Regular Meeting
City Council
December 4, 1996

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

The invocation was led by Councilman Jim Hope.

Mayor McLean announced that the 1996 Employee of the Year had been selected. Councilman Hope stated that he and Councilman Helms reviewed the nominations made by other employees. He acknowledged the City's employees as its greatest asset, and thanked them all. Mayor McLean then presented the award to Danny Jackson, along with a plaque and a $250 cash award. Mr. Jackson expressed his thanks to his fellow employees for this honor.

Mayor McLean next recognized Bo Eller and Terrell Jones for ten years of service to the City, and presented them with pins.

Mayor McLean declared a moment of silence in memory of James Clinton, a City employee who had suddenly died. Mr. Clinton kept the streets downtown clean in all kinds of weather, and will be missed.

Mr. Trent Wilson, from Cherry, Bekeart & Holland, Accountants, presented his report on the 1995-1996 fiscal year audit of the City's finances. He stated he was pleased that their opinion was "clean" and they have issued an unqualified report. All accounts were found to be in order. He reviewed each major fund with the Council, namely, General Fund, Water & Sewer Fund, Capital Reserve Fund. He found that funds are on hand for projects undertaken. The funds are invested and earning interest, the revenue accounts increased by about 5%, the liability accounts are paid current, and the unreserved fund balance is well below the 8% cap required by the State. He noted that expenditures were up due to capital outlay projects, which were budgeted. In the water and sewer fund, he found revenues and expenditures had both increased with expenditures exceeding earnings, and liability accounts are paid current. This did not include grants from Jadco-Hughes Steering Committee, the Stanley Interconnect project, and County grants. The Capital Reserve Fund increased as well and holds about $2 million. Next, Mr. Wilson commented about his management letter. The first item has already been corrected by obtaining a stamp to mark all purchase orders. The second item involved a finding that 20% of water pumped is not being billed, which is higher than the normal average of 10%; he suggested the figures be re-checked and the problem located. Thirdly, no state or county sales tax refund has been applied for; these should be identified at least each month. Lastly, he suggested utility receivables that have been on the books for a long time be written off, and that the City consider refinancing its debt because of lower interest rates. He stated that overall it was a very good report. The Council had no questions and accepted the report as presented.

The next item for consideration was request by Boyce Sherrill for the City to extend its ETJ to include his property north of the city limits. City Manager Ponder stated that although he had included in the agenda the procedure in the City's code for this extension, he suggested the Council meet with the Planning Commission and discuss whether or not to eliminate our ETJ altogether because of the existence of County zoning now. Councilman Helms said the County Commission may be changing its zoning to make it more user friendly. Mr. Ponder said the City may extend up to 2 miles, but the County has denied our requests in the past. Councilman Hostetler asked for more information about the similarities and the differences between our ordinance and the County's, and so **MOVED** to table this matter until the February regular meeting, seconded by Councilman Helms, with all in favor.

City Manager Ponder reported that the staff met with NISS regarding its contract, the City Attorney had re-drafted the consulting agreement, and it was before the Council for consideration. Attachment A had already been amended to read "maximum" hours. He recommended two changes, one in paragraph 3 by changing the number to 40, and one in paragraph 6 by also allowing the company the right to terminate. There were no other corrections or comments by Council. Councilman Duke **MOVED** to approve the computer consulting agreement with NISS, Inc. as presented that evening with the two changes stated by the City Manager, seconded by Councilman Stewart, with all in favor.

Mrs. Lucy Penegar, of the Gaston County Historic Properties Commission, appeared before Council to request its support of their current project in designating the 1875 Mount Holly Cotton Mill as part of the Gaston County Historic Properties Register. The agenda package contained detailed information regarding the property and the proposal of the Commission. The property is currently owned by Mr. and Mrs. Robert Friedl and is located east of North Main Street on the north side of Dutchman's Creek and south of Alsace Avenue. She stated that it is the fourth built and oldest surviving textile mill in Gaston County. The site was listed in the National Register of Historic Places earlier in the year. Mrs. Penegar noted the financial and psychological impact in a positive way as a result of historic preservation. The Commission shared the favorable response from Raleigh. Mrs. Penegar said this will go before the County Commission where a public hearing will be held, followed by adoption of an ordinance which will be attached to the Deed. A sign will also be erected. As a result, a 50% tax break encourages repair & renovation, and the Federal government gives federal tax credits of up to 25%

when the amount of property tax or more is spent for improvements, repairs, etc. City Attorney Michael asked if there would be any problem with the City running a sewer line near the creek on this property; this is one of the properties involved in the Stanley sewer interconnect. Mrs. Penegar said there is no conflict because they deal only with the structure. Mr. Friedl inquired about the affect of the sewer line on the dam. Mr. Nichols said the line is on the bank and should not affect the dam. Councilman Stewart **MOVED** to approve the listing of the 1875 Mount Holly Cotton Mill on the Gaston County Historic Properties Register, seconded by Councilman Hostetler, with all in favor.

The final plat for the remaining phases of Deerfield Subdivision was presented by Planning Director Danny Jackson. The Planning Commission has recommended approval subject to receiving appropriate financial guarantees for incomplete infrastructure and that this property be developed under the current subdivision regulations. Councilman Helms reported that an inquiry by the Deerfield Subdivision Homeowners Association via Mr. Joe McClellan, its president, has been resolved, and they have no further objection. In response to Councilman Hostetler, Mr. Jackson stated the property is zoned R-12. Mr. Jackson also reported that the exemption from sidewalk requirement granted to Mr. Shook was good for five years and had expired. The remaining property has been sold to Bob Yatko. Councilman Hostetler **MOVED** to approve the final plat for the remaining phases of Deerfield Subdivision contingent upon the requirement for financial guarantee and that the developer comply with current subdivision regulations, seconded by Councilman Duke, with all in favor.

Consultant Judi Simac presented a proposal to develop a Capital Improvements Plan (CIP). City Manager Ponder stated that a systematic approach to evaluation, prioritizing and budgeting of capital items developed by the Council would be very beneficial, but its formation and use is at the discretion of the Council. He recommended that any CIP adopted be tied to the City's Land Development Plan and involve the Planning Commission. Ms. Simac stated that a plan would allocate funds to projects after needs are prioritized over several years. She suggested a Capital Budget Committee made up of Council, Planning Commission, and staff members. She estimated the development of the CIP to take approximately one year. Councilman Hostetler volunteered to serve on the committee, but he cautioned her not to duplicate the 20-year study already being done on water and sewer needs. He also pointed out that such a plan would not be set in concrete but would be a guide. Ms. Simac said the CIP may identify needed amendments to the Land Development Plan as well. In the agenda package was an outline for developing the CIP along with her proposal for services.

Councilman Duke **MOVED** to approve Resolution #12-4-96A to authorize the payment to CCOG by the State for Mt. Holly's share in the sum of $352.03, seconded by Councilman Helms, with all in favor.

Public Works Director Eddie Nichols reported that the Jadco-Hughes sewer line hook-on project is almost complete except for clean-up and re-seeding. The residents on Cason Street who asked to be included when the project began and who were the basis for moving the location of the line from the originally planned route want to tap-on but are upset that the fees have increased during the time of construction. Mr. Nichols recommended that the properties on Cason Street that were identified when the project was awarded with the amended location be allowed to pay the old rate. Mr. Ponder said that, if the Council chooses to allow them to do so, a deadline should be set. Councilman Hostetler asked for a reminder as to why the rates were doubled; Mr. Nichols said the labor and equipment cost as well as the material cost are now covered. Councilman Stewart said the new rate is still below the regional average, and he was concerned others would want an exemption. Councilman Duke **MOVED** to allow the impacted residents along the Jadco-Hughes sewer line to connect to the line before June 30, 1997 at the former rate for the reason that they were quoted the fee at the beginning of the project and the rates changed before the project was completed, seconded by Councilman Helms. Discussion followed; Councilmen Hostetler and Stewart were not in favor of making exceptions. Councilman Hope called for the question, and the Mayor took the vote. Motion carried by a vote of four ayes and two nays (Stewart and Hostetler).

Two budget amendments were approved as presented upon **MOTION** by Councilman Hostetler, seconded by Councilman Duke, with all in favor. (copies attached) Councilman Hostetler asked why the hourly rate for crossing guards had gone up from the $10.00 set by Council; Mr. Ponder said the cost of living increase given all employees was the reason. Councilman Hostetler asked if Mr. Ponder was able to secure the ten year warranty for labor on the gym roof replacement; none of the companies would agree to that.

Tax releases in the amount of $211.61 through 11-30-96 were approved upon **MOTION** by Councilman Duke, seconded by Councilwoman Harris, with all in favor.

There were no complaints or petitions not on the agenda.

Councilman Hostetler said a citizen had pointed out to him that the salary for crossing guards is set in the City Code and that section needs to be amended.

Councilman Hostetler reported that the Lentz-Springs house was moved to Oak Grove Street, and the $10,000 allocation by the City for water and sewer needs at the other site will not be needed. He said the house will be restored at its new site. Mr. Hostetler pointed out that people do travel to see these sites, and the Archives Committee will assist in having it registered as a historic sites. He also recommended that City Hall be registered as a historic site.

Councilman Duke reported complaints about not being able to exit from Timberlane Drive onto North Main Street, and they would like a traffic light even if it is set to operate for certain hours only. City Manager Ponder said he could make a request to DOT. Councilman Stewart noted that when the road is opened in Runneymeade Subdivision that connects over there, they will be able to come out at that light.

Councilman Helms inquired about the status for paving Second Street in Catawba Heights; Mr. Ponder said he should receive the survey by the January meeting.

Councilman Stewart asked the City Attorney for a reminder as to the proper application of a call for the question. Mr. Michael said that legally a call for the question is a motion in itself, should technically have a second, and takes more than a majority to pass he thought; he stated that, in a practical sense, it usually happens as it did tonight. Mayor McLean stated that he believes it is important for everyone to have an opportunity to speak, and they did, but in his opinion it was clear that the two did not agree and did not understand the situation. Councilmen Hostetler and Stewart stated they did understand but did not agree, and felt a longer time should be allowed for discussion. City Attorney Michael said he would research the question and send out a memo to the Council.

Mayor McLean informed the Council that 108 children visited City Hall from the third grade classes at Ida Rankin Elementary School. He, along with the City Manager and Councilwoman Harris, met with the children and answered their questions, including how much money they make. They also saw the Council Room and the Archives Room.

City Manager Phil Ponder reported to the Council that Ron Dimmer had come to him with an amended proposal about utilities at his new subdivision (20 lots). He now proposes to install a water line from Highway 27 directly to his subdivision at his sole expense, and then turn it over to the City. Responding to Councilman Hostetler, Public Works Director Nichols stated it would be better for the lots to be on City water than on wells, and it would be wise to have it stubbed at Rachel Street so the City could continue the line later if it so chose. Councilman Helms felt the City should pay for the difference of a larger line now so the need to accommodate growth later would not be as costly. Councilman Duke asked what size it would need to be for the City to have the option of later extension; Mr. Nichols said he had the figure in his file, but could not remember if it is 8-inch or 12-inch. The Council concurred that Mr. Dimmer be permitted to tap onto the water line on Highway 27 upon his compliance with the subdivision ordinance and construction according to City specifications.

City Manager Ponder stated that he has not received a coroner's report as yet regarding Mr. Clinton's death. Mr.

Clinton was found unconscious by other employees on Central Avenue, with a cut on the back of his head. He had a sugar imbalance and had problems in the past with regulation of his medication, so that is the most likely cause. He was first taken to Gaston Memorial Hospital, but complications arose and he was transferred to Carolinas Medical Center in Charlotte where he later died. Mr. Ponder will send out a memo when he gets the medical examiner's report.

City Manager Ponder informed the Council that the lights on the water tank at I-85 were broken after having been unscrewed, likely by teenage pranksters. The replacements have arrived and will be installed soon.

The City Manager said the new administrative assistant has accepted the employment offer and begins work on January 2, but would be attending a staff meeting that Friday.

Mr. Ponder said that City Hall would be closed on December 24 and 25 for the holiday.

City Manager Ponder reported he had been approached by the owner of the old Duke Power maintenance office on South Main Street near the bypass intersection who wishes to sell the property; the property on the point is also for sale. He asked Council for direction. Councilman Hostetler did not think there would be enough property even with both sites, and he was told the property on the point has been sold. Councilman Helms did not think that building would suit the City's need for a fire station. Councilman Hope declared he has a conflict of interest in this matter. Councilman Duke was not in favor of the site. The Council concurred to take no action.

Upon request by the City Manager, Councilman Duke **MOVED** to go into closed session for discussion of a personnel matter, seconded by Councilman Stewart, with all in favor. The Council returned to open session upon **MOTION** of Councilman Duke, seconded by Councilwoman Harris, with all in favor.

There being no further business, the meeting was adjourned, upon motion by Councilman Duke, seconded by Councilwoman Harris, with all in favor, at 10:30 P.M.

Phillip Ponder, Jr. — City Clerk

Frank E. McLean — Mayor

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