

**MINUTES
CITY COUNCIL
BUDGET WORK SESSION
MAY 22, 2006**

The Mount Holly City Council met on May 22, 2006 at City Hall, at 6:30P.M. Those present were Mayor Robert Whitt, Mayor Pro-Tem Phyllis Harris, Councilman Frank McLean, Councilman Jim Hope and Councilwoman Pat Hubbard. Councilman Jerry Bishop and Councilman David Moore were absent. Also present were David Kraus, City Manager, Jamie Guffey, Assistant City Manager and Danny Jackson, Assistant City Manager.

The Mayor called the meeting to order. The purpose of the meeting was to continue discussion of the 2006-2007 Budget.

The Mayor wanted to know how the 10K drug bust money could be used. Mr. Kraus said that it could be used for anything except salaries. Mr. Guffey said that if the police wanted to use more they would have to get approval from the City Council. Mr. Guffey stated that as a part of the adopted budget the Council could have 10k of the drug money transferred for buys.

The Mayor said that he thought having 6 detectives was a pretty high amount for the city. Mr. Kraus said that Officer Roos recently transferred to the Detectives Department. Mr. Kraus said that him doing so helped to reduce the amount of rank in the police department, by him going from a lieutenant to a detective. Mr. Kraus said that the detectives have different responsibilities and that the main objective is to solve cases.

Councilman Hope stated that the police department needed to be restructured from the top to the bottom. Mr. Kraus said that restructuring had already taken place. Councilman Hope said that the city needs to look at the ratio of number of officers based upon the population of the City of Mount Holly. He said that the Belmont Police has more employees than Mount Holly.

Mr. Kraus wanted to know if the City Council wanted to reduce the number of detectives. The Mayor said that he would like to see a reduction but could not speak for the rest of the Council. Councilman Hope said that it may look like too many detectives on the surface but we would have to rely on the City Manager to justify the number of detectives. Mr. Kraus said that he would obtain the case load information on the detectives and submit it to the City Council at a later date.

The City Council discussed future ambulance service by the city, special events, overtime in the streets and sanitation department, uniforms and land phones versus cell phones in the streets and sanitation department.

The Mayor asked about the Contracted Services budgeted line item and wanted to know if the amount was correct. Mr. Kraus, said that the amount was not correct because it was

too low. He said that the Aaron Suttentfield grass cutting bid came in higher than anticipated. Mr. Kraus said that he just received the bid from Mr. Suttentfield on Friday. Mr. Kraus said that 3 contractors submitted bids for mowing. He said that since the contractor has been selected, a contract between them and the city needs to be drafted and brought to the City Council for approval. Mr. Guffey stated that since the contractor's cost has increased, the city will have to negotiate for a lower price.

The Council discussed Christmas Trees, use of existing decorations on the new poles in the downtown and the possibility of purchasing new banners and lights for the downtown. The Council also discussed splitting the grass cutting and streetscape maintenance.

The City Council discussed the fuel line item and whether or not all departments would meet their targets for fuel. Mr. Guffey said that all departments were on target for fuel costs. Mr. Kraus said that he would institute a "no idling" policy to save fuel.

In the Parks Budget, the City Council discussed money devoted to contracted services (5k). Mr. Kraus said that some of the money went toward grant writing by W.K. Dickson. Mr. Kraus said that 200K was budgeted for the Tuckasee Park Expansion. He said that 500K would come from the PARTF Grant and 800K would be funded by the City of Mount Holly. The Mayor wanted to know if there were any other ways to fund the project. Mr. Kraus said that the city could borrow the money from a bank.

Mr. Kraus said that of the 200K budgeted for the park, 130K would come from Fund Balance and 70K would come from the penny on the tax rate as requested by Councilman Moore. Councilman Hope stated that he had the impression that the city would not use any Fund Balance in the budget. The Council decided to wait until Councilman Moore was present at the next meeting, to get his opinion about the penny for recreation.

Mr. Kraus reminded the council that the grant was based upon reimbursement. He said that the city would have to submit invoices to the state in order to receive money back, up to 500K, the amount of the grant. The Council then discussed the possibility of increasing the tax rate enough to not use Fund Balance towards the park expansion.

The Council talked about supplies in Recreation, contracted services (umpires and referees), community relations, special events and upgrading the existing PA system. Mr. Kraus said that the current PA system was widely used and that we needed to improve it.

The City Council discussed Storm Water. The Mayor wanted to know if the 22K budgeted for engineering fees was enough. Mr. Kraus indicated that it was. Mr. Kraus said that the fees paid for storm water would go into that Storm Water Department. Mr. Kraus also said that the city would look into changing its current fee structure. He said that the nonresidential customers are not paying their share of the fees. He said that the Storm Water Committee is looking into the fee structure as well.

The Council discussed 911 funds, wireless and wire land service and service calls by the city's public safety departments. The Council talked about tax collections and the fact that the city can't set assessed value. The City Manager said that the city has to wait for the County to give us tax information before the city can release bills to the citizens.

The Council discussed increased vehicle revenue, cable television tax and the payments in lieu of taxes paid by the Duke Power Steam Plant. They talked about special events supervised by Mayor Pro-Tem Harris. She said that the events will depend upon how many the city wants to have. She said that she was planning events for the streetscape opening, Veteran's Day and a possible Live after 5 in the downtown. The Mayor said that the city spent 3 million dollars on the streetscape, therefore, he doesn't have a problem with budgeting 10K on special events. He said that all events should be in the same budget and the amount changed to 13.5K. The Council reduced the beautification budget from 5K to 3K. The discussed the newsletter, postage and the election expense increasing.

The Council discussed the travel budget for city council members. Councilwoman Harris stated that she has attended conferences held by the National League of Cities since 1997. She said it shouldn't matter that this year's conference is being held in Reno, Nevada. She said that the conferences are very beneficial and that she learns a lot. Councilman Hope said that it is public record that money is put in the budget for travel expenses. The Mayor said that if he decides to go to Reno, he will pay his own expenses.

Councilman Hope stated that when conferences involve political topics, all council members should be there. He said that people in the street should not say that they are not a part of the decision making process for travel expenses. Councilman McLean said that the council should go to the conferences. He said that they were elected to do so. Councilwoman Hubbard said that she had a problem with the trip. She said that on previous conferences, she did not get enough out of it. She said that politicians are sometimes accused of going on trips needlessly.

Mr. Kraus said that the council budget had 15K for banners and Christmas lights. The Mayor wanted Mr. Kraus to add \$1000.00 for the retreat so that they could stay another night. The council discussed the possibility of cutting the IT position and contracting out the services. They discussed employee benefits, especially the medical insurance. The council talked about training for the Human Resources Officer, to reduce the need for services provided by a consultant. The council also discussed financing for the new City Hall. Councilwoman Hubbard made a motion to take 75,000 dollars out of contingency and 20,000 out of Fund Balance to pay for the demolition at the New City Hall site. Councilman McLean seconded the motion. The vote was unanimous.

The council discussed the evaluation of the City Manager, to be done in June, a request for a street name change to YMCA Drive, a proclamation request for Clint Reep, a former employee, the grandfathering issue with the system development charges and the need to go into Executive Session for reason of personnel. The meeting adjourned at 9:20P.M.