CITY COUNCIL
REGULAR MEETING
October 11, 2004

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 Hough. The following were present:

Mayor Bryan Hough	Jamie Guffey, Assistant to City Manager for Finance/Administration
Mayor Pro-Tem Michael Helms	Danny Jackson, Assistant to City Mgr for Community Development
Councilman Jim Hope	Benson Hoyle, Police Chief
Councilwoman Phyllis Harris	David Stevens, Fire Chief
Councilman Frank McLean	Don Price, Utilities Director
Councilwoman Pat Hubbard	Mike Santmire, Street & Solid Waste Director
Councilman David Moore	Greg Beal, Community Dev. Officer
City Manager David Kraus	Ryan Baker, Fire Inspector
City Attorney Kemp Michael	Megan Hanks, Communication Director

Councilman Hope was absent due to vacation with his wife.

The invocation was led by Rev. Jeremiah Robinson, Sr.

PLEDGE OF ALLEGIANCE

Troop 59 led the Council and audience in the ceremony of the Pledge of Allegiance.

APPROVAL OF THE AGENDA

The agenda was approved upon motion by Councilwoman Harris, seconded by Councilman Helms, with all in favor.

CONSENT AGENDA

Councilman Helms **MOVED** to approve the Consent Agenda with three (3) items, seconded by Councilwoman Hubbard, with all in favor. The items approved were:

CA#1. To Accept and Approve the Minutes. The minutes of September 7 and 13, 2004, were approved as written.

CA#2. To Approve Sponsorship & Supplemental Appropriation for Parks & Recreation. A grant has been received from Land O' Frost for the city youth soccer program in the sum of $2,500; it is being appropriated as $1,500 to Departmental Supplies (Account 10-630-2000) and $500 to Advertising (Acct. 10-630-3700 and $500 to Contracted Services (Acct. 10.630.4400).

CA#3. To Approve Creation of Capital Project. A new capital project account established for the ABC store, with line items for land purchase,

professional fees, and construction, to be funded by loan proceeds to be repaid by lease payments from the store.

PRESENTATIONS

PR#1 Recognition of Julian Chapel
Delayed until next month.

PR#2 Recognition of Jim and Leo Fuller
Mayor Hough and the Council presented a resolution in recognition of Mount Holly Furniture upon their retirement and closing the business. (copy attached)

PR#3 Presentation of GovDeals.com
Police Chief Bence Hoyle presented a proposal to Council to utilize online auctions to dispose of surplus property, a process now allowed by state law. Responsibility for disposal of surplus property has been assigned to the Police Department. This would be one tool they can use in addition to the others already available. Items valued at less than $5,000 are not needed to be brought to Council for approval to be on the surplus list. The fee paid for the service is 7% of the selling price. The highest bidder will come pick up the item here. A resolution approving this method was passed. (copy attached)

PR#4 Questions on West Creek Park
Rev. Jeremiah Robinson asked the Council for help to get recreation started for that area to help keep children occupied and out of trouble. The West Creek Recreation area is just outside the city limits.

PUBLIC HEARINGS

PH#1 To Consider Annexation of Mahaffey Property
Councilman Helms moved to go into public hearing, seconded by Councilwoman Harris, and unanimously carried. Mayor Hough recessed the regular meeting and opened the public hearing to consider annexation of the Mahaffey property upon voluntary petition.

City Attorney Kemp Michael said that the City Clerk investigated the voluntary petition, found it sufficient, and the Council set the public hearing for tonight. Advertisement was made. This is property between the city limits and the proposed Rhyne Trace Subdivision.

City Manager David Kraus stated that the Mahaffey property is contiguous. There were no comments for or against.

Councilman Helms moved to go out of public hearing, seconded by Councilman McLean, and unanimously carried. Mayor Hough adjourned the public hearing and resumed the regular meeting. Mr. Michael read a proposed resolution to annex.

Motion: Councilwoman Hubbard **MOVED** to approve annexation of the Mahaffey effective on Dec. 31, 2004, at 12:01 AM, Res.#10-11-04A, seconded by Councilman Moore.
Vote: unanimous. CARRIED.

NEW BUSINESS

NB#1 & #2 Call for Public Hearing on Zoning for Dutchmans Creek and Certify Sufficiency and Call for Public Hearing on Annex of Dutchmans Creek

City Manager David Kraus stated that the first matter for consideration is a resolution authorizing an investigation of the voluntary petition for annexation by the city clerk.

Motion: Councilwoman Hubbard **MOVED** to approve Res.#10-11-04B to have the city clerk investigate the Dutchmans Creek Subdivision voluntary petition for annexation, seconded by Councilman McLean.
Vote: Unanimous. CARRIED.

City Manager Kraus, who is also the City Clerk, read a Certificate of Sufficiency.

City Attorney Michael reminded Council that there will need to be an annexation agreement before you vote on the annexation, and a final survey of the boundary of the entire area being annexed, and a zoning of the property.

City Manager Kraus said that Council does not have to vote on the matter the same night of the public hearing. Councilwoman Hubbard asked Danny Jackson, which month do you recommend we have the public hearing? Mr. Jackson had no preference because he has time to advertise.

Mayor Hough stated that he has asked school officials and DOT for input with regard to this proposal for a very large subdivision, and we may want to give them time to give us their information. Danny Jackson said he has had a large number of inquiries on this annexation, so we may need to have this public hearing at another location.

Motion: Councilwoman Hubbard **MOVED** to set the public hearing for December 13, 2004, for consideration of the voluntary annexation petition for Dutchmans Creek Subdivision, Res.#10-11-04C, and also to set the public hearing to consider zoning for the same property on December 13, 2004; both hearings to be held at the Tuckaseege Center. Motion seconded by Councilwoman Harris.
Vote: Unanimous. CARRIED.

NB#3 To Consider Utility Use Policies

Don Price, Rick Davis, and Jimmy Haas appeared before Council. Mr. Haas reported they have found several accounts that are on a payment plan, and they were supposed to pay on delinquent bills and keep up their current bill, but they are not doing it. We feel there should not be payment plans allowed at all, unless there is a serious issue like an elderly person; they would like to control that and

only allow it even in an exception for two months. The second item is related to deposits; we charge $25 deposit on rentals, and then when they leave, they often have a balance of $60 or more that they do not pay; also, on businesses we have not been requiring deposits. City Manager Kraus said, for example, that BBQ Depot left with a balance due. Don Price said other cities have a $50 deposit. Councilwoman Hubbard asked, if we do a $50 deposit on residential and $100 on businesses, can those be returned after a period of time? Mr. Haas replied, we discussed that and mentioned one year, but we would not have anything to use if they leave without paying. All the other cities leave the deposit in place to cover people who leave without paying. The third item for consideration is about leak adjustments; the policy now is that a water customer must have a statement with three times as much as normal to get the adjustment; other cities have a rule that a customer can get one adjustment per year with no requirement. We recommend that you do that also. Fourth, on delinquent accounts and late payments, we are asking that after two months late payments, we want to close that account out after two months late. Also, we do not shut off businesses now, and we propose to include businesses. Councilman Helms asked, what if they have a fire system--does shutting the water off affect their fire system? Don Price said that in the updated plumbing code they have to put in a separate sprinkler system. Rick Davis said before it is cut off, we always go look at the property to see if there is a special need that would be an exception and we do not cut them off if there is. Fifth, on meter testing, we get calls all the time about the resident complaining that they are not using that much water; we have done calibrations to test the meter. Mr. Eller said out of all he has pulled he has never found one more than two percent off. In fact, if anything, they usually run slow if anything goes wrong. We want to charge $10 if we pull the meter to check it and there is nothing wrong. Sixth, people get pools filled and want us to take off the sewer charge, and we have done that in the past. Now, we are getting calls saying they want the sewer charge off the water they used to water their grass. We found there was only one city that did that, so we want to eliminate that policy and not take off the sewer charge on anything.

City Manager Kraus said staff also wants input as to changing the policy for subdivisions, so that we buy the meters if they pay us first and we keep them in storage and set them as they need them (for developments).

Councilman McLean asked, what happened to that little paragraph on the bills; Jimmy Haas said, it is still there. We have found that the water gets cut off and we go back and they have turned it back on themselves. Councilman McLean said we should cut off on the 26th, and pull the meter on those not paid on the 30th. Councilman Helms said, you can lock it, but I wouldn't pull the meter until the second month. Councilman McLean asked, that list is usually the same people, isn't it? Mr. Haas said, Yes, it is. We go out to the house, and we send letters and sometimes certified mail.

Councilman Helms asked, how many gallons on these pools? Mr. Haas said he talked to Harris and Seabreeze pool companies, and found out that the average above ground pool holds 13,000 gallons, but the people that haul water out in tanks charge a lot more that what we get. Councilman Helms said, that is just the start up amount of water, because all summer they have to put water in that pool as it evaporates.

Motion: Councilwoman Hubbard **MOVED** to approve all the proposed policies with the condition that they return to Council in three months to report how these changes have gone, to see what results or feedback we have had. Mr. Helms seconded the motion, and said that is very important, and that we also prefer you lock before you pull the meters, and use two months for the time period.
Vote: Unanimous. CARRIED.

The Council took a five minute recess.

NB#4 To Consider Finance Options for City Projects
Jamie Guffey said he has sought proposals for financing for the ABC store site, and the East Gaston water line. He had contacted three banks, but he had only received one so far.

NB#5 To Consider Naming A Tax Collector
Delayed to next month.

NB#6 To Consider Setting Bond Requirements for customer Service Employees
Jamie Guffey, the state requires that the Finance Officer (currently David Kraus), himself, and the Tax Collector be bonded. We have found that the highest risk is from collecting cash, which is actually not for payment of taxes that are usually paid by check. State law does not set a limit. We feel we should bond the customer service positions, and recommend the bond be $25,000.00. Councilman Helms asked if they expect a problem bonding our clerks? Mr. Kraus said, no.
Motion: Councilwoman Hubbard **MOVED** to bond customer service employees, at $25,000, seconded by Councilman Moore.
Vote: unanimous. CARRIED.

UNFINISHED BUSINESS
UFB#1 To Consider Revised Economic Development Consultant Proposal
Edna Cherico said she sent a Growth and Development Strategy for your agenda packet review prior to the meeting. She brought a conceptual drawing to show what could be done in the earmarked areas under community development. The concept was walkable, with green areas in back, and a neighborhood square like in Savannah. She said her attorney has sent a legal document to Mr. Michael for his review as well. Mayor Hough said that we only got the revision on that today. Councilwoman Harris said she likes the work they have proposed for us. Mayor Hough asked, do you like the renegotiated cost? Councilman Moore

said, yes, they have done a lot of work on the proposal and he appreciates it. Councilwoman Harris asked if staff had just got the final contract version today? Mayor Hough replied, yes, today.

City Attorney Kemp Michael said Council has indicated its feelings about pursuing this but perhaps they can defer a decision until the next workshop meeting. Councilwoman Harris said she would rather have all of Council look at it together since it is so important, so she wanted staff to work on it until the work session. Councilman Helms asked if they have had the Mount Holly Foundation look at this? He would like their input, even though Council has the decision. Councilwoman Hubbard said she would like weekly memos between now and the work session on this.

Edna Cherico said there is one item that is important and should be decided tonight. We request you defer work on the Street Department building until we can provide direction on that.

UFB#2 To Consider Calling for a Public Hearing on Downtown Development Standards

Danny Jackson said the planning commission wants to wait another month to review the documents, but Mr. Kraus and I feel we should have the public hearing in November and you can delay voting until a recommendation comes from the planning commission on the final documents in December or January.

Councilwoman Hubbard said, when we advertise, do we state where the things can be reviewed at city hall? Danny Jackson said, yes, or give a phone number.

Motion: Councilwoman Harris **MOVED** to call for a public hearing on November 8th, for consideration of downtown development standards, seconded by Councilwoman Hubbard,
Vote: Unanimous. CARRIED.

UFB#3 Annexation of Rhyne Trace Subdivision

City Attorney Michael said a public hearing has been held on this matter, and Council deferred voting on the matter until the annexation agreement was ready. Danny Jackson stated the property is already zoned. He has the signed Annexation agreement and letters of credit. City Attorney Michael read a proposal for the annexation order. Mayor Hough said they requested an annexation date of December 31st.

Motion: Councilwoman Hubbard **MOVED** to approve Res.#10-11-04D, to annex Rhyne Tract on December 31, 2004 at 12:01 PM, as corrected, seconded by Councilman McLean.
Vote: Unanimous. CARRIED.

ROUND TABLE

Councilman McLean said the work session in November is on election night, so we need to move it. Council agreed to have it on November 1st, at 6:30 PM.

Councilman Helms asked, what do we charge handicapped persons for our exercise facility? Mr. Kraus said there is not a different fee. Danny Jackson said he plans to take that request to the Recreation Commission and get a recommendation from them.

Councilwoman Harris announced the community dinner the next Saturday, which will be the 53rd year it has been held. Hopefully, we can keep this going, and everyone please come out Saturday night.

Councilwoman Hubbard asked that someone tell Mike Santmire there is a pothole on Hawthorne Road that is really bad.

Councilwoman Hubbard asked, are we having copier problems? Mr. Guffey said yes, we have called the tech.

City Manager Kraus said there are two or three items from the memo. Mayor Hough said that tree lighting ceremony in the past was headed by the Mount Holly Foundation. Councilwoman Harris said, go ahead and order two Christmas trees. Mayor Hough said to ask Carlton Broome to see if the Foundation has plans for a tree lighting ceremony this year. On Veterans Day, Councilwoman Harris said she will help; Megan said the VFW has been handling that in the past, so Council agreed that Mrs. Harris will be the liaison.

Councilman McLean asked what they are doing about the CMUD? Mr. Kraus said we are looking at a study, but we have not taken a position. He said there are about six options that we can look at. Councilman McLean said he doesn't want us to start that.

Greg Beal stated that on our water shed requirements we have 24% impervious surface maximum. He has been talking with Div. of Water Quality in Raleigh. They have a provision where you can go to density averaging. There has only been one of these approved in the State, in Wilson. He wanted to know if you have any wish for him to pursue that. The Council concurred, yes.

Council took a five minute recess.

CLOSED SESSION

Councilwoman Harris moved to go into closed session for the purpose of discussing personnel and land acquisition matters, seconded by Councilman Moore, with all in favor.

Councilman Helms moved to return to open session, seconded by Councilman McLean, with all in favor.

City Attorney Michael said he received a proposed gift deed for the corner lot at the bypass and Central Avenue, from the Moore heirs. The environmental report was clear, and the title search is finished. City Manager Kraus said they are also offering two other parcels off of Cedar Lane that are about two to three acres in size. Mr. Michael said we have not searched the other two parcels. Mr. Michael asked Council if they want to accept the corner lot property? Mr. Kraus said the other two pieces are worthless and they don't just want to pay the taxes on it any more; it has a ravine. There is a sewer line running right through it.
Motion: Councilwoman Harris **MOVED** to accept the donation of the lot on the corner of Central and bypass from the Moore heirs, seconded by Councilman Moore.
Vote: unanimous. CARRIED.

ADJOURN
There being no further business, the meeting was adjourned, upon motion duly made by Councilman Helms, seconded by Councilman Moore and carried.

9:25 PM

Clerk

Bryan M. Haugh
Mayor

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cpm