CITY COUNCIL
REGULAR MEETING
December 11, 2000

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 McLean. The following were present:

Mayor Frank McLean
Mayor Pro-Tem Bobby Black
Councilman Michael Helms
Councilwoman Phyllis Harris
Councilman Jim Hope
Councilman Bryan Hough
Councilwoman Pat Hubbard

Adm. Services Officer Jamie Guffey
Public Works Director Eddie Nichols
Planning & Zoning Dir. Danny Jackson
City Attorney Kemp Michael
Police Chief Davis
Fire Chief Ekiatis

INVOCATION
The invocation was led by Rev. Dennis Knight.

PLEDGE OF ALLEGIANCE
Boy Scout Pack 59 led the Council and audience in the ceremony of the Pledge of Allegiance.

APPROVAL OF THE AGENDA
The agenda was approved by Councilman Hough, seconded by Councilman Harris, with all in favor.

MINUTES
Councilman Black **MOVED** to approve the minutes of November 7 and 13, 2000, as written, seconded by Councilman Hough, with all in favor.

PRESENTATIONS
PR#1 Recognition of Years of Service
Mayor McLean and the entire Council stepped down to congratulate those receiving service awards:

20 Years—Judith Bowen. The Mayor said "the buck stops" at Judy's desk.

10 Years—Todd Calhoun, Charles Clemmer, Barry Colvard, Mark Haynes, John Hope, Danny Jackson, Mark Mauldin, and Roger Wilson.

PR#3 Retirement Presentation to Bobby Setzer
Mayor McLean presented a resolution in recognition of 23 years of service by Bobby Setzer, Jr. as a fireman upon his retirement. His fellow firemen also presented him with some gifts. (copy attached)

PR#2 Presentation of the 2000 Employee of the Year Award
The City employees have chosen Teresa Watts as the 2000 Employee of the Year, and the Mayor and Council presented her with a plaque and her awards.

PR#4 delayed until later in the meeting

PUBLIC HEARINGS

PH#1 To Consider Public Safety Telephone Service Ordinance

Councilman Helms moved to go into public hearing, seconded by Councilman Black, with all in favor.

Mayor McLean declared the regular meeting in recess and called a public hearing for consideration of adoption of a public safety telephone service ordinance. Police Chief Davis stated that the public safety fees charged on phone bills have been all going to the County. This ordinance would change that so that the City will get the fees, and we can use this money for upkeep of equipment. He also said this would include wireless telephone 911 service. City Manager Kraus stated that the agreement with the wireless companies in the agenda packet is for the purpose of agreeing to protect their trade secrets. Councilman Black noted that we were eligible to receive these funds for about ten years, but the County has been keeping them; he wondered if there is any recourse to be compensated for those monies from the County. Mr. Kraus said that technically because we did not have an ordinance, we could not receive it. Councilwoman Harris thanked Chief Davis and Mr. Guffey for obtaining this information. City Attorney Michael stated that this will not cause an additional charge, but will result in the charge already on their bill being received by the City.

No comments from audience for or against. No further comments from Council.

Councilman Helms moved to adjourn the public hearing, seconded by Councilwoman Harris, with all in favor. Mayor McLean adjourned the public hearing and resumed the regular meeting.

Councilwoman Harris asked if the current charge is 75 cents or 85 cents; it is 85 cents, there would be no change. Councilwoman Harris asked if this money would help with our intention to make changes in the police radio equipment. Mr. Kraus said the FCC is requiring that change of frequency. Councilman Hough asked what the relationship is between our 911 and the County 911. Mr. Kraus said that anyone in Mount Holly who calls 911, it rings at our police department, and we route the call. On the cell phones, the call goes to the nearest antennae. Mr. Davis said when we first got 911 it was not enhanced, and the County sent the calls to us. When we got in the new building we began enhanced 911 and we have gotten all the calls since then.

Motion: Councilman Hough **MOVED** to approve the adoption of Section 10-21 Public Safety Service ordinance, seconded by Councilman Black. (copy attached)Res.#12-11-00(A)
Vote: six ayes, zero nays. CARRIED.

City Manager Kraus asked that the Council authorize the approval of non-disclosure agreements with Alltel and Nextel.

Motion: Councilman Hough **MOVED** to approve execution of any and all non-disclosure agreements with wireless communications companies, Councilman Black seconded.
Vote: unanimous. CARRIED.

Councilman Hough inquired if we can ask about getting reimbursed for the monies we should have received. Mr. Michael said no other municipality has been receiving this either. Mr. Black asked if anyone ever told us before that we had to have an ordinance. Mr. Kraus said no, and that our staff had discovered it.

UNFINISHED BUSINESS
UFB#1 To Consider Approving AIA Contract with C. L. Helt Architects, Inc.
City Manager Kraus said the attorney has reviewed the proposed contract for architectural services for the new fire department. City Attorney Michael said this is a standard contract based on a percentage of the project cost; page 9 has a breakdown of incremental payments for his services, which is customary. Page 10 has particular requirements. Attached is an hourly rate schedule. Councilman Black asked why this has included in it police station expansion. Mr. Kraus said he had that added on as an option, if the City chooses to do that in the future.

Motion: Councilman Hope **MOVED** to approve the contract for architectural services for the fire department, Councilman Helms seconded.
Vote: unanimous. CARRIED.

PR#4 Presentation of the 1999-2000 Audit
Trent Wilson presented the annual audit for the City of Mount Holly. The Council had the full report. He found the accounts to be in very good standing. A brief summary was given at this time. There was $11,362,000 on deposit at end of year. General Fund increased by $378,000 in cash balance. Assets increased by $440,000. Total liabilities $245,000 down from $252,000. Revenue was over $2 million in property taxes, the highest ever. Sales tax increased to over $1 million, jumping by $41,000 from the previous year. Franchise tax was for the first time over $500,000. Expenditures in all categories increased by $342,000. Fund balance is over $6 million, a $448,000 increase. The local government commission looks at the fund balance and expects at least 8 percent, and 15 percent is average. We are way over that because 8 percent would be only $500,000.

The Enterprise Fund has a new requirement this year; it includes the water & sewer, and the housing authority. He found that Rollins Apartments were in good shape, but there were some changes needed in the fixed assets on the Holly Hills Apartments. In the water & sewer fund, there is a $2,000 decrease. Total revenues decreased $66,000. Expenditures were also decreased by $157,000, caused by less capital expenditures; operating expenditures had increased. You will need to address the water and sewer fund. The long-term debt decreased by $487,000. The fund balance in water & sewer increased by $15,000 due to transfers from other funds.

On the full accrual report required by state law, you will see the individual accounts with the totals of the fund.

Capital Reserve Fund has a balance of over $2 million.

City Manager Kraus said that money for the police department improvements is budgeted and is included in the capital reserve fund. Also, one of the reasons we ran a deficit in the operating expenditures was that the sales tax money was shown a different way this year because of a state law change, and this created a need for us to transfer the money. We intend to always have the water and sewer fund self-sustaining.

Mr. Wilson had several items for consideration. The first is that fixed assets need to be addressed, and they have made appointments to set up the program for managing this information. We will need to require the housing authority to do an annual inventory of fixed assets as well. The next item is regarding vacation pay. The difference between water supply and billing has dropped to 2 percent and is now good shape. Invoices need to be accurately identified related to the budget.

Councilwoman Harris asked what will be needed on the housing authority. Mr. Wilson said that the Holly Hills was built on grant funds and did not keep up with the fixed assets, whereas Rollins Apartments had the records because they had a loan to repay. He said they did things according to what was required at that time, but now the rules have changed and we will just have to provide the information required.

UFB#2 To Consider the Closing of a Segment of Lee and Piedmont Streets
City Manager David Kraus said that this matter was tabled from last month for more information regarding the utility easements. Mr. Nichols said that he needs fifteen feet. Mr. Michael said there is a proposed resolution in the packet. The public hearing was already held.

Motion: Councilman Helms **MOVED** to table this matter, seconded by Councilman Black.
Vote: unanimous. CARRIED.

UFB#3 Supplemental Appropriation of County Water & Sewer Funds of $37,550 to YMCA
Jamie Guffey stated that the City applied for CIAP Grant funds from Gaston County, which we have received. We would reimburse the YMCA. This budget change would place the money in an account and then make it available to give to the YMCA. Mr. Kraus said we may want to do this but hold the money until the valve meets our specifications. Mr. Nichols said that one of the valves is not operating and probably will have to be replaced.

MOTION: Councilman Hough **MOVED** to approve the budget amendment, seconded by Councilwoman Harris.
Vote: unanimous. CARRIED.

Mayor McLean introduced to the audience Mickey Price, one of our new County Commissioners.

NEW BUSINESS

NB #1 To Consider December Budget Amendments

Jamie Guffey presented budget amendments to handle a paper deficit in the capital reserve fund balance to correct an error this year; due to the fact that an intended transfer did not in actuality get transferred out of the general fund. Mr. Kraus said that in the future we will not appropriate the money until the actual project is ready to be done, but we will have a list of intended projects that are being worked on for your reference.

Motion: Councilman Hope **MOVED** to approve the budget amendment (copy attached), seconded by Councilwoman Hubbard.
Vote: unanimous. CARRIED.

NB#2 To Consider Petition of Annexation of 254 Acres Along Sandy Ford Road

City Manager Kraus received a petition for voluntary annexation known as the Lollie Kendrick property signed by Frances Springs and Mrs. Brinkley. Mr. Michael has reviewed the petition and found it to be in correct form. Mr. Kraus stated that the Council has the option to direct the City Manager to investigate the petition, and if found sufficient, Council may if it is interested set the public hearing, usually in 30 days. Since we did not have a workshop, and he had been on vacation, an annexation agreement has not been prepared for this property, which would be in line with what we have always done in the past. Mr. Kraus recommended that if Council was interested in pursuing the petition, they could direct him to investigate and he would withhold his certification until next month. Mr. Michael said that staff needs direction from Council as to whether or not the Council wants to consider this petition or not. Mr. Hope wants to wait and discuss this at our next workshop. Mr. Black said we agreed when the last ananexation was done on the Rhyne property that we were going to have a joint meeting with the Planning Commission before we did any more, and we were going to look at our fees and our ordinances. Mr. Hough said this proposal is for 500 houses and that would be twice the size of Runneymeade, and we have to look at how that will impact us before we proceed on this. He wants to meet with the Planning Commission first. Councilwoman Hubbard agreed. No action.
Tabled.

NB#3 deleted due to no need for extension

NB#4 Call for Public Hearing for Zoning of 254 Acres Along Sandy Ford Road
Tabled because NB#2 was tabled.

NB#5 To Consider a Request from Shugart Enterprises for a Six Months Extension on Agreement to Complete Improvements in Autumn Woods Subdivision Phase I

Public Works Director Eddie Nichols stated that the agreement with Autumn Woods expires on January 6. They are requesting a six month extension to finish the sidewalks, repair the entrance, and install the turn lane on Highway 273. He recommended approval as long as the letter of credit is amended to show the new date. Mr. Skidmore is present if you have any questions.

Motion: Councilman Helms **MOVED** to approve, seconded by Councilwoman Harris.
Vote: unanimous. CARRIED.

NB#6 To Consider Voluntary Annexation Petition for Mooreland Estates
City Attorney Kemp Michael stated in June 1999 we held a public hearing regarding annexation of a 25 acre tract for Woodrow Moore. The Council voted to annex the property subject to a proper annexation agreement. They are now ready to proceed, but he was concerned that too much time has elapsed. Mr. and Mrs. Moore have signed a new petition in order to be sure the process is completed properly. We would need a new resolution requiring the clerk to investigate the petition.

Motion: Councilwoman Hubbard **MOVED** to adopt Resolution #12-11-00(B), seconded by Councilman Black.
Vote: unanimous. CARRIED.

City Clerk Kraus was ready to certify sufficiency and did so. Mr. Michael said a resolution was prepared to set the public hearing in January on question of the annexation of this property.

Motion: Councilwoman Hubbard **MOVED** to adopt Resolution #12-11-00(C), seconded by Councilwoman Harris.
Vote: Unanimous. CARRIED.

NB#7 Final Plat Approval for Stonewater Phase II
Public Works Director Eddie Nichols said that they have submitted the right paperwork, and the Planning Commission has recommended approval.

Motion: Councilman Hough **MOVED** to approve upon recommendation by staff and the Planning Commission the final plat for Stonewater Phase II upon receipt of appropriate letter of credit, seconded by Councilman Black.
Vote: Four ayes, two nays (Hope & Harris). CARRIED.

NB#8 Authorization for Condemnation of Easement
City Attorney Kemp Michael stated that the property of Ernest Mitchem, located at the end of Dutch Street and on the edge of Dutchman Creek, is where the city engineers have indicated a need to construct a parallel easement, and we have been unable to obtain the right of way. We had the property appraised, and offered $1,300.00. We would at this time need authorization to file condemnation proceedings. Mayor McLean said the sewer line is very old and has to be cleaned out very often and must be replaced.

Motion: Councilman Hough **MOVED** that condemnation proceedings be authorized to obtain right of way at the end of Dutch Street on the banks of Dutchman Creek across property owned by Ernest & Sherry Mitchem; seconded by Councilman Black.

Councilman Helms asked where this crosses his property. Mr. Michael said it would have no real effect on his property as it is in a flood zone, and runs along the existing line. Mr. Nichols said the new line will be five to ten feet away from the existing line; it crosses on a triangular shaped piece of property that he can not use for construction of any structure. Mr. Nichols said that the manhole on the old line gets stopped up often. The new line is designed to carry the full flow anticipated for that area, he said.

Vote: Unanimous. CARRIED.

CONSENT AGENDA
Councilman Hough **MOVED** to accept and approve all four items on the consent agenda, seconded by Councilman Helms; and unanimously carried. They are:

CA#1. Awarding Bids on a Service Truck and Crew Cab to Earl Tindall Ford. The 350 service truck is in the sum of $21,855.50, and the 250 crew cab truck is in the sum of $22,044.50, which were the low bids.

CA#2. Awarding of Leaf Truck Bid to Southco. The low bid for the leaf/dump truck is an International in the sum of $45,400.00 bid by Southco.

CA#3. Supplemental Appropriation of County Grant from the Drug Task Force. The Police Department applied for and received a $15,000 grant to be used by the investigations department to purchase illegal drugs in undercover operations. (budget amendment attached)

CA#4. Supplemental Appropriation of $2,800 from Sale of Surplus Fire Hose. The surplus fire hose was sold for $2,800 and will be used to purchase two gas detectors. (budget amendment attached)

PUBLIC COMMENT
Mayor McLean opened the floor for public comment. There were none.

ROUND TABLE
Councilwoman Harris spoke to Mr. Palmer, our state board member, about the light requested by A&E. He suggested she call David Hoyle, which she did, and had to leave a message. She has asked an A&E representative to call him as well. We were told two years ago that it was approved, but it has not been funded; it may be funded this month.

Councilman Hough said that across from Mooreland Estates is a park area that used to be used to play ball. He asked Council to give some thought as to how we could contribute to that area by assisting with improvement of that park.

Councilman Hough asked for an update on re-sequencing of the traffic lights at Food Lion. Mr. Kraus said they have been out here twice and supposedly had that fixed.

Councilman Helms said there is talk about a park that is going to be developed at the boat landing that the county is going to do. And now we are going to do the Tailrace Park. We should think about switching that and doing the park at the boat landing because it is near our new fire department. The Tailrace Park is near the property that Gastonia bought for the land trust.

City Attorney Michael presented updated Code books to the Council.

Councilwoman Harris said they had a good trip to the conference, and Mr. Kraus got some good information.

CLOSED SESSION

Councilman Hough moved to go into closed session for attorney client matters, seconded by Councilwoman Harris, and carried by unanimous vote.

Councilwoman Harris moved to return to regular session, seconded by Councilman Hope, and carried by unanimous vote.

Councilman Black stated that he learned from Joe DePriest from the Gazette about the new subdivision being proposed on the Kendrick property, and that the developer was having a meeting here in City Hall. He didn't think we should sponsor such a meeting because it gives the impression that we are in favor of the annexation before we have even considered it. Councilman Hope wanted to have information provided to Council ahead of time. Mr. Kraus said that they have not even submitted a site plan even though they have applied for a conditional zoning. The whole thing has been done out of sequence, and so there is nothing there to approve or disapprove. Councilwoman Hubbard said that Mr. Waters and Squires Enterprises do not have a good record here, so she feels the Council should look at this very closely.

Councilman Black asked when and where Council would like to hold the annual retreat. They will decide at the next meeting.

ADJOURN

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

9:30 PM

Clerk

Frank E. McLean

Mayor

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cpm