Continuation of Adjourned Regular Meeting
City Council
August 24, 1992

The adjourned regular meeting was called to order by Mayor Charles B. Black, Jr. at 7:30 P.M. at City Hall, 131 South Main Street in Mount Holly, North Carolina, the regular place of meeting. Those present were Mayor Pro-Tem Faye Little, Councilwomen Lib Nichols and Phyllis Harris, Councilmen Archie Small, Bob Jessen, and Jim Hope, as well as Director of Public Works Eddie Nichols, Zoning Administrator Gary Roberts, City Manager Phil Ponder, and City Attorney Kemp Michael.

The invocation was led by Councilman Small.

The regular meeting was recessed and the advertised public hearing called to order. The Mayor announced that this was the date and hour fixed by the City Council for the public hearing upon the orders entitled: "ORDER AUTHORIZING $2,000,000 WATER BONDS" and "ORDER AUTHORIZING $2,000,000 SANITARY SEWER BONDS" and that the City Council would immediately hear anyone who might wish to be heard on the questions of the validity of said orders or the advisability of issuing said bonds.

The City Clerk, Phillip Ponder, announced that no written statement relating to said questions had been received.

The floor was given to Tim Hemker, of W. K. Dickson, Engineers, to review the bond packages for the audience, which he did in some depth. His presentation included a statement that the package is the result of a priority list after the sewer and water study had been completed. The proposed water and sewer bond projects are identified by areas to be served on two maps prepared by the engineers (copies attached), with the purposes identified thereon as well. There are three water projects and three sewer projects proposed within the bond packages.

The floor was opened for audience comments. Hazel Michael, 203 Pearl Beatty Road, said she is in favor of the bond packages except that she does not want "S-3" included because the ETJ has not been extended to that area and so the County will control what development goes out there until we do. Mayor Black stated that the City has a seven year period in which to sell or not sell the authorized bonds and do the projects or any part of them, and that the City would have priority for zoning because we have been authorized to extend our ETJ out there when we want to.

David Berg said the County has zoned that and they control it at this time.

City Attorney Michael said the County has zoned all property not zoned by cities, but whenever the City zones within its ETJ, it replaces whatever the County had; however, any rights granted before the City begins zoning would be "grandfathered" as nonconforming use. He said most large areas are currently zoned R-A and that the County cannot rezone any area to accomodate development without first having a public hearing for which all County citizens (including Mt. Holly citizens) would have notice. He continued that the project does not have to be built before zoning by Mount Holly occurs.

City Manager Phil Ponder stated that the bond referendum authorizes the sale of bonds, but the City would not sell bonds for any project until it is ready for that project to be constructed; in the case of "S-3", he stated that it would not be built until the interconnect water line along Highway 27 is built.

Mr. Merlin Brown said he had heard that our sewer plant is about to capacity now and asked Mr. Nichols if that is true. Mr. Nichols stated the plant is used at about 60-65% capacity presently; that at 75% procedures should be started for expansion. Mr. Brown asked if that will require another referendum; there was no answer for that question at this time. Mr. Brown stated he is against putting the water tank on the referendum because he wants the City to build it now with cash it already has on hand; that there is plenty to cover that project because the City has about $5 million. Mayor Black noted for the record that he has been in contact with the County Manager and they are satisfied with the progress that is being made in building the water tank. He said the site has been obtained, the environmental standards have been met, and the design work is almost finished. Councilwoman Little stated that the Council looked into the option of using City money to do this project but it was not feasible, including the necessity of meeting State laws regarding fund balances. She continued that if this referendum passes, taxes will not be increased because the amount necessary to cover the bond payments is included in the current water and sewer rates, so that the users pay for it.

Mr. Ralph Michael said that he likes all the projects except the "S-3" because it is outside the City limits and they should not be spending money outside; he said raising water and sewer rates is the same thing as raising taxes.

David Berg asked Mr. Hemker questions about wastewater loading on North Main. He then asked if the bonds will be listed separately on the referendum; they will. He stated he is in opposition to "S-3" also.

Mayor Black said an inquiry has been made into whether or not it is possible to delete "S-3" from the bond packages at this stage of the process. Mr. Ponder said it is possible although not pleasant, but there is only about one week to make the changes.

Councilwoman Little asked how many pump stations will be eliminated by "S-1"; one will be. City Manager Ponder stated that if the bond referendum fails, the City must pay to replace the Morris Street pump station.

Mayor Black stated that we do not need "S-3" right now but general obligation bonds are always cheaper than other loans.

Councilman Small said that the County is not obligated to build the water line yet, so he felt the City should hold up on "S-3".

All of the foregoing statements were duly considered by the Council. There were no further comments for the public hearing, and so it was adjourned, and the regular meeting resumed. A poll of the Council was called for.

Councilwoman Little stated that she agrees the City does not currently need "S-3" but the bonds will not be sold until necessary.

Councilman Jessen said he sees validity both ways, but he believed "S-3" to be so far out in the future that the City does not need to deal with it now.

Councilwoman Harris said she realizes that we do not need to deal with "S-3" right now, but she does not want to upset the packages.

Councilman Small stated that if the City goes outside the City limits with "S-3" it may cause the bond referendum to be defeated, and the other projects are needed now.

Mayor Black said he would agree that "S-3" should be delayed.

Councilwoman Nichols said if the package is carried through as planned, the City would have the bonds ready to be sold when needed without having to wait, but they would just sit there until needed.

Councilman Hope said that "S-3" should not be in the bond referendum; that any developers can help foot the bill for a sewer line out there.

Councilwoman Little said she is opposed to construction of "S-3" right now as well, but she felt it should be left in the package.

Councilman Small said the November election will be full of bond referendums and the City needs to keep ours down as much as possible.

Discussion followed regarding the changes required to eliminate "S-3" from the bond packages. Councilwoman Little MOVED to eliminate "S-3" in the amount of $598,000 from the bond packages; seconded by Councilman Small and unanimously carried. It was agreed that the Council would meet again on Wednesday, August 26, at 7:00 P.M. to act on the rewritten bond packages.

The Council next considered a request by Stepp Construction for a time extension on the Old Hickory Grove Water Line contract.

Mayor Black asked Mr. Hemker about the fact that they pulled one crew off the job; he said that the specifications called for one crew but he had put two crews on it at the beginning to keep his people working until their next job began. Mr. Hemker had filed a report with the City Manager stating their finding that the rain record supports the request made. Councilwoman Little asked if they have completed the project; it was completed on July 31, and repairs have been made as requested by the City. Councilwoman Little MOVED to grant Stepp Construction a time extension of fourteen days, seconded by Councilman Jessen, with all in favor.

Mayor Black asked if the Council would consider one more item; they all agreed. The DMV has asked for another extension of its lease, but state they plan to move between October 1 and 15. Councilwoman Little MOVED that the DMV license office be granted a rental extension until it moves to Creekside Center, seconded by Councilman Small, with all in favor.

Councilwoman Little MOVED to go into executive session for attorney-client matters, seconded by Councilman Jessen, with all in favor.

The Council returned to regular session upon MOTION by Councilwoman Little, seconded by Councilwoman Harris, with all in favor.

Upon MOTION of Councilwoman Little, seconded by Councilwoman Harris, the meeting was further adjourned until 7:00 P.M. on August 26, 1992, at the City Hall, 131 South Main Street in Mount Holly, North Carolina.

City Clerk

Mayor

****