

**MINUTES
CITY COUNCIL
BUDGET WORK SESSION
MAY 18, 2006**

The Mount Holly City Council met on May 18, 2006 at City Hall at 6:30P.M. Those present were Mayor Robert Whitt, Councilman Jim Hope, Councilman Jerry Bishop, Councilwoman Pat Hubbard, Mayor Pro-Tem Phyllis Harris and Councilman David Moore. 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 Mayor informed the council that he received a letter from the Community Development Foundation regarding naming rights. He then asked the City Manager to further explain the letter. Mr. Kraus stated that the naming rights involved a possible fountain constructed at the New City Hall Complex. He said that local bank Citizen South was proposing to make a contribution towards the cost of the fountain and wanted the naming rights to the structure. Mr. Kraus also stated that the Foundation wanted the authority to allow Citizen South to obtain the naming rights.

Councilwoman Harris stated that she had already talked to the Mayor about the matter. She said that the city should not give up anything that it can get money for. She said that the city could get money from others for naming rights and save money for the tax payers. Councilman Hope stated that the City Attorney may have to check into the legalities of the matter.

Councilman Moore stated that the city may need to look into possible naming rights at Tuckasee Park. Councilwoman Harris stated that it looked like everything was named after someone at Dan Nicholas Park in Salisbury. The Mayor stated that Mr. Kraus should inform the Foundation that the City Council will look at their submitted proposal.

The Mayor stated that he received a letter from Kemp Michael, City Attorney, regarding his recent medical situation. The Mayor said that Mr. Michael had received a positive doctor's report.

Mr. Kraus stated that he met with CSX and NCDOT on Tuesday. He said that CSX does not like the new streetscape fence. Mr. Kraus stated that he didn't exactly understand their current stance on the issue because they were sent documentation of the project. Mr. Kraus stated that CSX is fearful of a pedestrian panic if something were to happen, since the fence is located adjacent to railroad tracks. Mr. Kraus said that CSX did not have a problem with fence that is on the side of NC 27.

Mr. Kraus said that the numerous CSX crossings in the downtown area have been the object of concern. Mr. Kraus told the Council that CSX is proposing to build the Linear Park if the city would close the crossings at Lee Street and across from the former Mt. Holly Family Restaurant. He said that CSX is proposing to build a pedestrian overpass if the city will close the First Street crossing.

Mr. Kraus said that CSX would build a new road to American Street to accommodate truck traffic, as a result of the closed crossings. Councilwoman Harris stated that CSX has not offered anything in the past for closing the crossings. She said that the city has 5 of the 7 most dangerous crossings in the State. She said that the city should be willing to think about the proposal by CSX.

Mr. Kraus stated that the city needs the cooperation of CSX to do the Linear Park. The Mayor wanted to know if there were railroad signal arms at First Street. Mr. Kraus indicated that there were signal arms there and that they cost \$6,000.00 to maintain.

Mr. Kraus informed the council that he has received resumes for the position of Utilities Director. Councilman Hope said the review board for selection of the candidate should be made of people in the field of utilities, not city staff or others from a non related field.

The Mayor started the budget work session with the police department being reviewed first. Councilman Bishop asked Mr. Kraus about advertising for a new Police Chief. Mr. Kraus stated that he would do it right away, although he has already received some resumes.

The Mayor indicated that he didn't see why there was not more of a savings of \$75,000 in salaries if there were 5 positions being cut in the police department. Mr Kraus stated that the existing personnel are getting a 5% raise.

Councilwoman Hubbard wanted to know about an issue in the police department, regarding employees not receiving raises. Mr. Kraus stated that apparently the Chief did not give raises to his employees at a particular time. Mr. Guffey stated that it was during the 02/03 budget year when raises were frozen. Mr. Guffey said that out of 20 people some got 5% and some got 2.5%. Mr. Kraus said that none of the employees filed a grievance for back pay. The Mayor instructed Mr. Kraus to put all of the necessary information on the submitted budget sheets.

The Mayor wanted to know if the cost for uniforms is always from \$35,000 to \$60,000 a year. Mr. Kraus stated that it is due to the wear and tear and have to be replaced. Councilman Bishop stated that although money is set aside in that line item, it does not have to be spent. He said that it is a safeguard in case it is needed. The Mayor wanted to know if it is up to the Chief to spend the money. Mr. Kraus said that it was not quite up to him. Councilman Bishop said that the Chief would have to submit a requisition to the City Manager for approval to spend the money.

Councilwoman Hubbard wanted to know if \$35,000 would be enough for the uniforms. The Mayor wanted to know what would happen if \$35,000 were budgeted for uniforms and \$45,000 was needed for purchase. Councilman Bishop stated that a budget amendment would have to be approved by the City Council. Mr. Kraus stated that the law allows for line item changes. He said that the auditor can move money around in the budget too.

Councilman Hope asked about the FF&E line item. He said that he notice on the budget sheet that last year it showed 0 in the amount, this year \$44,000 was requested by the department but will receive \$34,000. Mr. Kraus stated that last year all of those materials were in the supplies line item. He said that this year the furniture, fixtures and equipment (FF&E) were separated from the other supplies. Mr. Kraus said that he cut certain items from the line item to reduce the amount from 44K to 34K.

Councilman Hope said that he wanted to make sure the fuel line item has enough money to cover the rising cost of fuel. Mr. Kraus stated that he has accounted for the cost of fuel.

Councilman Hope wanted to know if Gaston County Police have K-9 dogs and whether or not the city needs to have dogs. Mr. Kraus stated that the city has 3 dogs that are used all of the time by the police. He said that the dogs are not a critical function of the department. Councilwoman Harris wanted to know if the city owns the dogs. Mr. Kraus said that the city only owns one of the dogs. The Mayor said that the city could consider removing the dogs, cut 1 police position and use the 2 remaining officers on patrol.

Mr. Kraus said that the weakness in the police budget is cutting out the cameras for vehicles. He said that the cameras need to be replaced. The Mayor wanted to know if the drug forfeiture money could be placed in the police budget. He asked the City Manager to submit the information in the budget. Mr. Guffey stated that the WI-FI Network was purchased with drug money. Councilman Bishop stated that there are certain restrictions on how the drug money can be used. The Council decided to leave the police dogs in the budget. They asked for overtime information for the next meeting

The Mayor wanted to know about the use of Jennifer Davis as a part of Professional Services. Mr. Kraus said that she conducts employee training in such areas as sexual harassment, race relations, human resources training, etc. The Mayor stated that in his opinion that kind of service should be provided by the city's Human Resources Officer. He said that Jennifer Davis should not be used for those services. Councilman Bishop told Mr. Kraus to check with Gaston College because they may be able to do the training for free.

The Mayor asked about line item #395 (Travel & Training). He wanted to know if the training for the officers was mandated. Mr. Kraus said that some of the training is mandated. Councilman Bishop stated that Federal law Enforcement Training used to be available via the internet. He said it was expensive and had to be cut out of the budget, plus it was not relative enough to NC.

Councilman Bishop asked about the telephone line item, he said that the amount went from 20K last year to 15K this year. Mr. Kraus stated that the officers carry radios instead of telephones. He said that he is cutting back telephones citywide and will change service. Mr. Kraus said that the 15K involves more than telephones, it's for land lines, internet and T-1 lines.

The Council then discussed Community Service (Crime Dog, Kids Christmas, etc.), drug money usage, capital outlay, police debt, vehicle cameras and the percentage of the overall budget, which was 31.72% vs. 34% last year.

The next item for discussion was the Fire Department. Mr. Hope said that the fire department's budget was well done. The Mayor stated that he wanted Mr. Kraus to instruct the Department Heads that it was improper for them to lobby the City Council. The Mayor asked about line item #351 (Maintenance & Grounds). Mr. Kraus said that the department didn't list any projects, which lead to him cutting out the budget request. The Mayor asked about Contracted Services (#199). Mr. Kraus said that the fire department is not on the same system as the rest of the city. He said that they are not on the CTC T-1 line and have road runner cable service for email.

Mr. Bishop said that the service fee is for 2 stations instead of 1. The Mayor said that the service is real good for 2 places. The Mayor asked about the Dues & Subscriptions. Mr. Kraus said that it involved providing membership for the volunteer fire fighters, into certain associations. Mr. Bishop stated that the cost for them was a small price for the city to pay considering what they do. The Mayor asked about Capital Outlay Summary. Mr. Kraus stated that it was a request for what they want to buy. Mr. Kraus said that the department does not need to budget for swift water rescue.

The Mayor asked the City Manager about the EMS service. Mr. Kraus stated that the Fire Chief would have to present the matter to the City Council because he can explain it a lot better. Mr. Kraus said that it would cost 35K to run the ambulance service. The City Council then discussed the pros and cons of providing ambulance service. Mr. Guffey stated that 2 out of the 3 ambulances that the city has belongs to Gaston County. The Mayor asked Mr. Kraus about continuing to provide ambulance service. Mr. Kraus said that the matter needs to be looked at very seriously. He said that he would rather the city not go outside of the city limits to provide ambulance service.

Mr. Kraus stated that the city has not replaced any ambulances in 3 years. He said that the city needs to consider pushing the County Commissioners about a life saving tax. The Mayor asked about the percentage for the fire department budget. Mr. Guffey said that it was 18.15% of the overall budget.

The Mayor stated that the city needs to consider providing first responder service and cutting the ambulance service. There are 86 employees in the fire department, 15 are paid and 71 are volunteers. Mr. Bishop asked about the \$2,000 for debt payments. Mr. Guffey said that the debt was due to the city's prorated share for annexations of property that was in other fire departments territory. He said that the other departments were East Gaston, Lucia and Riverbend. The Mayor said the Town of Huntersville has all volunteers for their fire department.

The Mayor again said that the city needs to look continuing to provide ambulance service. Mr. Moore stated that redrawing the jurisdiction lines might be needed too.

Mr. Hope said that the city needs to look at the possibility of not providing the service after the next 12 months. He said that the citizens pay county taxes for a reason. Mr. Kraus stated that the city is only required to provide building inspections by law. Mr. Moore said that the Catawba Heights Station is severely under staffed. He said that the city needs to look into putting some of the volunteers at that station.

The next item for discussion was the Garage. The Mayor said that he saw where the assistant mechanic's position was cut from the garage budget. The Mayor said that having a land telephone, a cell phone and computer was a lot for one person. Mr. Kraus said that the computer is used to order parts and repair manuals. The Mayor said that he couldn't see the justification for all of those amenities for one person. The City Council finished their discussion by talking about uniforms, DSL cable and parts in the garage.

The City Council decided to meet again on Monday, May 22, 2006 at 6:30P.M. The meeting was adjourned at 9:10P.M., upon a motion and second by council members Hubbard and Moore, respectively.