

CITY OF MOUNT HOLLY
CITY COUNCIL MEETING MINUTES
MONDAY, MAY 19, 2025
COUNCIL CHAMBERS
6:30 PM

CALL TO ORDER

Mayor Moore called the meeting to order at 6:30 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 - Absent	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	Eric Smallwood, Parks and Recreation Director
Tara Douglas, City Clerk – Absent	Michelle Wood, Finance Director
Shelly Stewart, Deputy City Clerk	Matt Black, Economic Development Director
	Jason Green, Public Works Director

INVOCATION

Pastor Phil Meadows, from Catawba Heights Baptist Church, led the Council, Staff, and attendees in prayer.

PLEDGE OF ALLEGIANCE

Mayor Pro-Tem Shoemaker led the Council, Staff, and attendees in the Pledge of Allegiance.

SET THE AGENDA

Mayor Moore entertained a motion to set the agenda as presented.

Motion: Councilman Craig made a motion to approve the agenda as presented. Mayor Pro-Tem Shoemaker seconded the motion.

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

CONSENT AGENDA

1. Approval of Azalea Ridge Subdivision Bond Release
2. Approval of the Installation of Stop Signs in River Park
3. Approval of an Ordinance of the City of Mount Holly to Demolish a Dilapidated Dwelling Located at 1726 North Main Street
4. Approval to Apply for NCDOT Toll Credit Pilot Program Grant
5. Approval of Minutes – City Council Meeting May 12, 2025

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Mayor Moore entertained a motion to approve the Consent Agenda as presented.

Motion: Councilman Reeves made a motion to approve the Consent Agenda as presented.
Councilwoman Harris seconded the motion.

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

PRESENTATIONS

1. Discussion of the Proposed 2025/2026 Budget and Fee Schedule

Jonathan Blanton/Michelle Wood

Mr. Blanton stated that he is happy to be presenting this budget message to Council as this is his first full budget cycle as the City Manager. Mr. Blanton stated staff has compiled the most conservative budget that the City has seen in years, which is a testament to the award-winning finance staff and all our department heads. Mr. Blanton stated the recommended budget is balanced at \$42,369,691.00, a 6.7% decrease from the prior fiscal year, and mostly consists of our General Fund and Water and Sewer Fund. Mr. Blanton stated the General Fund consists of \$25,216,517.00, the Water and Sewer Fund consists of \$15,903,301.00, the 911 Wireless and Wireline Fund consists of \$110,673.00, the Tourism Development Authority Fund – provided by our tourism and hospitality tax from our local hotels – is balanced at \$339,200.00, and the Powell Bill Fund is balanced at \$800,000.00 for this upcoming fiscal year. Mr. Blanton stated this recommended budget is also supplemented by five capital construction projects that the Council has approved over recent years to total \$31,279,928.00. Mr. Blanton moved on to the fund balance allocation for this year. Mr. Blanton stated the recommended budget provides for \$776,745.00 to be allocated for the General Fund, a decrease of 80.8% from the prior fiscal year. Mr. Blanton stated in the Water and Sewer Fund the City is allocating \$727,297.00, a decrease of 86.6% from the prior fiscal year. Mr. Blanton stated that from the 911 Wireless and Wireline Fund we are allocating \$110,673.00. Mr. Blanton stated from the Tourism Development Authority Fund we are allocating \$139,200.00, which is an increase from last year to allow the Tourism Development Authority to tackle new projects. Mr. Blanton stated this is a stand-alone fund that has it a stand-alone balance so this money comes from the balance that has been accumulating in the fund over the past few years. Mr. Blanton stated there is no allocation for the Powell Bill Fund.

Mr. Blanton stated there were several budget amendments adopted by Council over the last fiscal year that were not provided for when the budget was adopted on July 1, 2024. Mr. Blanton stated that for example, \$469,988.00 was amended to provide for Ransom Hunter Park because we waited to see if the City would receive the PARTF grant funds from Raleigh to match the budget amendment that the Council approved. Mr. Blanton stated the City also had unexpected changes in the amount of \$218,246.00 towards Motorola for the Police Department. Mr. Blanton stated there was a little over \$3 million in a budget amendment for the South Gateway Connector Road, which was awarded at the February 28, 2025 Retreat to Red Clay Construction for the construction of Kemp A. Michael Way. Mr. Blanton stated the City closed on roughly \$3.5 million of properties for the Veterans Park Expansion. Mr. Blanton stated that

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recently Council approved \$248,420.00 for public parking behind Traust Brewing. Mr. Blanton stated the recommended budget does not allocate any fund balance to any operating costs; the only fund balance allocated is for capital costs.

Mr. Blanton stated the recommended budget was compiled over the last 12 weeks in a fiscally conservative and collaborative effort from staff with Council's direction. Mr. Blanton stated there are three main priorities for the recommended budget. Mr. Blanton stated the first is to finalize large scale capital projects. Mr. Blanton stated the second priority is to recalibrate employment benefits and enhance workforce retention. Mr. Blanton stated the third is to fund new improvements to maintain our community's high standard of quality of life.

Mr. Blanton stated he will start with priority one, finalizing large scale capital projects. Mr. Blanton stated last year the Council provided \$4,425,450.00 for capital projects alone. Mr. Blanton stated the recommended budget provides the funds to finalize these projects and then the City can evaluate the Capital Improvement Plan and next steps. Mr. Blanton stated among those projects that the City will be finalizing is \$673,000.00 for the museum construction here in the Municipal Complex, continuing Phase I and II of the Kemp A. Michael Way, and continuing the \$3,196,531.17 project for Dutchman's Creek Greenway Bridge - made possible by funds from the American Rescue Act. Mr. Blanton stated the Ransom Hunter Park project is wrapping up and shows the success of last fiscal year's budget.

Mr. Blanton stated the Water and Sewer Fund provided \$6,162,488.00 in capital projects last year in the Enterprise Fund focusing on upgrades to the utilities systems. Mr. Blanton stated given the magnitude of these projects, several will be continuing into fiscal year 2026. Mr. Blanton stated the City will be utilizing \$1.9 million in Capital Reserve Funds to finalize these Enterprise Fund projects. Mr. Blanton stated this fund consists of system development fees, and the Water and Sewer Fund continues to stabilize due to the rate study done by Raftelis. Mr. Blanton stated two projects from this fiscal year that will continue into fiscal year 2026 are the North Main Water Tower and the Water Treatment Plant glass curtain. Mr. Blanton stated the projects that will continue into next fiscal year include \$1.5 million in aerial and lift station upgrades to the Riverfront community, \$2,073,757.00 for Phase II of the Lower Dutchman's Creek Sewer project, \$15 million remains in the Capital Project Ordinance for the decommissioning of the Waste Water Treatment Plant, and the Riverbend Water Tank Capital Project Ordinance is \$4,525,127.00. Mr. Blanton stated the recommended budget seeks to conclude these large-scale projects so that the City can evaluate our needs and build upon these investments.

Mr. Blanton stated the second goal of the recommended budget is to recalibrate the City's employment benefits and enhance workforce retention. Mr. Blanton stated throughout the last fiscal year the City partnered with Baker Tilly and Ability Development Group to gather data on compensation, benefits, organizational structure, and a succession plan. Mr. Blanton stated the initiatives that came together from these studies that will be launched in the recommended budget are bringing current positions up to the neighboring market, revising the general pay plan, raising our minimum wage to \$18.33 an hour, insurance changes for retirees, and addressing prior retention issues. Mr. Blanton stated that the recommended budget does not provide for additional Cost-of-Living Adjustments or Merit Adjustments,

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or any new employees or positions in the upcoming fiscal year. Mr. Blanton stated that the budget focuses on our current workforce. Mr. Blanton stated the recommended budget still includes employer provided healthcare for employees next fiscal year. Mr. Blanton stated healthcare costs have increased during the most recent renewal, as have contributions to the Local Governmental Employee Retirement System which consists of a mandatory 14.35% contribution to general employees and 16.1% contribution for our law enforcement officers.

Mr. Blanton stated the last priority for the recommended budget is to fund new improvements to maintain our community's high standard of quality of life. Mr. Blanton stated this will include a few new projects to enhance life in the community. Mr. Blanton stated some of these projects consist of the General Fund providing \$85,630.00 for camera upgrades throughout the City, \$178,000.00 for communications technology upgrades for use by our police and fire departments, and \$366,634.00 to purchase a new sanitation truck. Mr. Blanton noted that the City's Streets and Solid Waste Department is seeing a 17% decrease this fiscal year and because of the discussions and decision around solid waste collection, we have been able to keep the service in house at a savings even with purchase the purchase of a new garbage truck. Mr. Blanton stated other projects from the General Fund for this year include improvements in the recreation department such as upgrades to trails and Woodlawn Park and \$110,000.00 for more art projects around the City. Mr. Blanton stated that in the Water and Sewer Fund, the City is looking to complete infrastructure upgrades to enhance the community's quality of life like \$500,000.00 for the design of the Dutchman's Creek Lift Station and Force Main, \$400,000.00 for infiltration and in flow testing, aerial structures, and sewer lining, \$1 million in upgrades to the City's North Main Water Tank Pump with potentially another \$1 million being allocated later in the fiscal year if needed, \$93,000.00 for necessary upgrades to the Water Treatment Plant, and \$287,263.00 for infrastructure repairs to drainages throughout the City. Mr. Blanton stated further investments outside of the General and Enterprise Funds include \$800,000.00 in the Powell Bill Fund for new paving and street projects, and \$139,000.00 in the Tourism Development Authority Fund to provide for projects that will enhance the gateways and first impressions throughout the City. Mr. Blanton stated the Tourism Development Authority requested this increase from the prior fiscal year because of their successful projects from last year. Mr. Blanton stated that staff is also looking to increase the City's 911 Wireless and Wireline Fund by \$58,070.00 for upgrades to our 911 center. Mr. Blanton stated lastly, we are investing \$442,000.00 for stormwater mapping and drainage repairs across the City. Mr. Blanton stated the recommended budget seeks to fund these improvements to continue the exceptional quality of life, further connect our downtown core, to support safe and clean utility systems, and provide sound infrastructure throughout the City.

Mr. Blanton stated he would like to go over the financial overview and forecast. Mr. Blanton stated the recommended budget is balanced and was prepared according to North Carolina General Statute 159-11. Mr. Blanton stated that again, the General Fund is balanced at \$25,216,517.00, the Water and Sewer Fund is balanced at \$15,903,301.00, the 911 Wireless and Wireline Fund is balanced at \$110,673.00, and the Powell Bill Fund is balanced at \$800,000.00. Mr. Blanton stated the recommended budget is based on keeping the tax rate the same at 48.5 cents, which equates to \$304,644.00 per penny on the ad valorem tax rate for the General Fund. Mr. Blanton stated there is a proposed 12% increase to the water rates and a 6%

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increase to the sewer rates, based on the recent study completed by Raftelis that was presented to Council this past fall, and no increases to the garbage fees. Mr. Blanton stated financial forecasting for the upcoming fiscal year is strong looking at increases in property taxes, in the sales and use tax, in the utility franchise tax, in the natural gas tax, as well as increases in our investment earnings. Mr. Blanton stated the recommended budget provides for \$1,696,357.00 in debt services in the General Fund. Mr. Blanton stated this debt consists of the 2022 paving project, the 2007 note on the Municipal Complex that expires in 2027, the 2010 recreation bond, the 2017 loan for the new fire station and public works facility, and the 2017 streetscape and Linear Park loan. Mr. Blanton stated the Enterprise Fund debt will be increased at \$2,550,868.00. Mr. Blanton stated the State Revolving Fund Loan for the decommissioning of the Waste Water Treatment Plant will come online this year. Mr. Blanton stated this debt also consists of the 2009 water tank funding that the City received, the state Revolving Fund Loan for the South Gateway, and the revolving loan for the regionalization project with the City of Charlotte.

Mr. Blanton stated the next step for the budget process is the public hearing which is scheduled for Monday, June 9, 2025 at 7 pm in the Council Chambers for anyone from the public to comment before the budget ordinance is adopted by Council. Mr. Blanton stated the recommended budget is available to view here at the Municipal Complex and online. Mr. Blanton stated then the Council will vote on the budget at the Monday, June 23, 2025 Council Meeting and the proposed budget will be implemented on July 1, 2025. Mr. Blanton thanked our Mayor and Council for their direction as staff worked hard to get this budget together. Mr. Blanton stated that though the recommended budget does not fund all departmental requests, it is responsible and fiscally sound and provides opportunities for ongoing projects to be finalized, a commitment to employee retention and recruitment, and initiatives to support the growing and thriving community. Mr. Blanton stated, as the City of Mount Holly Manager and Budget Officer, he respectfully submits and recommends this budget to the City Council today May 19, 2025.

Mayor Moore asked if the Council has any questions. Mayor Pro-Tem Shoemaker asked if Mr. Blanton could explain why the Water and Sewer Fund is being decreased by 86.6%. Mr. Blanton stated it is funded through water and sewer sales and last year the City had approximately \$6 million budgeted for capital projects in this fund. Mr. Blanton stated this year the City is decreasing that capital fund to only \$727,297.00, an 86.6% decrease from last fiscal year. Mr. Blanton stated that this can be contributed to large capital projects that were undertaken in this fiscal year that will not repeat into this next fiscal year.

Councilman Hough stated that Mr. Blanton mentioned \$15 million for our Waste Water Treatment Plant decommissioning, and asked him to explain where did those funds come from. Mr. Blanton stated that the Council adopted a Capital Budget Ordinance for \$15 million for the decommissioning of the Waste Water Treatment Plant. Mr. Blanton stated the plant is still functioning and the project is a bit behind schedule as we continue to work with the City of Charlotte to go online to increase our capacity without spending large sums to restore our plant. Mr. Blanton stated the City successfully lobbied for the \$15 million, an estimate given by an engineer, from Raleigh last year and the City has been able to get the grant extended. Mr. Blanton stated Council received an update at the February 28, 2025 Retreat from Berry Shearin on where we are with the project, which should be in the process of decommissioning later this year. Mr.

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Blanton stated the majority of those costs come from a direct allocation from the North Carolina Department of Environmental Quality.

Mayor Pro-Tem Shoemaker stated that at the end of last year we had a study done by Raftelis that showed increasing costs for water and sewer, and thus the Council decided rates had to go up. Mayor Pro-Tem Shoemaker stated that Mr. Blanton mentioned the Streets and Solid Waste Department decreased their costs through efficiency, will that mean that there will be a reduction in the garbage or any other fees? Mr. Blanton stated that the garbage fee is proposed to stay the same for this year. Mr. Blanton stated staff has done a good job of identifying inefficiencies and making the department more productive. Mr. Blanton stated by maintaining the rate, the hope is to subsidize the costs of employee retention in the department, to purchase a new garbage truck, and continue the needed maintenance and repair of the current fleet.

Mr. Blanton stated that he will be back in a few weeks with another presentation and will be seeking action from the Council at that time. Mayor Moore and Council thanked Mr. Blanton and Mrs. Wood for their work.

Mayor Moore asked Mr. Blanton if he had anything else or a Manager's Report. Mr. Blanton stated that the ribbon cutting at River Street Park was postponed to this Wednesday May 21, 2025 at 9 am, and the Stowe YMCA Big Splash event was postponed due to inclement weather. Mr. Blanton stated that the City administrative offices will be closed on Monday May 25, 2025 for Memorial Day. Mr. Blanton encouraged everyone to check out the flags downtown provided by the Police Foundation to honor law enforcement officers throughout the month of May.

Motion: Councilman Bryan Hough made a motion to adjourn the May 19, 2025 City Council meeting at 7:05 pm. Councilman Kenneth Reeves seconded the motion.

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

The meeting adjourned at 7:05 pm.