Mount Holly City Council
Special Meeting
June 16, 2003

CALL TO ORDER BY THE MAYOR
The special meeting of the City Council of Mount Holly was called to order at 6:30 p.m. by Mayor Black. The following were present:

Mayor Bobby Black
Mayor Pro-Tem Jim Hope
Councilwoman Phyllis Harris
Councilman Michael Helms
Councilman Frank McLean
Councilwoman Pat Hubbard
City Attorney Kemp Michael

City Manager David Kraus
Assistant to City Manager Jamie Guffey
Assistant to City Manager Danny Jackson
Interim Police Chief Ricky Davis

The Invocation was lead by Councilman McLean.

City Manager Kraus stated that Clariant is closing it's $50 million expansion to its Mount Holly Plant. The City stands to lose close to $200,000 in tax revenue. This was given for information only.

Item # 1 on the Agenda – Contract with Priority One on Housing Complex Management

City Manager Kraus stated that Assistants Guffey and Jackson meet with Mike Shadrick, President of Priority One, approximately two weeks ago. At this meeting it was asked of Mr. Shadrick if the Recertifications for Rollins had been done yet. These were supposed to have been completed by the end of April. Mr. Shadrick made a call to his controller and then informed both Mr. Guffey and Mr. Jackson that they have been completed and submitted.

Mr. Guffey called the Government today and they claim they do not have the recertifications and have not been contacted by Priority One. This has resulted in the Housing Authority losing Federal Funding for May, June and possibly July. He also stated that there is a possibility that we may be able to get these funds back after the recertifications have been submitted.

City Manager Kraus stated that because of improper management on the part of Priority One, staff is recommending terminating the contract with a 30 day notice and hiring 3 staff positions to run the housing complexes. These positions can be paid for out of Federal funds and not out of the General Fund.

Councilwoman Hubbard asked if the City could hold the management company liable if we can not get the back funding from the Federal Government. City Attorney Michael stated that we may be able to do that.

Councilwoman Hubbard **MOVED** to start the process to terminate the contract with Priority One and to create three positions to run the Housing Complexes. The motion was seconded by Councilwoman Harris and passed with no objections.

Councilwoman Hubbard **MOVED** for adjournment at 6:45. The motion was seconded by Councilwoman Harris and passed with no objections.

City Clerk

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Mayor