

Special Meeting
City Council
June 24, 1996

Mayor McLean called the special meeting to order at 7:00 P.M. Present were Mayor Pro-Tem Helms, Councilwoman Phyllis Harris, Councilmen Jim Hope, R. L. Duke, Andy Stewart, and David Hostetler, as well as City Manager Phil Ponder, and all Department Heads: Public Works Director Eddie Nichols, Police Chief Jerry Bishop, Zoning Administrator Danny Jackson, Recreation Director Zip Stowe.

A proposal by Councilman Duke that the compensation to Mayor and Council persons be increased was discussed. City Manager Ponder had provided information in the agenda package showing the compensation for other municipalities in the area. Councilman Helms was not in favor of a change. Councilman Hostetler inquired when it was last changed. Councilman Duke said it was about 10 years ago. Councilman Duke had proposed the amounts be increased for the Mayor from \$3600 to \$4600, and to Council persons from \$3000 to \$4000. Councilman Hostetler said since the Mayor's compensation is below average he is in favor of raising that, but not in favor of raising the Council's compensation unless a second monthly agenda meeting is added. Councilwoman Harris was not in favor. Councilman Stewart said he is not here for the money and he agreed with Councilman Hostetler. Councilman Hope said the money is not a factor to him and he is not in favor. Councilman Duke **MOVED** to raise the Mayor's compensation to \$4200 and the Council's to \$3600, seconded by Councilwoman Harris. Motion failed by a vote of one aye and 5 nays (Hope, Stewart, Hostetler, Harris and Helms). Mayor McLean said he did not want his compensation raised, and he did not run for this office for the money either.

City Manager Ponder had prepared at Council's request a list of services provided by the City from each department with recommendation for increases. Mr. Nichols did not recommend an increase in the water rate but did for the sewer rate, from \$.95 to \$1.15 per 1,000 gallons based on the cost. He also recommended an increase in late fees and reconnection fees to hopefully reduce the number of those per month. Currently the City has about 17% per month. He asked that the tap fees be increased since the labor and equipment cost has not been charged in the past, and an increase for cleanout plugs and returned check fees. Mr. Ponder said the sewer rate is based on the actual cost. The auditor reported in December that the retained earnings were going down and need to be stabilized. Councilman Duke suggested that the rise in other charges might mean there is no need to raise the sewer rate so high. Mr. Nichols did not feel that would be possible because the other fees are indefinite and the budget cannot be based on indefinite figures. Councilman Duke wondered why such a high increase is needed. Mr. Nichols stated it is due to rising salaries, chemical costs, and analytical expense to satisfy state and federal regulations. A chart was presented showing a comparison with other cities in the area, and an estimate of the revenue expected from the increase, which only amounts to \$49,287. Mr. Ponder pointed out that most sewer projects cost much more than that. Councilman Hostetler said he was in favor of all the recommendations except the increase in the late fee, because the postal service is unreliable. Councilman Hope stated that if the actual cost is \$1.15 it is not good business to cut it that close and perhaps it would be better to pay for the capital improvements

need a little at a time rather than a huge bill all at once later. Mr. Ponder said he intends to break even this year and during the year have the Council review the matter at its planning sessions. Councilman Helms was in favor of the recommendations but felt informing the public about the reason for the increases must be done. Councilman Stewart stated his agreement with Councilman Helms that the public should get an explanation, but felt there is no choice since the legislature requires the solvency of the water/sewer fund. He wants to be sure it is made clear that the Stanley interconnect is not being paid for by Mount Holly and is not the reason for the increase in the sewer rate. He did not feel \$3.00 is enough to keep people from being late. Mr. Ponder stated that the City goes by the postmark date, not the date of receipt, when mailed. Councilman Duke thought \$10.00 might be too high and suggested \$5.00. Councilman Hope agreed a public forum is necessary. Mr. Ponder said the Council is only required to set the tax rate by June 30 and may take longer to consider the other matters before deciding them if it wishes. Councilman Helms wondered which fee the new subdivisions already approved would pay. Mr. Nichols said that the developers install their own utilities then and the City only inspects them. Councilwoman Harris said the Council has known for a long time this had to be done and she regretted that the idea of a public forum was not brought up before now. Councilman Stewart pointed out that the Council's decision is not going to be based on public opinion since they really have no choice. Councilman Helms said he only wishes to inform them about why it is happening. Mr. Ponder agreed that it is important to involve the public, especially before the future sewer plant improvements. Mayor McLean took straw votes to get a consensus on the items under contention. Councilman Stewart then **MOVED** to approve the schedule of fees for the Public Works Department as presented, with direction to the staff that the public be informed about the reasons for the increases, seconded by Councilwoman Harris, and carried with four ayes and two nays (Helms, Duke).

Recreation Director Stowe presented his proposed fee schedule with recommended increases. The Recreation Committee has approved the proposal. The cost of insurance and proposed improvements are the main reasons for the increases. Councilman Hostetler was in favor of the changes except that he felt low-income children may not be able to afford it and he suggested a separate schedule of fees for them, so they will be able to participate, and a higher fee to companies. Mr. Stowe said the new fees would be in line with those charged by other cities, our fees currently are low. Councilman Stewart said the department only needs to break even not make a profit. Councilman Helms suggested the outside rates be changed but the inside rates be left the same. Councilman Hostetler **MOVED** to accept the new rate schedule for recreation programs with the stipulation that a free or lower rate be established for low income children under 16, seconded by Councilman Stewart. Councilman Helms asked how it would be determined they qualify. Mr. Hostetler said the schools would have a list of free lunch children. Mr. Ponder pointed out that the staff time involved in determining low income qualification might cost more than the amount it would get from increasing the inside fees. Councilman Hostetler **AMENDED** his motion to leave the program fees for inside residents the same, increase the outside rates for programs, the team sports, and rental fees as presented, accepted by Councilman Stewart, and carried by unanimous vote.

Zoning Administrator Jackson presented a new schedule of fees. He also stated that current fees are lower than those of other cities in the region. He said he wrote 157 zoning permits last year

at no fee. Councilman Stewart inquired what the reason is for setting the financial guarantee review fee at \$500, and wanted to know the basis for it so the Council can be sure it is not too high or too low. Mr. Ponder said the staff and City Attorney are keeping a closer track of time on the upcoming applications and in a couple months can give an answer to that question. Councilman Hope said that fee is for a special interest and the developer should pay it rather than our taxpayers footing the bill. Councilwoman Harris said she and Andy think there should be a fee but that the fee should be set after research instead of by using an arbitrary. Councilman Duke recommended the fees be higher than proposed. Councilman Hostetler **MOVED** that the Planning Department new fee schedule be approved as presented except home occupation fees be increased to \$50 and zoning permits be increased to \$10, seconded by Councilman Hope, but failed by two ayes and four nays (Stewart, Helms, Harris, Duke). Councilwoman Harris **MOVED** to approve the Planning Department new fee schedule as presented, seconded by Councilman Stewart, and carried with five ayes and one nay (Duke).

Next, the Council discussed revisions for the 96-97 fiscal year budget. Councilman Hope asked if all the items were added would the tax rate have to be increased; Mr. Ponder said no. Mayor McLean announced he would be taking straw votes to determine which items would be added to the budget and which would not before the vote for the budget is taken. Item #1 was a picnic shelter. Mr. Ponder had budgeted for two, but Councilwoman Harris stated the Recreation Committee wants three, one at Central Park, one at River Street Park, and one at Tuckaseegee Park. The estimate is \$9,000. Item #1 was added based on a consensus vote of five ayes and one nay (Duke). Item #2 for a plaque on the fire truck was added at an amount of \$250 by a unanimous consent. Item #3 for a lighted timer for speakers at council meetings was not added by agreement of all. Item #4 for name tags for the Mayor and Council was added at an amount of \$200 by a consensus vote of five ayes and one nay (Hope). Item #5 was added for Council table reconfiguration at an amount of \$2,500 by a consensus vote of four ayes and one nay (Hope, Harris). Item #6 was added in an amount of \$450 for inclusion in the progress edition of The Mount Holly News, by consensus vote of four ayes and two nays (Harris, Duke). As to Item #7, the Council recognized Police Chief Bishop. He had requested an additional DCI terminal for the Police Department which had been denied by the City Manager and was requested to be reconsidered by Councilman Hope. The terminal would cause a recurring cost of \$3200 per year. Chief Bishop stated the state equipment enables them to extract information from the state system for gun permits, driver license, criminal records, NCIC checks, runaways, stolen items, etc. He said one of his clerks spends 35-40% of her time on the existing terminal entering data, at which times no one else can use it. There are 25 employees in the department. The item was added by unanimous consent. Councilman Stewart asked that a review be had at end of year to see if it was used enough to keep it. Chief Bishop also reported to the Council that the River Street community meeting was held to establish a community watch program, and the meeting went very well. Item #8 for a new entranceway sign on Highway 27 near Burlington Industries was not added by unanimous consent. Item #9 for banners on downtown light poles was not added by vote of two ayes and four nays (Harris, Helms, Hope, Duke). Item #10 for \$4,800 was added to the Beautification budget for pruning and pest treatment of the crepe myrtles downtown, upon a unanimous consensus vote. Item #11 was not added for shrubbery planting in the N.C. 273 median by a vote of two ayes and four nays (Harris, Helms, Hope, Duke). Item #12 was not added by request of the City Manager; he will get bids for the curbing on Central Street

next to the railroad and bring it back to Council. After discussion about the condition of the sidewalks on Main Street, the budget was increased by \$15,000 to \$25,000 for sidewalks, Item #13, by a vote of five ayes and one nay (Duke). Item #14 was not added so that the City Manager may obtain more information and bring it back to Council about cleaning services for city facilities. Councilman Hostetler also wanted the street lamps and fire hydrants painted downtown. Mr. Ponder said he believed there is enough money in the budget to paint the fire hydrants, but the street lamps belong to Duke Power Company and he will have to contact them about painting. He said the budget for fire hydrants was doubled this year so several can be replaced.

The Council took a five minute recess.

Upon return the Council considered the recommendations from the Maxwell/MAI Study. His recommendations #2 and #3 were to fill the vacant Code Enforcement Officer position and to continue contracting for professional planning services. Mr. Ponder said he already put this in the budget as proposed. The Council concurred unanimously. Recommendations #4 and #18 were develop a set criteria for determining priorities and develop a strategy for communicating road improvement needs to the TAC, preferably the criteria established by APWA for the Asphalt Institute. Mr. Ponder said the City has had no problem paving city streets and this year held paving until the new fiscal year, but state highways are at the mercy of DOT and these are the ones that cause problems. No action was taken on these items. As to recommendation #1, a position of Administrative Services Director was added upon **MOTION** by Councilman Hope, seconded by Councilman Hostetler, with all in favor. The Council accepted for information recommendations #5, #6, and #7, to consolidate the volunteer fire departments, erect a new fire station and add one full time firefighter position, and await a recommendation from consultant Sherman Pickard. Recommendations #8, #9, and #10 were also accepted for information, to study the feasibility of redeploying police officers, identify police training needs in a more organized and formal manner, and explore the possibility of establishing a police reserve unit, until the City Manager and Police Chief evaluate the recommendations and bring back a report to Council. The recommendations #11 - #14 related to the Recreation Department were considered. Upon **MOTION** by Councilwoman Harris, seconded by Councilman Helms, with all in favor, a full-time position was added to the Recreation Department at \$22,150 per year. This will allow Mr. Stowe to perform administrative duties he has not been able to do. The Council also unanimously concurred to add \$2,000 for a summer intern. No action was taken on the other items, and the City Manager will obtain more information for those and report back to Council. Maxwell's recommendations #15, #16, and #17 are related to the water department. He suggested installing remote reading devices or converting to the wand system, hire an additional operator, and to monitor amounts pumped versus amount metered to guard against system leaks and inaccurate meters. Mr. Ponder did not budget for an additional operator because a former employee has been willing to work during emergencies, and he felt using a contract service when that man is not able to fill in would be wiser. The budget includes an amount for a hand held data capture computer for meter reading. Mr. Nichols said that the City will soon need another operator at each plant because of increasing state and federal regulations. He said if someone quit and the City could not hire right away, or if two left at one time, the department would be in serious trouble. The City spent \$12,000 last year for over-time in that

department, which would offset some of the amount for another operator. The Council took no further action on these items and concurred with the budget as is on this department. No action was taken on the recommendations #19 and #20 regarding waste collection to allow the City Manager to gather information from other cities that have backyard collection and for the Council to evaluate all options. Mr. Ponder stated he had already put in the budget funding for a new clerical position for GIS data entry and office assistance; the Council concurred.

Public Works Director Eddie Nichols requested several items be added to this year's budget since the projects will not be completed before the end of this fiscal year. The Council concurred that all ten items be rolled over to the new budget. (copy attached)

City Manager Ponder recommended adoption of the budget for fiscal year 96-97. Councilman Hope **MOVED** to adopt the fiscal year 96-97 municipal budget as presented with the amendments made that evening, as enumerated above, seconded by Councilman Hostetler, with all in favor.

City Manager Ponder recommended the tax rate remain the same as last year. Councilman Hostetler **MOVED** that the tax rate be set at \$.45 per \$100 valuation for fiscal year 96-97, seconded by Councilwoman Harris, with all in favor.

City Manager Ponder asked the Council to consider changing its policy regarding budget amendments. He shared information with the Council showing that line item budget is not required and as long as the department stays within its total budget, there is no requirement for Council action. He was particularly requesting that small amounts not be required to be brought to Council due to the amount of time and trouble involved. Councilman Hostetler was in favor of keeping the same procedure because the Council can keep track of what is going on and to be sure the money is spent for what it was intended when budgeted. Mr. Ponder felt that the monthly financial reports would enable the Council to perform its policing role. Councilmen Hostetler and Stewart said they do not understand the reports. Mayor McLean did not feel it would be a problem to allow small amounts to moved without Council approval, as did Councilman Hope. Mr. Ponder said that all money moved in contingency fund must be brought to Council. He offered to spend time with the Council persons to explain how to read the financial reports. No action was taken.

City insurance coverage was discussed by the Council next. Mr. Ponder said the City has been with this company for a good many years with a low claim rate, but this past year had several claims, and has received a letter from the company that it will not renew the City's coverage. He has been in contact with the agent who is obtaining quotes from other companies. Mr. Ponder has also contacted the League of Municipalities which has an insurance division. The City's workman's compensation insurance is presently with the League, and it has offered a discount if the City gets health insurance coverage with them as well. He asked for direction from Council as to whether or not they want him to stick with the local agency, which has provided very good service, or go with the lower cost which may mean longer waiting time before an adjuster comes to process claims. The Council took no action. Mr. Ponder will talk with Watson Insurance further to see if the cost can be lowered more in line with what the League is offering.

A budget amendment in the Recreation General Fund was approved as presented by the City Manager, upon **MOTION** by Councilman Duke, seconded by Councilwoman Harris, with all in favor. (copy attached)

City Manager Ponder reported that Mr. Ratchford and some of the residents at the Cloisters apartments have complained to DOT about the No Left Turn on South Main Street at their entrance. He feels this is not entirely negative since they want a left turn lane, and their pressure may get DOT moving. Mr. Ratchford has asked to be on the July agenda. Councilman Hope said the Council might consider putting a time of day on the No Left Turn so it only coincides with peak traffic times. Councilman Hostetler felt the wreck reports support the need for safety reasons to have this restriction.

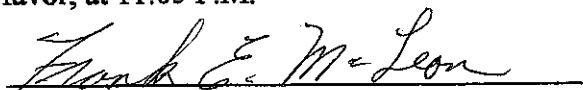
Mayor McLean had a complaint from Mrs. Mary Ellen Reeves about a number of dogs next door. Mr. Ponder will have staff investigate. The Mayor had requests from Charles Arrowood to have a road paved; he will have to follow the procedure for paving in Catawba Heights.

City Manger Ponder said that a rock quarry has been proposed adjoining Mountain Island Lake in the watershed area. The Mayor asked as many as possible to go to the community meeting that was to be held to indicate the City's concern that the water quality be protected.

Councilman Stewart inquired about a letter of complaint regarding a City employee's statements to him while at City Hall. The Council discussed the matter, and City Manager Ponder assured them he had spoken with the employee and the employee understands that such comments are not appropriate and will not repeat such action. The employee has been instructed to call the Police Department if the person becomes abusive again rather than trying to handle the situation.

There being no further action, the meeting was adjourned upon motion by Councilman Duke, seconded by Councilman Hope, with all in favor, at 11:05 P.M.


City Clerk


Mayor
