asked to go over the difference in low bid for total project and for portion to be paid for by the City of Mount Holly.

Mr. Bob Cook of US Infrastructure stated that it would be more cost effective to use one company.

Mr. Kraus asked why the quotes are coming in higher than we had expected?

Mr. Cook stated that there is a lot of rock in this project. Blasting effort requires hauling in dirt to replace the rock.

Councilman Hope asked if there was no rock clause?

Mr. Cook responded that this was not included.

Councilman Moore asked how much money would we save with the choice of materials?

Mr. Cook stated approximately 30 percent.

Mayor Hough clarified that on a \$300,000 project, we are gambling on \$1,700?

David Kraus: that would constitute one of the sewer rehab lines; on the water side, we have reached an agreement with Gaston County, took to advisory committee; Mr. Kraus presented the new proposal that the municipalities are happy with...; still waiting to hear back from the County; hopefully within a few months we will have an agreement everyone is happy with.

Item #4 on the Agenda: To Discuss Coexisting Uses.

Mayor Hough recognized Mr. Jackson.

Mr. Jackson stated that this is the first draft of the coexisting uses ordinance. The Planning Commission looked at it last night at their meeting. Staff will entertain questions from Council on Monday night.

Item #5 on the Agenda: To Discuss Potential Ways the City May Recognize Former Employees.

Mr. Kraus stated that we have discussed possible ways we can recognize Chief Calder and Jim Hampton. We discussed naming a street (Killian Avenue, Sports Lane) as well as the Fitness Center.

Mayor Hough expressed his support for bringing this to the Recreation Commission and hearing back from them. Council was in agreement.

Mayor Hough recognized representatives from the Optimist Club. They have hung a sign advertising a gospel singing they are having to raise money for the Club. Do they have to ask permission every time they hang a sign? John Hope called her today to tell her that their sign is not in compliance with the sign ordinance.

Mr. Jackson said Council has to approve a sign if it is in a right of way.

Councilman Moore asked if an exception or leeway could be made for nonprofit organizations?

Councilman Hope stated that the City wants to work with the Optimist Club.

Councilwoman Hubbard asked if there is a time limit regarding how far ahead of time you can put the sign up?

Mr. Jackson stated circumstances are different for the location and time limit for signs.

Councilwoman Hubbard asked about the Optimist signs that are currently up, are they all right where they are?

Mr. Jackson stated yes, but they need Council's approval.

Councilwoman Hubbard MOVED that Council approve current Optimist signs and that Council require the sign for the upcoming teen dance to be taken down three days after the event. The motion was seconded by Councilman McLean and was approved unanimously.

Item #6 on the Agenda: To Discuss Agenda Items.

The call for a public hearing on the rezoning of the Charlie Rhyne Property was moved to Consent Agendas.

The proclamation for Mayor Belk was added under presentations.

Mayor Hough reminded everyone of the dinner for the living Mayors of Mount Holly before the Council meeting on Monday night.

Roundtable:

Councilwoman Harris said that we need to pursue the issue regarding school resource officers at Mount Holly Schools provided by Gaston County.

Councilwoman Harris asked that John Hope call Ted Harris about the legal issues involved in removing junk cars.

Councilwoman Harris stated that she intends to form a committee of young people who are interested in creating a skate park to see what they would want.

Mayor Hough stated that Gastonia is pleased with their park. He recommended that Councilwoman Harris—as the representative to the Recreation Commission—follow up on this.

Mr. Kraus will write a note to Mr. Henkle saying that the City has discussed this and we will pursue it.

Council discussed placing citizen comment at beginning of meeting, so that citizens would be allowed to speak before lengthy items on the agenda.

Councilman McLean commented on Councilwoman Harris' idea. He said it was a good idea, but what if a large number of people come to the meeting? It is not fair for unscheduled comment to go before people who requested to be on the agenda.

Mayor Hough recommended that we place unscheduled comments after presentations, so they would follow people who had asked to be put on the agenda.

Council discussed the concept of community walks, as mentioned at the conference in Asheville. All of the department heads walked a street in the city together to discuss problems on that street.

Councilwoman Hubbard thanked the Street & Solid Waste Department for the excellent job they did after the snowfall last week.

Councilwoman Hubbard asked if we could remove the no-left turn sign into Creekside Shopping Center, as it only causes confusion. She stated we should either enforce it or take the sign down.

Mayor Hough asked how does council feel about meeting outside of City Hall for work sessions? There were no objections to this idea.

Mr. Kraus is setting up a meeting with the principals at Ida Rankin Elementary and Mount Holly Middle Schools regarding the traffic problem in that area. Chief Hoyle will be involved. Anyone else who wants to be involved is encouraged to come. It probably will be scheduled on a Thursday afternoon.

Mayor Hough reminded Council that Representative Sue Myrick is scheduled to visit Mount Holly. Council would like to have some time with Rep. Myrick to discuss issues related to Mount Holly. Mayor Hough said he would circulate the letter he received from the Gaston Chamber of Commerce.

Council discussed having dinner before the work sessions.

Councilman Hope said Council had voted to take the dinners out of the budget. He said if some Council Members want to pay for it themselves, then so be it.

Councilwoman Harris agreed; she would be happy to pay if we want to work out a way to do that.

Councilwoman Hubbard suggested starting the work sessions at 7:00 pm so everyone would have more time for dinner before the meeting.

Mayor Pro Tem Helms stated that the auxiliary at the Fire Department has offered to provide dinner for Council at an upcoming meeting.

Mr. Kraus said he would compile a list of places that are available for us to have meetings.

Mayor Hough asked Ms. Love to inform Council of fundraiser in John Calder's name. Ms. Love stated that the fundraiser is set for this Thursday from 11:00 am until 7:00 pm, at College Park Pharmacy in Belmont.

Councilwoman Hubbard MOVED to approve the signs for the fundraiser in John Calder's name for Relay For Life. The motion was seconded by Councilman Moore and was approved unanimously.

Councilman Moore thanked Mr. Santmire and the Street and Solid Waste workers for their work on the crepe myrtles.

Councilman Hope asked that we work on communication with each other.

Mayor Hough stated that he will meet with Crosland Homes to learn of their intentions for the development across the Catawba River. He will bring info back to Council.

Mr. Santmire asked how Council would like to proceed with the street signs in honor of East Gaston Warriors Wrestling. Council indicated that all five signs should be replaced.

Councilwoman Hubbard announced that the Mount Holly Women's Show has been postponed to March 20 and the SpringFest committee will meet on Thursday night at 7:00 pm.

Councilwoman Harris MOVED that Council go into executive session to discuss personnel matters with the City Attorney. The motion was seconded by Councilman McLean and passed unanimously.

Item #7 on the Agenda: Executive Session.

Councilwoman Harris MOVED to adjourn at 9:06 pm. The motion was seconded by Councilman McLean and was approved unanimously.

Respectfully submitted,

Megan Hanks
Communication Director