CITY COUNCIL
REGULAR MEETING
November 13, 2006

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 Robert Whitt. The following were present:
Mayor Robert Whitt
Mayor Pro-Tem Phyllis Harris
Councilman Jerry Bishop
Councilman Jim Hope
Councilwoman Pat Hubbard
Councilman Frank McLean
Councilman David Moore
City Manager David Kraus
Assistant City Manager Danny Jackson
Assistant City Manager Jamie Guffey
Community Development Planner Greg Beal
Interim Police Chief Jim Benfield
Fire Chief Dale Oplinger
Street and Solid Waste Director Mike Santmire

INVOCATION
The invocation was led by Rev Stuart Baulding, Youth Pastor, Mt. Holly Pentecostal Holiness Church.

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

APPROVAL OF THE AGENDA
The agenda was approved with moving #2 under consent agenda to #4 under unfinished business and removal of #1 of presentation as Mr. Barney was unable to attend, upon motion by Councilperson Bishop, seconded by Councilperson Harris, with all in favor.

CONSENT AGENDA
Councilperson Harris **MOVED** to approve the Consent Agenda with items, seconded by Councilperson Moore, with all in favor. The items approved were:
CA#1. To Call for Public Hearing on Landscape Design Requirements for NC-273 from I-85 to Tuckaseege Road / Belmont – Mt. Holly Road.
CA#2. To Call For Public Hearing on Storm Water Fees.
CA#3. To Approve Contract to Replace Telemetry System.

PRESENTATIONS
PR#1 Swearing in of Police Chief, Mr. David Belk. Council joined Mayor Whitt on the floor as Mr. Belk was sworn into office as the new Police Chief for the City of Mount Holly.

PR#2 Recognition of the Mount Holly Optimist Jr. Pee Wee Cheerleaders as they placed 1st place in the Regional Competition for Greater Gaston Optimist at Gardner Webb University in October.

MANAGER'S REPORT - Nothing to report in addition to items covered at the work session last week.

PUBLIC HEARINGS
PH#1 To Consider Financing of our Citizen Center.
Councilperson Hubbard moved to go into public hearing, seconded by Councilperson Bishop , and unanimously carried. Mayor Whitt recessed the regular meeting and opened the public hearing.

Mr. Jaime Guffey stated as required by the LGC, a public hearing must be held prior to passing resolution to submit application to LGC and to enter into agreement with financial institution for financing of a public project, in this case the citizen center. We will need an estimated 6.4 million dollars in loan funds from a financial institution to complete this project.

City Manager David Kraus stated that we are moving forward with proposed financing project because we do believe it is necessary as our police dept is too small and we need citizen and community space for our city. In order to complete this, we will need to finance the project. It is preferable to the bond issue. On the 21st we will open bids for actual costs as projected in the packet provided. We created and set aside the money to pay for debt incurred thus far and took care of tax costs, the LGC sees this as a positive note. We have never defaulted on any debt. It is stated for the record that staff finds in affirmative findings of fact. Mr. Kraus stated this has been reviewed by staff, council and mayor and we feel this is a positive move for our city at this point.

Mr. Guffey did state that there will be additional landscaping costs and this is to be included in the bond project.

Terry Strap, BB&T, 2281 Fairways Dr, Cherryville, NC. Provided Bank comparison sheet between offers. (attached). He went over the proposal from BB&T in comparison . The details of all offers were compared in detail including prepayment penalties, total interest paid, annual payments, legal fees, etc.

Janet Sarn, Wachovia, 110 Marietta Street, Gastonia. Presented information sheet giving five alternative options for Council to review. Various prepayment options, various fixed terms, etc. Rates on these programs vary about 1% . Ms.

Sarn stated the 20 year term and a 10 year provision for fixed rate was the cheapest presentation. She hopes Council can make informed decisions on how you want to prepay. Thanked Council for their time.

Councilperson McLean moved to go out of public hearing, seconded by Councilperson Hope, and unanimously carried. Mayor Whitt adjourned the public hearing and resumed the regular meeting.

MR. Guffey stated selecting a bank is imperative as we cannot apply to the LGC without a bank agreement to present with our application packet. They will also want to see the proposals from the banks that we declined so they can review to make sure we made the appropriate decision. The LGC will probably not vote on this until January. Staff is prepared to make a recommendation but that will be based on what Council wants to do. Ultimately this is Council's decision because this is an issue that affects tax payer dollars. Mr. Kraus stated we are awaiting a tax collection estimate for next year's revenue. This more than likely will be collected in December and be presented to the LGC at their January meeting.

In order to proceed, Mr. Guffey stated it is necessary to pass resolution with resolution # and certify findings are true in resolution.
Motion: Ms. Hubbard MOVES to pass #111306A authorizing filing of application for approval of finance agreement sine all findings of fact have been found in affirmative to the LGC. Seconded by Mr. Hope.
Vote: Passes unanimously. CARRIES.

Mayor Whitt asked which banks have given us an option to prepay without a penalty. Mr. Guffey stated in some shape or form, they all have. First Gaston agreed to lower their rate if we move deposits to their bank with a guaranteed minimum. Mr. Kraus stated this causes a logistical issue for the city. Mr. Guffey stated that would tie up funds that are invested at a higher rate at this time. Mr. Whitt asked how important is it to be able to prepay in full without penalty? Mr. Guffey stated it gives us flexibility. Certainly we would like to pay off as quickly as possible. We have estimated 2 million in possible prepayments. If USDA loan is approved we will have up to 1 million there, we have vacated properties to sell up to 850,000 and a few others that could be included as well. Mr. Kraus stated prepayment will have a greater impact on total interest paid than a higher rate would. Mr. Guffey stated that is correct. Mr. Guffey spoke about advantages of prepayment in comparison to the lower rates, etc. Mayor Whitt stated annual payment on the 15 year fixed term is too much and we have not planned to cover that kind of payment. Mr. Whitt asked about new quote from Citizens South. Mr. Guffey spoke about the danger of the rates at 12 year reprice on the BB&T loan. Most fees will be covered by us. First Gaston has a 32,000 origination fee. None of the other institutions charge an origination fee. Mayor Whitt asked about Citizen's South loan amount difference. Mr. Guffey stated now it will go up to 7 million but if we need less, that is okay as well. Mr. Kraus stated BB&T benefit is that it is a lower rate, payment is lower but risk of rate increase after year 12. The advantage to Wachovia is that it has a lower rate but no prepayment penalty past a certain amount. Mr. Guffey stated Wachovia showed possibility of investing money instead of prepaying to make more than we will pay. Mr. Kraus stated First Gaston had several negative aspects as well, they will waive prepayment penalty if you pay 6000 upfront to have this right. Mr. Kraus stated Citizen's South has no prepayment penalty however rate is slightly higher. Mr. Guffey stated Citizen's South met the exact original proposal with the best rate, 20 year fixed, no prepayment penalty.

Mr. Kraus stated staff is not a "risk taker". We recommend 20 year loan with Citizens South with ability to prepay. This is more beneficial to the tax payers. Mr. Guffey stated once we look at budget, we would like to propose an extra payment per year if possible. Once we go through budget, we can decide at that point how to move forward. Mayor Whitt is concerned about fees not being disclosed on the Citizen South deal. Mark Carswell from BB&T stated there is no bank fee being charged – the fees that are outlined are normal closing fees such as appraisal, legal fees that you incur, no additional legal fees etc. The attorney that prepares closing package will charge a fee and that will be city responsibility to pay the attorney fees. Mr. Carswell SVP with Cit South stated unless there is a conflict of interest to cloud the issue later on, we are fine with your attorney (kemp Michael) closing this loan and preparing the package, etc. Mr. Hope asked about three year interest only payments on all loan proposals. Mr. Guffey stated at end of three years we will have Tuck Park paid for and then we can begin principal payments on the Citizen Center. LGC is okay with the three year interest payments due to the park situation. Mr. Kraus stated LGC complemented the City Council on being prudent with this financial decision. Mr. Whitt asked about 100k additional payment per year – is that an additional payment or just a principal reduction? Mr. Guffey stated it is a principal reduction with a declining principal causing reduced payments per year.

Mr. Guffey stated there is a risk level with each loan and Council needs to decide which risk they are willing to state. Mr. Whitt stated it would be nice to allow future councils to have the ability to prepay.

<u>Motion</u>: Ms. Hubbard MOVES to Award financing to Citizens South for 4.44% fixed over 20 years. Seconded by Mr. Hope.
<u>Vote</u>: unanimous. CARRIED.

PH#2 <u>To Consider Closings of ROW behind Creative Dye Facility.</u>
Councilperson Bishop moved to go into public hearing, seconded by Councilperson McLean, and unanimously carried. Mayor Whitt recessed the regular meeting and opened the public hearing.

Mr. Beal stated these citizens spoke two months ago detailing their plans for the site. They plan to access through a separate drive once mill is destroyed. Rep from Creative Dye and rep for prospective buyers are present for any questions.

Mr. Hope stated we are looking at 2nd street, portions of 3rd and portions of 4th. It does not effect Wilson Street. Mr. Hope asked why there is a gate across Wilson. Mr. Kraus stated there is one portion that is open for general use, the rest of that street is gated closed. Mr. Hope asked staff to check on the issue of whether Wilson street is legally closed or not?

Jeff Howe, Barringer Sand, we have an offer to purchase this property and part of the conditions is to have the road right of ways closed. Mr. Hope stated the intent is to clear down the mill and use that as the entrance? Mr. Howe stated there is an entrance in front of the existing building. Mr. Hope stated that is closed already. Ms. Hubbard asked on diagram where is mill? Mr. Hope stated #22. Mr. Hope asked how far up will you be pumping from the creek? Mr. How stated at this point in time it will be right there plus the property across the creek, Johnson Property and that is negotiable at this point. Mr. Kraus stated there is an outstanding permit for up by the old mill. Mr. Howe stated we are negotiating for that as well. Mr. Whitt stated parcel #22 is the mill – do you own that? Mr. Howe stated we are in the process of purchasing that as well as #11, and #102 and 101 and #17 as well. All of this is part of the Creative Dye Property. Mayor Whitt asked who is buying parcel #100? No. It is owned by somebody else. Mr. Howe stated property was just resurveyed and it does not show the 60 foot area being new property line. Survey was just done within the past 30 days. Mr. Howe stated one corner of property is owned by heirs of RL Stowe Estate. Mr. Howe stated he does not plan to use Wilson as an entrance to property. Ms. Hubbard stated if we close 2nd and little piece of 3rd, aren't we land locking that corner? Mr. Whitt stated yes and I don't think we can do that. Mr. Whitt stated I understand most of this but that one parcel is going to be an issue. Mr. Howe stated we won't be closing Hermes Street. Mr. Whitt stated that intersection would have to be left open. Council discussed map and all issues affecting this request. Mr. Whitt stated if you terminated at 3rd St closing as it comes up from the creek to barely touch the margin of 2nd, that way you are not land locking that small triangle of property. Mr. Howe stated I do not have a problem with that if that is how Council wishes to proceed. Mr. Beal stated the resolution would have to be amended on last paragraph of first page – just stated as amended to portion of 2nd at intersection of rd and Hermes and portion of 3rd avenue as it crosses 2nd street.

Councilperson McLean moved to go out of public hearing, seconded by Councilperson Moore, and unanimously carried. Mayor Whitt adjourned the public hearing and resumed the regular meeting.

Mr. Kraus stated other than changes just made. There is one correction – last paragraph should say subject to reservation of easement. Mr. Michael stated add drawing as attachment A to the resolution. Mr. McLean stated there is a water line on that property.

Motion: Mr. McLean MOVES to close this portion as indicated by Mr. Beal and protection of utilities included pursuant to the street closing order that is a part of our packet as amended. Seconded by Mr. Moore.
Vote: Moore, Mclean, Hope and Bishop in favor. Harris and Hubbard oppose. Motion passes.

Mr. Michael stated we do have preservation of easements but we need to add a sentence specifying there be no sand pile on utility nor any digging in the vicinity of it without coming to city first for approval to avoid damage to utility projects.

UNFINISHED BUSINESS
UFB#1 To Consider System Dev Fee for Multi-Family Developments – Mr. Kraus stated we need to declare when fee will be enforced and collected by property owner / developer. Recommendation is to charge per unit, require master meter and charge as units are completed. Mr. McLean stated he is in agreement but certificate of occupancy needs to be given prior to release. Ms. Hubbard asked for clarification of the master meter concept. Mr. Kraus stated each building has to have zoning and building permit and he cannot get occupancy until the fee is paid. Mr. McLean explained the process of the compound meter for Ms. Hubbard. It will protect itself. Mr. Kraus stated anything from the master meter into the complex would not be maintained by the city.

Mr. McLean stated the sewer line will belong to the city because it is in the street. Mr. Kraus stated yes that is correct. Mr. Hope asked about how this effects system development fees. Mr. Kraus explained it is based on the units. Mr. McLean asked about fire hydrants coming through master meter, etc. Mr. Friday verified this is correct and they have to maintain the private fire hydrants. Mr. McLean asked if we could make developer have ductile line as well instead of allowing them to use PVC. Mr. Friday stated we encouraged them to use the master meter and the perk was using the PVC for them. They will be responsible for cost of any leak associated with this. Mr. Whitt explained the beneficial factors for the city in this.

Motion: Mr. Bishop MOVES to require master meters for all multifamily construction in Mount Holly and certificate of occupancy to be obtained per building. Motion includes decision to charge multifamily system development fee as they come on board. Seconded by Mr. Hope.
Vote: unanimous. CARRIED.

UFB#2 To Consider Junk Vehicles. Mr. Kraus stated we have talked about junk vehicles needing to be of value or considered "antique". Council asked us to cover requirements for vehicle coverage – we have now stated definition that the cover needs to be commercially manufactured with sole intent of use of coverage of vehicles. Tarps will be excluded under this definition. The Car has to have value and permits have to be renewed every three years. Zoning ordinance officer will be able to determine whether it meets the ordinance and city manager can determine final decision if a question is involved. Homeowner can be sited if they do not comply with this ordinance. Mr. Kraus stated we may want to add that permit be a sticker type and affixed to the vehicle. We recommend a $35 fee for the permit. Mr. Michael suggests that period in resolution be three years and be a sticker type permit.

Motion: Mr. Moore moves to approve definition of cover and vehicle permit process for two years for fee of $35.00 issued by planning / zoning dept. Second by Mr. bishop. Mr. Hope stated he has had calls on this and stated that people that have antique cars will not treat them as junk cars. The intent is to "Clean up".
Vote: All in favor. CARRIED.

UFB#3 To Consider Follow up on Water and Sewer Request for Meadow Brook Estates. Mr. Kraus passed out resolution regarding this topic with changes stating as of today's date. It is identical to the resolution in your packet, with the change of today's date being added. Mayor Whitt went over resolution and precluding events surrounding this topic of discussion. Mr. Kraus stated he has submitted a site plan and some minor changes will be changed. He will have to seek modification on cul-de-sac length as one exceeds 500 feet and he is willing to modify this as necessary. Mr. Beal stated we spoke at length about this today and he will put in another cul-de-sac and it will shorten the distance and meet our requirements. This is a 75 lot subdivision. Mayor Whitt stated I think this is the wrong way to go. We are in the middle of a moratorium. Mr. Dimmer is asking for water and sewer and our policy states we do not allow this without annexation. I think this may indicate to some developers that this is not a level playing field. My concern is that he is being allowed to develop this subdivision under rules we have right now not under rules that hopefully we will adopt when moratorium comes off. Just as an example, when I mention the word open space, he says we do comply with the open space as it is now. As I hear Council speak about raising the bar for our subdivisions and open space, etc. I have nothing against Mr. Dimmer, I just think this is not the way to go. Now, it is Council's decision to make formal agreement with Mr. Dimmer. Mr. Hope stated we have discussed this for hours at a time and we had agreed to move forward.

Motion: Resolution # 111306 C made by Mr. Hope to extend resolution Meadow Brook Estates for Dimmer Development LLC as handed out tonight with today's date included.. Seconded by Mr. Moore.
Vote: Harris, Moore, McLean, Hope and Bishop voting for. Opposed by Hubbard. Motion passes.

UFB# 4 To Call for Public Hearing on Storm Water Fees. Moved from consent agenda. Mr. bishop requests that public hearing be delayed. Data submitted by committee in my opinion is outdated information. The budget that was submitted at 300,000 and that is in the budget this year already. I think it needs more justification for square footage requirements, etc. I don't think the request is necessary to accomplish what they are setting out to do. In example, the street sweeper is paid by Powell bill money and is almost paid in full and they have counted 20000 in budget for payment of this matching. The utility and street dept works hand in hand with this dept. I would like to delay this until we have a more definitive answer on some of these topics. Mr. Whitt stated we were going to call for a public hearing. Mr. Whitt stated right now we are charging 2.50 for residence or 5.00 per building or enterprise for companies. For example, Freightliner pays 15.00 per month and homeowners pay 2.50 per month. Mr. Bishop stated when we did system development fees, we requested justification of charges and we need this for this as well. This request needs to be more fully detailed and I do not feel this much of an increase is justified at this point without much further review.

Mr. McLean agrees with Mr. Bishop at this point. Mr. Hope stated the concern is residential more so than commercial / industrial, correct? Mr. Bishop stated yes. Mr. Hope asked can we amend public hearing to just commercial at this point? Mr. Bishop stated I would like to see a real study of this to see if this is a correct rate for the commercial or industrial entities as well. Mr. Kraus stated he would recommend tabling this until next month and have it presented to you at December work session and then if decided we can call for public hearing in December. Mr. Bishop stated this budget needs to be done at time of our regular budget review as well.

Motion: Mr. Bishop moves that we table this public hearing and take more information for council after staff review. Seconded by Harris.
Discussion: Mr. Moore stated he spoke with an engineer from the county and he would be glad to provide input to staff in reference to this issue. Mr. Bishop stated this committee has done an outstanding job, we just need additional information.
Vote: All in favor. CARRIED.

NEW BUSINESS
NB#1 To Discuss Greenways and Public Input. Mr. Kraus recognized Scott Griffin, Oakland Street, Mt. Holly – chairman of Community Dev, FROGS. Mr. Griffin stated school teachers can talk to just about anything and make anything talk, etc. This clock was given to me by my parents when I was married 34 years ago. The clock talks to me and I talk back. I am torn in four directions, family, school, community choir, city council, all tonight. Just like me, you found yourself running out of "time" and referenced the clock. There was a night that my clock stopped. It did not need to be wound, I asked the clock why it was tired. The clock stated its as tired. I have to do this 60 times every minute – tick, tock. That would be 86400 ticks per day. 604800 ticks to make a week. He went on to share a month and year. I told the clock it only had to happen one tick at a time. That is what we are here to talk to you about tonight – how we go about this one tick at a time. I am joined by Joel Lineberger, Ruth Neely and Rob Suttenfield.

We felt like it was time to come to you with a state of greenways speech. In Dec one year will have passed when I met with you and Mr. Hope stated we only have 12 meetings for the year. To make sure you absorb all we present tonight, you have been given a handout reflecting our purpose of tonight's presentation. He went over the success or "positives" as first part of discussion. As you set up different committees for us, you supported FROGS with active participation. Two council members attend our meetings regularly. He then went over multiple positive contributions City Council has made for citizens of MH. He recognized David, Emily, Greg and Danny for the untold hours of effort committed to help us. The next phase of the presentation was to discuss what Mr. Griffin referred to as "deltas" – items needing action. You have come to a point with MH where we cannot put attention to one action item at a time. We have to be multi-taskers and work in different venues all at the same time. Mr. Griffin stated the most desired thing in a community now is green space, trails, sidewalks, etc. You are going in the right direction as you consider these issues for our citizens, developers. Written presentation attached for record.

Mayor Whitt thanked Mr. Griffin for his time and dedication. Mr. Griffin stated there are more venues for collaboration between the City and FROGS. Ms. Harris volunteered to sit on the FROG committee as a member of the park and rec committee. Mr. Griffin extended offer to Ms. Harris and Mr. Hope to serve on the executive committee for FROGS. Ms. Harris stated we have open spots on the recreation committee and would love for recommendation from FROGS. Mr. Griffin stated we are challenged with importance of standing before Council to help set agenda, plan strategically. It is vitally important that we dissolve any we or they attitudes. We are all part of one team. We have to be careful as individuals what we say in the community because they are misconstrued as the committee rather than as individuals and this can cause problems. Mr. Kraus stated we would like to take some sessions for public input in the near future as well. Mr. Griffin stated we would love to help you form a forum regarding housing standards, etc with citizen input. Please ask for our help, we are more than willing to help form public forums on any topic to help you. Mr. Whitt asked if council is interested in FROGS setting up a forum as related to annexation areas, etc. Council in consensus to set up forum and council will participate. Mr. Whitt asked for information prior to Dec 13th council meeting. Council requested that Mr. Griffin work with Ms. Deb Ryan for meeting scheduled on the 30th with public regarding town meeting, etc.

PUBLIC COMMENT
Mayor Whitt opened the floor for public comment.

Ann Danzi, Stonewater Bay Lane, Mount Holly. Spoke about moratorium for annexation. I would like to ask you to extend that for approximately six months. You have selected a contractor to bring in a strategic plan, but because it took some time to find the perfect match that contract started late and in effect – plans will not be in effect and this moratorium should be extended for upcoming six months. Please consider our land use in your future decisions relating to annexation and the moratorium. We need to set aside some land for school addition, etc.

ROUND TABLE

Mr. Moore – When will we get no truck route signs for downtown? Mr. Kraus stated we are waiting on Sealand to install poss. Probably up by first of December. Also, someone called and said there is a 200 lb headless deer dumped in the creek at Dutchman's Meadow. Mr. Kraus stated city will get deer out of the creek. Also, the planters downtown- what is the plan for winter plants in these? This needs to be done. Mr. Kraus stated I planned on turning this over to Aaron Suttenfield.

Ms. Hubbard – Nothing further.

Mr. McLean – new business on Hawthorne – house down from Norton. It is an air condition co and they keep three trucks on the property. Keeping business supplies, etc on property. Mr. Kraus stated city will investigate.

Ms. Harris – I went to the school with Deb Ryan for two days and my project was the 273 gateway and Scott Griffin made pictures for me. The signs etc that are up now need to be cleaned up before we try to establish what we want to be there. I am amazed by the pictures at how bad our city looks. I am going to put together a presentation for the council so you can see the same thing. Next, the YMCA board meetings – the city of Belmont will receive their 250,000 back that they donated to the Y in exchange for ball fields. It was voted unanimously to give them their money back. Also, there was a skateboarder on our new granite sidewalk tonight as I came in. We need to do something about this. They are not supposed to be downtown at all. Lastly, I noticed we got employee of the year nominations. Usually, council selects a committee to review this and present. Mr. Whitt stated lets put a committee together. Mr. Hope and Mr. bishop volunteered to handle this.

Mr. Hope – nothing further.

Mr. Bishop – I rode through Kendrick Farms the other day to see this. There was a street washer there washing streets this weekend. I saw them also filling up the trucks with a hydrant as well. Houston Street Cleaners out of Monroe, NC was on the truck.

Mr. Whitt – Phyllis did a great job at the Urban Institute. He thanked her for the positive representation. He stated he also got a letter from the archives committee requesting that Mr. Alan Milliken be able to restore, and make copies of archive pictures etc. I request we have a policy put in place regarding this. We have been warned against doing this due to legalities involved. Mr. Michael will investigate and handle this issue

ADJOURN

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

10:10 PM

Clerk

Mayor

****

jmb