CITY COUNCIL
REGULAR MEETING
June 10, 2002

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 Black. The following were present:

Mayor Robert D. "Bobby" Black
Mayor Pro-Tem Jim Hope
Councilman Michael Helms
Councilwoman Phyllis Harris
Councilman Frank McLean
Councilman Brian Hough
Councilwoman Pat Hubbard

Adm. Services Officer Jamie Guffey
Planning & Zoning Dir. Danny Jackson
City Attorney Kemp Michael
Police Chief Rick Davis
Fire Chief John Ekiatis
Street & Sanitation Dir. Mike Santmire
Water & Sewer Dir. Don Price

INVOCATION

The invocation was led by Rev. Ken Langsdorf.

PLEDGE OF ALLEGIANCE

Troop 59 led the Council and audience in the ceremony of the Pledge of Allegiance.
Rick Connell gave a "thought for the day".

APPROVAL OF THE AGENDA

The agenda was approved with the following changes: Add to Unfinished Business consideration of YMCA Drive, to New Business add consideration of an amendment to Chapter 7 concerning burning permits, and a resolution to be considered by the commissioners on Thursday, and a budget amendment for Trent Wilson, consideration of appointing Donald Lumsben, and move rezoning of W. Charlotte Avenue to number one, upon motion by Councilwoman Harris, seconded by Councilman Hough, with all in favor.

Kemp Michael introduced Jesse Caldwell, IV, a rising senior at Forestview High, observing the council meeting that evening.

PRESENTATIONS

PR#1 Click It or Ticket

Chief Rick Davis presented a report on the Click It or Ticket campaign between May 17 and June 2, 2002 as part of the Governor's Highway Safety Program. They used extra patrols and set up 11 checkpoints. In the last campaign, we cited 162 for not wearing seatbelts, 24 speeding citations, 17 driving with revoked license, 18 driving without license, 2 driving while impaired, 5 misdemeanor drug violations, 54 other traffic violations. Mayor Black thanked them for a good job.

MINUTES
Councilman McLean **MOVED** to approve the minutes of May 7 and 13, 2002, as written, seconded by Councilwoman Harris, with all in favor.

Recognition
City Manager Kraus introduced our new accountant, Donna Lumsben.

PUBLIC HEARINGS
PH#4 To Consider Rezoning 230 W. Charlotte Avenue from R-10 to B-3
Councilman Helms moved to go into public hearing, seconded by Councilwoman Harris, and unanimously carried. Mayor Black recessed the regular meeting and opened the public hearing to consider rezoning 230 W. Charlotte Ave. upon request by Dean Stroupe.

Danny Jackson stated that the new owner of the old post office has requested approval. He has made improvements to the properties he has bought. However, the Planning Commission unanimously recommended denial of this request for a general business zoning. They heard protests from the neighbors. Also, this would be spot zoning which is not illegal but is not recommended.

Dean Stroupe, I have worked on post office building. We want a rezoning so that we can put in storage and office space which is what we intend to use it for. We talked to Danny about doing conditional use but he said we cannot change our request now. We want to improve the business locations in this area. We are trying to work in harmony with the Heart of Mount Holly committee. I understand the concern about open business zoning. I want to clean it up instead of the eyesore that is there now.

Jim Huggins, 237 Cedar Lane. Other than the folks next door, I am most affected; it is directly behind me. I don't have a problem with what he says he will do with it, but my concern is with unrestricted rezoning to business, so then if he goes away, anything could go there, and we do not want it to be just anything. There are a lot of nice homes next to this that will be affected.

Charles Black, 235 Cedar Lane. I have lived here since 1958, and am retired. I am in favor of Mr. Stroupe's intentions, but we do not want it to be a B-3 zone. You can't say I am not for progress; I served on the council and as mayor for many years, and worked for improvements. The list for things allowed on B-3 cover about eight pages, and I wonder if you cannot let him change this to a conditional use. A&E sold this with a clause that it not be sold for other than non-profit, but I found out that was released. This proposal will actually be spot zoning, so I hope you will not do that.

Todd Young, a bank officer for FUNB, a Mount Holly native. I am impressed with the sentiments the audience has shown to Mr. Stroupe personally, but we are concerned because I live at 1107 Hoover Street. We are on the other side of Hwy. 27 from Burlington, and up that highway it seems that anything can go there. There is a car lot where there used to be a house. This is a similar problem. What buffer will be provided? What kind of protection will be given to the neighbors if there are waste products from some of the businesses that B-3 allows?

Wren Benfield, 326 W. Charlotte Ave, lives next door to the building. I heard that one of the businessmen said I said we did not need anymore businesses in Mt. Holly, and that we had too much traffic on that highway, but I did not say either one of those. I have had good neighbors in there since it was built, and we want to keep the neighborhood residential, and so we feel there is a need to be careful what you allow them to do with this building.

Councilman Helms moved to go out of public hearing, seconded by Councilman McLean, and unanimously carried. Mayor Black adjourned the public hearing and resumed the regular meeting.

Mayor Black stated he has had several discussions with the petitioner, the current owner, and a lot of the neighbors. I received a letter today that I want to share with you. The letter asked Councilman Hope to excuse himself from this matter, because he and Mr. Stroupe are friends and in the same business, so that way the vote on this matter will be unquestionable. Mayor Black had contacted the city attorney for his opinion. City Attorney Michael said the statute states conflict of interest is for personal monetary gain. Councilman Hope stated that he has never used his position for personal gain and will not do so tonight, and he was appalled that someone who knows him would make that implication.

Mayor

Councilman Black asked that an answer be given about what buffers would be involved, to which Danny Jackson gave general references to the ordinance.

Councilwoman Hubbard asked what is our policy on spot zoning, since there is no B-3 around this. Danny Jackson said we have not done that in the past, but spot zoning is not illegal. Councilman Michael Helms said we have to take into consideration the structure that is already in existence, and you cannot use that for residential. The property will only get worse if it goes into foreclosure. He agreed that open business zone is permissive. He would like to see Mr. Stroupe pull his request for rezoning and go back to BB&T and resubmit next month on conditional use. If we have to vote on this and he gets denied he would have to wait for six months before he can come back with another plan. He understands the history of the property, but it should never have been R-10 because that building has been there many years. Councilwoman Phyllis Harris agreed that the general business zone is too wide open, and as it stands right now she would have to deny this request, and she thought we need this to be conditional use. Councilman Hough agreed that we should allow him the opportunity to withdraw. Councilman Hope asked what procedure we could allow him to withdraw.

Councilman Hough asked Mr. Stroupe if he would like to withdrawn his request. Mr. Stroupe said he would like to but that he did not have that option.
Motion: Councilwoman Harris **MOVED** to deny rezoning of 230 W. Charlotte Ave., seconded by Councilman Hough.
Vote: five ayes, one nay (Helms). CARRIED.

PH#1 To Consider System Development Charges
Councilwoman Harris moved to go into public hearing, seconded by Councilwoman Hubbard, and unanimously carried. Mayor Black recessed the regular meeting and opened the public hearing to consider adoption of system development charges.

Mr. Rick Judson, builders in Dutchmans Meadow. I respect your objectivity, and believe in your wishes for well-being, and your fiscal responsibility. I have a difficulty with the chart of charges that is inequitable. The buyer is already paying for infrastructure, streets, curbs, trees, sidewalks, water and sewer lines. I am on an executive committee for the Housing Association and just attended a national conference in Washington this past week. The issue we face is not unique; that is the balance of the cost to provide services and what the new owner pays to off set that. Inequitable fees are a short term solution, but in reality a poor answer to the problem. I would ask that what you do is equitable in balancing the cost to the consumer and the cost to the area in loss of development.

Bill Rice, Squires Enterprises. I have been involved with the City of Mt. Holly for several years and as a developer I understand that the need for facilities growth is real, but I ask you look at the broad picture, and consider the revenues that the development will provide. In most cities, existing homes pay more than new homes to tap onto the system. Often the cost of land is based on cost of development. We would ask that fees put in place not be paid until the meters are placed. We would also ask that you phase it in so that the market can absorb the costs. In talking about the "poison pill" the point is that if the end result is to drive away development, an example is in Lincoln County, where a tract was rezoned for a community and the fees were doubled, so the developer scrapped the plan. The tax revenue from the project would have been based on $500 million in value.

Tom Waters, Provident Development Group. I agree with the others, but I would add that even citizens that already live here and just want a new home would be penalized.

Ned Skidmore, Shugart Enterprises. Our major concern is will any programs in progress now be grandfathered? We are in the last phase of our subdivision.

Councilman McLean moved to go out of public hearing, seconded by Councilman Helms, and unanimously carried. Mayor Black adjourned the public hearing and resumed the regular meeting.

City Manager Kraus said the last chart we did assumes grandfathering. Councilman Hough stated that he thinks we need to be updated on some of the changes we have discussed since this all began. Mr. Kraus said that in terms of grandfathering, that is covered in Article 3 of the proposal presented tonight. Mr. Hough wanted to be sure he understood, this would mean those subdivisions now in the works are grandfathered. Yes. Councilman Hope asked, this chart is based on how many units? 3,843 units over a period of 7-10 years. Councilman Hope then asked, if we only have 1500 units, then what? Don Price replied that there would be enough money for enlargement of the facilities, but then again you may not need to enlarge the plants if you only have 1500 units. Mr. Kraus said the proposal calls for the fee to be paid when the meter is set. Councilwoman Hubbard said that if we do not do grandfathering the amount drops. Councilman Hough said if we grandfather, we do not need to phase in. He also said he believes the $3,758 is too high and is not equitable. The phase in was $2,100. We don't need the full amount rebuilding the plants in the first year. Mr. Hough continued that he wants to know what new development will cost us in upgrades, but that does not mean he expects the new developments to pay the whole building costs for upgrading our facilities. Mr. Kraus said that at next month's workshop we are planning to have the hydraulic water system presentation. Councilman Hough said he would rather wait and make an informed decision.

No motion.

PH #2 <u>To Consider Renaming of Mill and Oak Grove Street</u>
Councilman Helms moved to go into public hearing, seconded by Councilwoman Harris, and carried by unanimous vote. Mayor Black recessed the regular meeting and called to order a public hearing to consider renaming Mill and Oak Grove Streets.

There were no comments for or against.

Councilman Hough moved to go out of public hearing, seconded by Councilman Helms, and carried by unanimous vote. . Mayor Black adjourned the public hearing and resumed the regular session.

City Manager Kraus said he received a letter from a resident on Mill Street, and she believed it was American Street all along, and if they make it that the street would be a circle.

<u>Motion</u>: Councilman Harris **MOVED** to change the name of the Mill Street located off of Oak Grove at the main A&E plant to American Street, seconded by Councilman Hough.
<u>Vote</u>: Unanimous. CARRIED.

Motion: Councilwoman Harris **MOVED** to change the name of Oak Grove Street located between Highway 273 (Highland Street) and American Street to A & E Drive, seconded by Councilman Hough.
Vote: unanimous. CARRIED.

The Council took a five minute recess.

PH#3 To Consider the 2002-2003 City Fiscal Budget
Councilman Helms moved to go into public hearing, seconded by Councilwoman Hubbard, and carried unanimously. Mayor Black recessed the regular meeting and called to order a public hearing for the purpose of considering the proposed fiscal budget for 2002-2003. The floor was opened for public comment.

Omar Miller, 144 Deertrack. He stated that he was opposed to the proposed tax increase. Recently he saw that Gaston County is proposing a re-evaluation, and he wondered if the proposal takes that into account. He said there are items that were not done in his neighborhood that were supposed to be, and he does not feel he is getting his money's worth in city services already.

________,122 Antelope Drive. He asked what alternatives have you looked at? We need to draw people to this area. There are 90 homes in our neighborhood and there are 8-10 for sale all the time. You are driving people away. There are people who have couches on their front porch on the way to my neighborhood; you need to do something about that.

Brian Clouse, 140 Antelope Drive. How can you justify raising taxes 23 percent when people are being laid off and factories have been closed? I know that Gov. Easley has withheld money, but there should be other ways to raise revenues.

Neal Luther, 107 Nantz. It is ironic that a couple of minutes ago that developers did not want to pay development fees, and we are looking at a tax increase that will pay for that progress. Since I moved here our water and sewer has been raised, the garbage pickup has changed and increased.

As there were no further comments, Councilwoman Harris moved to go out of public hearing, seconded by Councilwoman Hubbard, and carried unanimously. Mayor Black adjourned the public hearing and resumed the regular meeting.

Jamie Guffey said that he needed to add one thing; we spoke about collecting taxes ourselves. Councilman Hough stated that the Council has been going through a budget process for two months, and all the meetings are public and any citizens are welcome to attend; we have looked at all possible revenues and made all the cuts that can be made. He asked why do we want to hire someone? Mr. Guffey said that the county has done this for free because they were satisfied with just getting the earned interest off the money before it was handed over to us, but now they are going to charge starting this July 1st. When the comparison of cost was made, he found that it would be cheaper for us to hire someone. City Manager Kraus stated that another reason is that when we collected our taxes we had 98% collection rate, when the county does it, they averaged 94%.

Mayor Black noted for the record that the re-evaluation by the county will not be effective until July 1, 2003, so that will affect next years budget process, and does not help us any this year. Mr. Kraus stated that all cities, including us, will have to adjust tax rates accordingly.

Mr. Guffey said that the governor has withheld manufacturing inventory and utility payments and $245, 000 in franchise tax, sales tax payments have been reduced, and we are only earning 2% on our deposited funds. From his statements, we would not receive $800,000.00. One cent on our real property tax base is only $47,000. Councilman Hough translated that amounts to 19 cents tax increase, but we cut the budget drastically in many areas to get it down to what it is. Also, we had a 20% increase in insurance costs. Mr. Kraus pointed out that we reduced our operating costs by laying off personnel and cutting back other items. Mayor Black asked if we use money from our fund balance, how much would be used? If Council uses the 10 cents increase, it will be over $500,000, and 5 cents will be over $800,000. Councilwoman Hubbard, to answer the man who complained about items in Deertrack; one of the services we provide is code enforcement and repairs and maintenance to the infrastructure. We look first at fire and police protection, and the rest of the items are expendable in a budget crisis. We are at the bottom of the food chain and we have no one else to get money from like the state and county do. Mr. Kraus said he did not recall what happened about the street light there exactly, but he believed it had to do with a developer issue on that property.

Mr. Kraus said he got an e-mail from the county manager that said this Thursday there is a meeting about a sales tax increase to take effect August 1st, to replace the tax that the state has withheld. The plan was for the state to phase it and it would go to local governments next year, so this would only be moving that up for one year. It does not apply to food. We did not have anything from this revenue in our budget. Mayor Black asked if this passes, how much would we get? Mr. Guffey said approximately $340,000, depending on the economy since it is a sales tax. Mayor Black asked how many cents on our tax rate that would be? Seven cents.

Councilwoman Hubbard said she would prefer to delay action to the end of the month to see if that additional sales tax gets approved or not. Everyone agreed. Mr. Kraus said the county is planning to adopt this ahead of time so that if the state approves it, it would already be in place. You can only set property tax once a year. A special meeting was set by concurrence of Council for Thursday, June 27th at 6:30 PM. Mr. Guffey also said that he has copies of the budget available for any citizen who would like to see them.

PH#5 To Consider Rezoning a .44 acre Lot off Catawba Avenue from R-12 to B-3

Councilman Helms moved to go into public hearing, seconded by Councilman McLean, and unanimously carried. Mayor Black recessed the regular meeting and called to order the public hearing for consideration of a rezoning request by George Caldwell.

The Planning Committee voted unanimously to recommend rezoning the lot. Mr. Caldwell stated that the property in question is next to business property. No other comments.

Councilwoman Harris moved to go out of public hearing, seconded by Councilwoman Hubbard, and unanimously carried. Mayor Black adjourned the public hearing and resumed the regular meeting.

Motion: Councilwoman Hubbard **MOVED** to rezone the .44 acre lot off Catawba Avenue adjoining the MAC-FAB shop from R-12 to B-3, seconded by Councilwoman Harris.
Vote: Unanimous. CARRIED.

UNFINISHED BUSINESS

UFB#1 To Consider Acceptance of Charitable Gift by Sam Williams

City Manager Kraus said Council tabled action to go look at the property. He does not want to pay property tax on it anymore, and donated his other property that was useful to Habitat. Councilman Hope said if we do not have any use for it, we should leave it alone because then we have to maintain it. Councilman Hough agreed. Council concurred to have Mr. Kraus decline the offer.

UFB#2 To Consider Contract to Correct Emergency Light Installation

Mr. Mike Santmire informed Council that DOT says the emergency signals at the fire department are incorrectly installed. The signals and poles must be moved and/or corrected. The contractor installed per the engineer, but has agreed to correct the one pole at no charge, and move the other one at a cost of $2,002. Councilwoman Harris asked why did we not get the overhead lights; DOT would not allow it. Mr. Kraus and Mr. Santmire recommend option two which is to have Bryant Electric install two steel poles for $3,000. Councilman Hope said we paid an architect almost $100,000 so that this would be done right, including this matter. He felt this should be on the architect, not us. Mr. Kraus said there is one facet that might make this our responsibility. DOT does allow wooden poles; if we want metal poles we may have to pay for that difference. Mr. Hope, where is the power going to run; off our building? Councilman Hough, what can we do contractually about this? City Attorney Michael said we are holding money from both the architect and contractor, but where the blame lies he did not know. He further said some of the fault is on the installer like the conduit and the orientation of the pole, and the breakaway. He asked, did he do what the specs require? Mike Santmire said no, because he did not have the DOT specs. Mr. Michael asked if the architect gave him the specs? Mr. Kraus said the sheet said "by DOT specs". Mr. Santmire said he would like to see the metal poles. Councilman Hough was also in favor of steel poles, and to have Pierce Electric do what they will do for free, but if Pierce won't do the metal pole, then get Bryant to do both poles. All of Council concurred. Then Mr. Kraus suggested he could get Bryant to do both poles, and get the contractor to give a credit for the error. Council concurred that they wanted metal poles and we should get a credit on our contract for the error made.

UFB#3 YMCA Drive

Mr. Don Price reported that they have the wall up and are diverting traffic on YMCA Drive. We had the backfill tested, and their fees have come up to $48,000. I need direction from Council if you want them to continue or not, as well as warranty issues. I have requested a fence and a guardrail. Mr. Price, on the wall construction on the first four courses, it was not done to plan; however, it is stable, but they did not do it to plan. I have not gotten the weekly reports I requested so I had to get SME to do that. Mr. Kraus said we are holding to the position that a guardrail is needed. Mr. Price said none of the engineers are willing to certify to me that there is no liability for the road being so close to the 35 foot drop off without a guardrail. Mayor Black remembered that Eddie Nichols wanted a guardrail on the plans, and the YMCA agreed to do it. Kemp Michael also remembered that. Councilman Hough did too. Mr. Price had requested DOT specs for guardrails. Councilwoman Hubbard asked how much of the money is left; about $200,000. Mr. Hough said we need to make it clear that they must do the guardrail. Council agreed to continue to have it inspected using the escrowed funds. Mr. Price asked how much Council wants for the warranty period; usually it is 15% of the cost of the project.

Motion: Councilwoman Hubbard **MOVED** moved that we hold their money for a year after they finish unless they post a letter of credit for the normal 15%, seconded by Councilman McLean. Mr. Price said Council also has the option of not accepting the road, or having them go to DOT.
Vote: Unanimous. CARRIED.
Motion: Councilwoman Hubbard **MOVED** to inform the YMCA that a guardrail and fence will be required to be installed on the north side, and they must provide as built drawings, seconded by Councilman Hough.
Vote: unanimous. CARRIED.

NEW BUSINESS

NB#1 To Consider Adoption of the 2002-2003 Budget,
NB#2 To Consider Awarding Bid for a Garbage Truck, and
NB#3 To Consider Awarding Bids for Police Records Management System and CAD System

Tabled until meeting on June 27th upon motion to table by Councilwoman Harris, seconded by Councilwoman Hubbard, and carried unanimously.

NB#3
Police Chief Davis said that the software is to be installed with the new communications center, and if this is tabled it will throw off the scheduled installation on June 14th. Mr. Kraus said they are going to install something on the 14th, otherwise we have to pay them to come back later to install the new software. Mr. Guffey said the bill for this will not be invoiced until after July 1st. It is 75% covered by E-911 funds and is in the budget. There is one part of the plan that is not eligible for 911 funds, and we do not have that in the new budget. That is not going to be done this year; a vehicle locator.
Motion: Councilman Hough **MOVED** to put NB#3 back on the agenda, and to award the bid to Southern Software, seconded by Councilwoman Hubbard.
Vote: unanimous. CARRIED.

NB#4 Fire Prevention Code
Ryan Baker presented an amended Section 7 for the fire prevention code. He had been approached by an individual to burn three houses at 120, 122, and 124 Tuckaseege Road before August. Our code does not allow burning in July. This change would exempt the fire department for the purpose of training upon obtaining state permits.

Motion: Councilwoman Hubbard **MOVED** to approve the amended Section 7 as presented, seconded by Councilwoman Harris.
Vote: All in favor. CARRIED.

NB#5 Support for Local Sales Tax.
Council unanimously concurred that they support the local sales tax and asked the City Manager to go to the meeting on Thursday to convey our support.

CONSENT AGENDA
Councilman Hough **MOVED** to accept and approve all 2 items on the consent agenda, seconded by Councilwoman Harris; and unanimously carried. They are:
CA#1. To Consider Approval of Year End Supplemental Appropriations. (copy attached)
CA#2. To Call for a Public Hearing for Permit to Fill in the Flood Plain. Set for next regular meeting.

PUBLIC COMMENT
Mayor Black opened the floor for public comment. There were none.

ROUND TABLE

City Manager Kraus reminded Council that the next day was the Town Hall meeting in Raleigh. Councilwoman Hubbard, Councilwoman Harris, City Manager Kraus, and Mayor Black are going.

Councilwoman Hubbard said that originally Oak Grove was a Drive, but the signs say Street, and they want it fixed to say Drive.

Councilman Hope said that today they had a meeting at fire department, and things are getting ugly, so we need to let staff deal with the rest of this on the amount to retain and what to pay. Kemp Michael said we are waiting on certain documents before we can close out. He also said we have some concerns about the roof warranty. Mr. Kraus said there is still water dripping down the bathroom wall.

Councilman Hope asked if we released funds on Tailrace Park. Mr. Kraus said we paid Alton Stewart, without the paving part. The first part of the trail was unsuitable, and we had to put in fabric and stone on it. We accepted it for the purpose of a trail. Luanne Foster (grant funds supervisor) will be here Thursday at 2:00 PM, to look at the trail.

Councilman McLean said we need a light bulb overhead in the Council room. He asked the Council to remember Mr. Cupps, and John Calder, and Mr. ___ in their prayers. Mr. Kraus also reported that June's son is doing better.

Mayor Black thanked Councilman Hope for presiding in his absence last week.

Mayor Black thanked council and staff for working with him on the serious matters we had to deal with this week.

CLOSED SESSION

Councilman Harris moved to go into closed session for the purpose of discussing real property acquisition, seconded by Councilwoman Hubbard, with all in favor.

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

Mayor Black noted that Dr. Beatty is here and has some comments on the Heart of Mount Holly committee, and the survey we approved in January. The thought was that Judi Simac was going to canvass the owners and present it to the committee in March, and it is not done yet. She has prepared a survey to be sent in the mail for response by June 15 with a meeting on June 19, and a format similar for tenants in July. Dr. Beatty said the inventory is important to get information about the property, but it is also a good opportunity to give them information about what we are hoping to do. So far, he doesn't think there has been any direct person-to-person contact, and the process has been drawn out longer than intended. The meeting was supposed to be a meeting with the property owners and tenants and those interested in opening businesses. Councilwoman Harris asked if have a contract with her that includes due dates in it? Councilman Hough said the survey was intended for council to use for our budget process. Councilwoman Harris said she should have been notified in March that she was behind. She felt we need to bring Judi in here to get her response, and why this was not ready for budget review. Mr. Hough said the one on one contact was crucial to the plan. Mr. Kraus will pull out the contract and put a copy in council's packet. Dr. Beatty also reported that the survey was supposed to be on city stationery and was not, and he wonders if it will be taken with the same seriousness. We need the inventory to be done directly, and if the committee needs to do that, he can try to get volunteers to do that.

ADJOURN

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

10:25 PM

Clerk

Robert D. Black

Mayor

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cpm