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Regular Meeting
City Council
December 11, 1995

The regular meeting was held at City Hall, and was called to order by Mayor Charles B. Black, Jr. at 7:30 P. M. Those present were Councilwoman Phyllis Harris, Mayor Pro-Tem Bob Jessen, Councilmen Michael Helms, R. L. Duke, and Jim Hope, as well as City Manager Phil Ponder, City Attorney Kemp Michael, Public Works Director Eddie Nichols, and a police representative. Also present were Mayor-Elect Frank McLean, and Councilmen-Elect Andy Stewart and David Hostetler, Jr.

The invocation was led by Rev. Bruce Bradley.

Councilman Hope **MOVED** to approve the minutes of November 13 and December 4, 1995 as written; motion seconded by Councilman Duke, with all present in favor.

Councilman Hope **MOVED** to pay a Christmas bonus of $200 to all full-time employees and $100 to all part-time employees, and to fund the same as specified in the budget amendments as presented by the City Manager at the Council's request (copies attached); seconded by Councilman Duke, carried with five ayes. Councilman Hope **MOVED** to amend the Personnel Policy in Section 21 of Article 7, to add a paragraph, as follows:

> "As a reward for service during the year, city employees shall be provided a Christmas Bonus. Full-time employees shall receive a $200.00 bonus, while part-time employees shall receive a $100.00 bonus. All employees employed by the City on November 1st of the calendar year shall receive the Christmas Bonus in the first payday in December."

This motion was seconded by Councilman Helms. Councilman Jessen stated that the bonus is a privilege granted when there is a surplus on hand to fund it but was not convinced it should a mandated payment and included in the budget every year. The motion carried with five ayes.

Mayor Charles Black made a final statement on his departure from office. He stated he was extremely pleased to have served for 24 years on the Council and as Mayor. Mayor Black expressed his belief that his wife deserved as much credit as he does for the work accomplished during that time. He was happy with the progress the City has made, including the enlarged sewer plant, a new water plant, the underpass and by-pass, new bridges, rubberized railroad crossings, and four water storage tanks. He said he was glad to see them selling water to Stanley and hoped the City will take on more customers. He recalled a lot of hard work and an enormous amount of time spent on City endeavors. Mayor Black then thanked the citizens for their confidence in him, and his appreciation for serving with this Council. He had no regrets and stated there was nothing he had done that he would not do again. Mayor Black closed his remarks by saying, "I don't know what the future holds, but I know who holds the future."

Councilman Bob Jessen made the following remarks before departing office. He valued his eights years on the Council, although he had chosen not to run for office this year. He remarked on the passing of an era, in that Mayor Black had been a part of the leadership in this City for 24 of its 100 years. Councilman Jessen also noted other improvements made by foresight and a willingness to plan ahead such as 16 inch water pipes around the City, and City Hall renovations. He also recalled that this City is in good financial condition because of good leadership and has paid for or financed its own improvements without begging for help from others like some other cities are doing. He knew he had not always necessarily agreed with Mayor Black, but they had always agreed on the direction to go in. He read a poem in honor of Mayor Black which he had come across years ago and has appreciated; it was entitled "Success", written by Ralph Waldo Emerson (copy attached).

Mayor Black then called forward the Honorable Jesse Caldwell, Gaston County Superior Court Judge, to preside over the oaths of office. Judge Caldwell recalled coming to Mount Holly with his father as a boy when Max Childers was campaigning, and that his first job was for Joe Roberts in his Mount Holly office. He has come to know Rotary Club members here such as Dr. Duke and Kemp Michael, and expressed his delight in being asked to come that evening to handle the ceremony.

Frank E. McLean took the oath of office for Mayor before Judge Caldwell. Outgoing Mayor Black then presented the gavel to Incoming Mayor McLean. Mayor McLean thanked him.

Mayor McLean next presented to Outgoing Mayor Black a framed gavel and read a resolution honoring Mayor Black on his departure from office (copy attached). Mayor Black thanked him for this special honor.

Mayor McLean also read a resolution honoring Bob Jessen on his departure from office (copy attached). Councilman Hope made a statement commending Mr. Jessen for his willingness to tackle tough issues and expressed his respect for him making hard decisions not always popular. Councilman Duke also thanked Mr. Jessen for his hard work and the privilege of working with him.

Andy Stewart took the oath of office before Judge Caldwell for Council.

David Hostetler, Jr. took the oath of office for Council before Judge Caldwell.

Phyllis Harris took the oath of office for Council before Judge Caldwell.

Jim Hope took the oath of office for Council before Judge Caldwell.

David Henkle took the oath of office for Commissioner of Catawba Heights Sanitary District before Judge Caldwell.

All oaths of office were signed and presented to the City Clerk. The new Mayor and Council took their seats.

Mayor McLean recessed the meeting and called to order a public hearing for consideration of the filing of an application with the Local Government Commission for approval of an agreement to finance sludge handling facilities at the wastewater treatment plant. City Manager Ponder reported that the City has the cash on hand to pay for these improvements, and is under no time constraint. He received two proposals for financing out of eight solicitations, but neither coincided with the request for 15-year fixed rate. He reported that the market has changed since our last financing need and a shorter term of 10 years is preferred by lending institutions. He awaited direction from the Council. Councilman Hope **MOVED** to continue the public hearing to the regular meeting on January 8, 1996; seconded by Councilman Helms, with all in favor. City Manager Ponder will solicit proposals for a 10 year term.

Mayor McLean opened the floor for nominations for Mayor Pro-Tempore. Councilman Harris nominated Michael Helms. Councilman Duke nominated Jim Hope. The nominations were closed. The vote was taken by written ballot. City Attorney Michael advised them that it was not a secret ballot and they must vote for only one person and date and sign the ballot. Councilman Helms was declared Mayor Pro-Tempore by a vote of four over two. (ballots attached)

Councilman Helms **MOVED** to retain the same persons in the appointments for the following positions:

City Manager--Phil Ponder
City Clerk--Phil Ponder
City Treasurer--Phil Ponder
Tax Collector--June Barker
City Attorney--Kemp Michael
City Auditor--Trent Wilson

This motion was seconded by Councilwoman Harris, and carried with six ayes and zero nays.

Tax Collector June Barker was recognized and asked to explain tax releases. She stated that tax releases are first issued by Gaston County in the event of an appeal as to tax value or a charge in error. They are then sent to the City and heard by Council to be approved.

Mayor McLean appointed Councilman Duke as delegate and Councilman Helms as alternate delegate to the Centralina Council of Governments.

Councilwoman Harris was appointed by Mayor McLean as delegate to

TAC, and Councilman Stewart was appointed as alternate delegate.

Phil Ponder was designated as TCC delegate by Mayor McLean.

Cyrus Frazier was appointed Chairman of the Beautification Committee and Ann Frazier and David Hostetler, Jr. were appointed to serve on committee, by Mayor McLean.

Phyllis Harris was appointed to serve a liason to the Recreation Committee by Mayor McLean.

The Utility Committee and Leak Adjustment Committee appointments were not made that evening.

The next item on the agenda was consideration of a joint venture water line with Ron Dimmer. A report had been provided by the City Manager along with a proposed agreement prepared by the City Attorney. The report noted that the estimated costs would be $78,350 including boring under highway and railroad, a 12-inch line on Westland Farm Road, a 6-inch line on Rachel Street, appurtenances, and the engineering and survey costs. Mayor McLean recognized Mr. Dimmer. Mr. Dimmer was concerned that if there was a delay in the project after he had houses completed, and asked for an option to put wells in so he could close on them, since he pays $800 interest per month on construction loans. Councilman Hostetler was concerned about Mr. Dimmer only paying $19,000 or about 24% of the costs, and that it is a project in an area that we do not plan to annex. Councilman Stewart asked the City Manager how long it would take to recoup this cost by selling water. Mr. Ponder stated they would not be looking to recover the cost in this subdivision, but the object would be to open the entire area for development which would produce utility revenue and annexation in the future. He stated projections show utilities placed in Dickson Heights Subdivision alone would cost $1.3 million, which would take 25 to 30 years to recoup if by utility sales only and not annexed, but that this water line would make development of the whole area an option. Mr. Dimmer said a lot of the property out in that area does not perk, but if this line is installed, development will progress quickly because it is a desirable area. Councilman Hostetler did not feel this benefits the whole City. Councilman Hope **MOVED** that, in the interests of the City and since Dickson Heights is not anticipated for annexation since sewer service would be too expensive to provide, this request be denied. This motion was seconded by Councilman Helms, with all in favor.

Bids for the CIAP project at Holly Hills public housing had been opened. Mr. Stogner reported there were five bids, but four are disqualified. The remaining bid is 40% over budget, and he recommended rejection. He suggested the Council authorize informal solicitation of proposals for separate items, to which the City Manager agreed. Councilman Hope expressed his desire to sell the property. Councilman Hope **MOVED** to reject all bids, seconded by Councilman Helms, with all in favor. Councilman Hope

MOVED to authorize solicitation of informal proposals for separate items, seconded by Councilwoman Harris, with all in favor.

The proposed agreement with W. K. Dickson for engineering services associated with Dickson Heights Section 1-A Subdivision was deemed unnecessary due to the earlier denial of that request for a joint water line extension.

Public Works Director Eddie Nichols was recognized. He reported receiving a request from the Jadco-Hughes Steering Committee for connection to water service. They will pay for all engineering and installation costs. The Council concurred to allow them to do so. Councilman Hostetler asked if any of the treated water will go into our drinking water. Mr. Nichols stated it will not, since it will be treated at the sewer plant and discharged downstream into the Catawba River; our drinking water intake is in Mountain Island Lake.

City Manager Ponder presented budget amendments to Council with regard to the money received from the Jadco-Hughes Steering Committee. He said these amendments bring the money into the budget and transfers them to the Capital Reserve Fund, and also to cover anticipated engineer and attorney's fees for the work they have done for the past two years for which they have not been paid. Councilman Duke **MOVED** to approve the budget amendments as presented (copy attached); seconded by Councilman Hostetler, carried with five ayes and one nay (Hope).

City Attorney Michael stated he could not recommend approval of the agreement as presented by Stogner and Associates for architectural services related to the CIAP project at Holly Hills. This matter was tabled.

Councilman Hostetler suggested that refreshments be made available to the audience and Council at meetings.

Councilman Hostetler inquired as to whether or not the meetings could begin earlier at 7:00 P.M. Councilman Duke said he cannot get to the meetings at that time and would have to be always late. No action was taken.

Councilman Hostetler recommended the City improve public awareness, citing for an example the weekly publishing of the Belmont police report. Mayor McLean thanked him for his suggestions and asked that these be added to the matters for discussion at the upcoming work session.

Councilman Hostetler asked if the public housing apartments can be sold to private owners. Mayor McLean said they can be, but they must be in good repair first, which is the intent of the CIAP grant.

Councilman Stewart asked that the police report be re-formatted so more useful to him as a Councilperson, noting that the monthly report is only a snapshot in time, and he has no way of comparing month-to-month or area-to-area on this format. Mayor McLean suggested this also be discussed at the work session.

Councilman Hope stated that any council person can make a motion on anything they wish that evening or at other meetings, although it is usually wiser to discuss things first before jumping into anything; but he did not want anyone to get the impression that they do not have the power or right to make a motion at any time. He, Councilman Duke, and Councilman Hostetler all stated that they want to sell the public housing. Mr. Hostetler noted it takes a lot of the City Manager's attention. City Attorney Michael recommended that the City Manager advise them of possible eligible purchasers and other pertinent information since the buyer would have to "step in our shoes" with HUD.

Tax releases in the amount of $37.84 and penalties in the amount of $0.85, through November 30, 1995, were approved upon **MOTION** by Councilman Duke, seconded by Councilman Helms, with all in favor.

Mayor McLean opened the floor to complaints or petitions not on the agenda. A lady requested clarification about the bonuses given that evening, inquiring as to whether or not someone employed on November 1 but no longer employed that day would get a bonus. City Manager Ponder stated that the bonus was paid based on who was currently employed, but the amendment made to the personnel policy means that from now on it will be handled based on the new method.

Upon recommendation of the City Manager, the consideration of the proposed contract regarding consolidated annual contributions regulating subsidy payments the City receives from HUD for Holly Hills Apartments was tabled, upon **MOTION** by Councilman Hope, seconded by Councilman Duke, with all in favor.

Councilman Helms stated his concern about the way the Pay Plan is structured, in that it seems there is no distinction between a good performer and a poor performer, and only excelling employees are rewarded. City Manager Ponder stated he is familiar with this concern, but does not entirely agree with the conclusions some have drawn in this regard. He noted for the record that there are four areas involved: outstanding employee--5% merit raise; exceeding employee--2½% merit raise; meeting standards employee--0% merit raise. The fourth difference comes in the cost-of-living raise, which all of the three above receive; but the fourth level of employee, the one not meeting standards, does not receive either a merit or a cost-of-living raise, thereby setting them apart from the meeting standards employee. Councilman Stewart asked if the Pay Plan makes the cost-of-living raise required. Mr. Ponder agreed that it does not, but one has been given every year for the past recorded history of the City. The City Manager reminded the Council that this is the fourth pay plan adopted since 1980, and he had advised the Council last spring there would be no need to begin this one if they were not serious about it.

The decision was made that it was in the best interest of the City to proceed. He recalled to them the warnings given that the first two years would be very difficult due to a lack of experience with the system. He had tried to involve the employees in the process, and they had in fact helped develop the evaluation forms. The supervisors received 16 hours of training in the evaluation process, but problems were expected due to the nature of the subject matter. Mr. Ponder informed the Council he plans to bring the consultant back this spring to meet with the supervisors and then the employees so that revisions can be made where needed in the evaluation forms. He recalled that last spring when he asked for comments he got only a handful with only a couple complaints. Now that their pay is impacted they are truly interested and he expects more input now. He asked the Council to remain patient and supportive as the process is not yet completed.

City Attorney Michael thanked the Council for his re-appointment and remarked that he has never taken it for granted. He assured them of his availability to all of them.

City Manager Ponder also thanked the Council for being re-appointed.

The Council took a brief recess.

City Auditor Trent Wilson, from Cherry, Bekaert & Holland, presented the 1994/1995 fiscal year audit, finding the books in good order and the financial condition of the City sound. He also provided a management report to the Council (copy attached).

The Council set a special meeting workshop for January 2, 1996, for discussion of financial matters in detail.

There being no further business, the meeting was adjourned.

Phillip D. Ponder — City Clerk

Frank E. McLean — Mayor

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