

**CITY COUNCIL
REGULAR MEETING
May 12, 2003**

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 McLéan

Councilman Bryan Hough

Councilwoman Pat Hubbard

Adm. Services Officer Jamie Guffey

Water & Sewer Dir. Don Price

Planning & Zoning Dir. Danny Jackson

City Attorney Kemp Michael

Interim Police Chief Rick Davis

Fire Chief John Ekiatis

Street & Sanitation Dir. Mike Santmire

INVOCATION

The invocation was led by Rev. Jerry Stanfield.

PLEDGE OF ALLEGIANCE

Troop 59 led the Council and audience in the ceremony of the Pledge of Allegiance.

APPROVAL OF THE AGENDA

The agenda was approved with addition of Presentation #2 Chamber of Commerce, upon motion by Councilwoman Harris, seconded by Councilman Hough, with all in favor.

CONSENT AGENDA

Councilman Helms **MOVED** to approve the Consent Agenda, with one item, seconded by Councilwoman Harris, and unanimously carried.

CA#1. Approval of Minutes of April 14, 2003. As written.

PRESENTATIONS

PR#1 Proclamation for Retirement of Clem McMillan

Mr. McMillan was not present, so this matter was tabled.

PR#2 Chamber of Commerce

Mr. Stanley appeared before Council representing the Gaston County Chamber of Commerce. He stated that since 1903 the Gaston Chamber of Commerce has been a voice of business in Gaston County. He wanted to take this opportunity to bring the Council up to date on what it has going on. Paul Harry, who accompanied Mr. Stanley, will discuss with their municipal agenda. The Chamber has a proposal for a 1% prepared food tax they are requesting through the Commissioners that would be used for construction of a civic center in Gastonia. The Chamber has told the County and the City of Gastonia that we

would like to take this project on to sponsor. A resolution was presented to Council for your support. This project is in the process of a feasibility study. The prepared food tax proposal would require that wherever the money is collected, that tax money would remain in that city. Gastonia has earmarked its choice for use of its share as the civic center project. You may choose your waterfront project. Dallas may choose its equestrian center. We have requested a referendum in November of 2004 be allowed. Councilwoman Hubbard asked where the county's share would go. Mr. Stanley said it has not been decided yet, but the Chamber is going to ask them to choose the civic center as well. Mr. Paul Harry spoke next, and stated that he has lived in this county for about 40 years. He is an individual member in Belmont. His interest is related to the changes we have all seen in growth in our area, and he would like to promote better communication between the cities and the entire county. The Chamber is looking for feedback for the items on its agenda. They have also talked with other cities, and they have spoken with the marketing section of the EDC and are trying to encourage those moving into this area with the new Billy Graham facility to move into Belmont or Mount Holly. Also, the Chamber wants to know How it can assist the City with its downtown improvements? Third, the Chamber supports tax increment financing for redevelopment of downtowns. Mr. Stanley said 48 states have this and this takes a legislative change at the state level that the Chamber is promoting. The Chamber also supports consolidation of municipal utilities wherever possible in such a way that we attract industry. Another item on their agenda is support for effective spending of tax dollars and maintaining current tax levels. They encourage cities to promote local business. Councilman Hough said he has been to some of the meetings, and Mt. Holly would like to have a better relationship with the EDC. Mr. Hough said the City has tried to meet with Donnie Hicks on a few occasions and that has not taken place. Mr. Stanley said the merger has created the EDD and now we have two seats on the EDC and I will let Mr. Morgan know your request.

PUBLIC HEARINGS

PH#1 To Consider Public Hearing to Close a Portion of Piedmont Avenue

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 a request by Mr. Phil Harris to close a portion of Piedmont Avenue.

Danny Jackson said that all adjoining property owners have been notified. There were no comments for or against from the audience. 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.

Motion: Councilman Hope **MOVED** to approve Res. 05-12-03A, Street Closing Order, to close a portion of Piedmont Avenue, seconded by Councilman McLean.

Discussion: Kemp, if any utility lines need to reserve right of way for that. Don Price said he is not aware of any.

Vote: unanimous. CARRIED.

PH#2 To Consider Amendments to Water Supply Plan

Councilwoman Harris moved to go into public hearing, seconded by Councilman Helms, and unanimously carried. Mayor Black recessed the regular meeting and opened the public hearing to consider amending our Water Supply Plan.

Director of Public Works Don Price said that the city's adopted drought management plan was submitted to Duke Power Company and we attended meetings with State water management. Duke Energy recommends we add another level to the plan, they want to base it on the hydraulic rate of the entire Catawba River Basin system instead of just on Mountain Island Lake. The state folks want us to have procedures in place if we have a major main break and a huge loss of water from one event. He has not heard back from Duke about that, but we put in this amendment what they have asked. There were no comments for or against.

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

Councilman Hough asked if the Council should vote on this amendment now or wait for Duke Power to comment. Mr. Price said he has added everything they asked. Mr. Price stated that this plan is part of the FERC application package.

Motion: Councilman Hough **MOVED** to approve amendments to Drought Management and Water System Shortage Plan as presented, seconded by Councilman Hope.

Vote: unanimous. CARRIED.

UNFINISHED BUSINESS

UFB#1 To Consider False Alarm Fees

City Manager Kraus stated that at the Council retreat false alarm fees were suggested, and staff has investigated this matter. Police Chief Davis, Danny Jackson and the City Manager looked at ordinances from other cities related to this matter. Staff feels if this is passed, the City will have a large reduction in calls. Chief Davis said that about 98% of alarm calls are false alarms. They get hundreds a year. This would save the police department money. The department will have a contact person for accountability. It will cause the installation companies to be more efficient. Councilwoman Hubbard asked if this will cause a paper nightmare for the police department. Chief Davis said they have a software program that needs to be put in our system to do this. Staff feels the best way to notify the public is to put a note on the water bills, and on

the city web site, and maybe in a newsletter. They plan to have a phase in period of time for warnings. There will be a permit application required of the homeowner. Councilwoman Hubbard asked if there are a lot of companies that provide alarm systems. Chief Davis said there are many. Councilman Hope said there are not many monitoring companies because of the liability involved. Councilman Hough asked, how will this be collected? City Manager Kraus said he believes it would be handled as a code enforcement violation through Ryan Baker. Mayor Black asked, what is a reasonable time to make this effective? Mr. Kraus said if we rush getting out notices it could be June. Councilman Hope said he felt the City should put a door hanger on the first false alarm explaining the new ordinance, and not send out a letter to everyone. Chief Davis said we need Security Alarm Permit Applications to be filled out. The Council discussed how to give notice, and decided to put it on the city web site and the water bills.

Motion: Councilman Hough **MOVED** to approve adopting a new ordinance as presented to require security alarm permits and false alarm fees, effective June 1, 2003, identified as Res.05-12-03B, seconded by Councilwoman Harris.

Vote: unanimous. CARRIED.

UFB#2 To Consider Adopting Gaston County Soil Erosion and Sedimentation Control Ordinance

City Manager Kraus stated that the Council had decided to use the county ordinance on this matter.

Motion: Councilwoman Hubbard **MOVED** to adopt the county ordinance as our ordinance, identified as Res. 05-12-03C, and the interlocal agreement using QNRC for enforcement, with no expense to the city, seconded by Councilman Hough.

Vote: Unanimous. CARRIED.

UFB#3 To Consider Acceptance of Sale of Surplus Air Packs

The Fire Department sold surplus air packs to the Smyrna Fire Department for their highest bid of \$2,000, and need Council approval.

Motion: Councilman Helms **MOVED** to approve the sale of surplus air packs to Smyrna Fire Department, seconded by Councilwoman Harris.

Vote: unanimous. CARRIED.

UFB# 4 To Consider Request from Catawba Lands Conservancy

Mayor Black said that Council needs to respond to the request for pledged funds from the Catawba Lands Conservancy. Councilman Hough stated that due to our current budget crisis, we cannot contribute to this project. The rest of the Council agreed.

NEW BUSINESS

NB#1 To Submit the 2003-2004 Budget

City Manager Kraus presented copies of the proposed budget to Council prepared by himself and Jamie Guffey. Our first goal was to try to use as little of fund balance as possible. The second goal was to try to keep expenditures to the same level, exceptions are insurance and pay raises. To accomplish this goal, this is a maintenance budget, with very few new projects. This proposal will leave the tax rate as the same caused by the withholding of funds by the state, and interest rates are still low. The big issue will be the water and sewer fund. We have a lot of old lines that need to be replaced. We are proposing a surcharge on the monthly bills for the rehab program. We have lost industrial customers, such as Creative Dyeing, so we are suggesting a 10% increase on water bills. Jamie Guffey said that means on the minimum bill 68 cents. Mr. Kraus said there are no other increases proposed. When we get the stormwater permit from the State we will have to address that then.

Councilman Hope said with our county tax property re-evaluation increasing most property tax values, this means that in effect having the same tax rate would be a tax increase. I want all the fluff cut out so we can look the taxpayers in the eye and tell them we have done all we can do. Councilman McLean agreed.

The budget work session was scheduled for May 27 at 6:30 PM.

NB#2 To Consider Amendments to Wrecker Rotation Ordinance

City Manager Kraus said Police Chief Davis has a problem with wrecker companies on the rotation list continually not answering calls. Chief Davis stated he wants to be able to suspend or remove them from the list. There was also problems in the ordinance that the vehicles have to be kept in a secured facility. Mayor Black said he had someone complain that the storage fee was excessive. Councilman Hough stated that if he was in an accident and unconscious he would have no choice in which company towed and stored his car, so maybe the city should set the storage fee also so they can't take advantage. Councilman Hope said we don't usually tell businesses what to charge. Mayor Black said that is a good question to consider, but storage fees were not before Council on the agenda.

Motion: Councilman Hough **MOVED** to adopt Res. 05-12-03D amending Section 14-20.1 with regard to wrecker rotation, seconded by Councilman McLean.

Vote: All in favor. CARRIED.

NB#3 To Consider Preliminary Plat Approval of Phase II Creekside

Planning & Zoning Administrator Danny Jackson stated that Greg Dimmer is ready to build another section of his subdivision, Creekside.. This preliminary plat is for 16 lots, and the Planning Commission recommends approval. Mr. Jackson stated there are a couple of issues we are working out on the utilities but that

does not delay this action tonight. He plans to donate land for the greenway, probably 30 feet width.

Motion: Councilwoman Hubbard **MOVED** to approve the preliminary plat for Phase II of Creekside Subdivision, seconded by Councilman Helms.

Vote: All in favor. CARRIED.

NB#4 To Consider Amendment to Chapter 8 Section 6 of City Ordinance on Pre-Collection Practices

City Manager David Kraus stated that some people in the city for some reason choose to put leaves and debris in the ditch in front of their house. When it rains, it clogs the drain and that causes flooding. Mr. Price and Mr. Santmire prepared this proposal for an amendment to our ordinance. Mr. Kraus, in the future we will have to be sure nothing goes down the storm drain other than water. Mayor Black asked what fine would be imposed. Mr. Kraus said this would be a code violation like the weed ordinance. They would first send a letter stating it needs to be cleared.

Motion: Councilwoman Hubbard **MOVED** to approve the amendment to Section 8-6 as presented, identified as Res. 05-12-03E, seconded by Councilman McLean.

Vote: All in favor. CARRIED.

NB#5 To Consider Remarks from Habitat for Humanity

Steve Crane was recognized to speak as assistant Director in this county for Habitat for Humanity. Habitat has built six homes in our community, and they are having problems at some of the sites near River Street and request assistance from the City. Some of the residents are in attendance as well. Families are living in the homes. The City needs to provide safety and security. There is a problem on Lee Street with daily drunkenness, and drug activity. For several years, this type of activity has decreased, but it is still a serious problem. The police department is aware of this problem. These residents are terrified, and their children are afraid to come home after school. Your citizens have invested time, money and energy to build these homes. The county has raised the tax values in that area. We have suggestions. We spoke with Chief Davis, and they met with the homeowners tonight. Please schedule a meeting with the homeowners, the City Manager and police officials, and discuss these issues. Describe and outline a plan with a timeline. Expect regular updates on the progress. Celebrate the successes when positive changes occur. These people want to participate in a neighborhood watch, and to cooperate with your efforts.

Chief Davis said we met with them this afternoon. Sergeant Tindall has met with them tonight about an hour. Mayor Black asked him to please report back to Council at the next work session.

PUBLIC COMMENT

Mayor Black opened the floor for public comment.

Leigh Little, Hawthorne St. and Chris Rutherford. The parents at Mt. Holly Middle school have planned an eighth grade dance. It is not a profit maker, the fees charged is needed to pay for the expense of the dance. We want it to be an annual event, and for it to take place in the community. This is upscale event, but the \$7.00 each ticket only pays for the expenses. The fee the city is going to charge is too high.

The coach for the soccer team announced they won the county championship. Councilwoman Hubbard said her granddaughter is on that team. The Council congratulated them.

Councilman Hough asked if the city had a precedent of supporting other organizations for special events like the middle school dance. City Manager Kraus said that the police department has sponsored the optimist wrestling events. We supported the homeland security meetings. Mr. Hough asked what the City did. Mr. Kraus said we give them the building free and help set up. Councilman Hough asked, if we do this, what would it open us up to? Mr. Kraus said if we do this, we need to more closely define who is exempt and who is not. The fee is \$180. Mr. Hough asked, what city staff would be involved? Mr. Kraus said a staff member would open and come back to close up. Councilman Hough said I didn't see the difference between this and the optimist banquet. Councilman Hope said he has always been supportive of the schools and school events, especially when his children went through this stage, and he wants to see the kids get the building. For this, Councilman Hope said he would like the City Council to sponsor this dance, but he will pay the fee himself. Mr. Hope asked that staff get the wording corrected to try to deal with this type of issue for the future.

ROUND TABLE

Councilwoman Hubbard asked if we can name the new bridge yet. Mr. Santmire said DOT won't talk about that until the bridge is finished.

Councilwoman Harris asked if we sent a letter to Jack Drumm. City Manager Kraus said yes, and also sent copy of Mr. Gilpin's report. Mr. Kraus said we will be sending letters to the property owners that have a fence and blockage on the drainage ditches. He had the water department test the spring to be sure it was not a city water line leak, and it is a natural spring.

Councilman Hough said he ran into Tom Keigher, and asked him about our water extension contract and that we had found out it had been delayed because someone else was working on that. Commissioner Keigher told him he had no knowledge of a change in who was controlling that and the others do not have

any control over what the commissioners do and that project should be moving forward.

The Council took a five minute recess.

Mayor Black announced the ribbon cutting for the new building at the Hawthorne Street church, at 6:30 PM on Wednesday 21st, and the Council and the families are invited; the church is serving food as well.

Mayor Black reminded Council about Town Hall Day. We plan to go to the legislative building, have lunch, and then come back here.

Mayor Black said that Don Price needs a \$5,000 budget amendment.

Motion: Approved by motion of Councilman Helms, seconded by Councilwoman Harris.

Vote: Unanimous. CARRIED. (copy attached)

David Kraus stated that in connection with the land Duke Power wants to sell, the Clean Water Trust Fund Grant is due June 1.

Motion: Councilman Helms **MOVED** to approve application for grant funds, seconded by Councilman McLean.

Vote: unanimous. CARRIED.

City Manager Kraus reported that he met with John Boyer and Craig Stover at A&E, along with Councilman Hope, and we believe the architect has significantly inflated his report. We told them we would like an extension of time, and they said if Council is really interested that is fine. Council said yes.

City Manager Kraus said we need to hire another management company or hire personnel ourselves to do the job of managing the housing projects. He has concerns that the management company is using our money to do things on other properties. Councilman Hough asked why the City has not sold these properties? Councilwoman Harris said it was a matter of control. If the company that owns them does not care, they could be really bad. Mr. Kraus said it is totally funded by the HUD. Mr. Kraus stated it ran fine when Diane Pritchett and her assistant, Teresa, were there, but when they left, it went sour.

Mr. Kraus said one thing that is not in the budget is the overhang at Tuckaseegee Center, for \$11,000. You can add it back in if you want.

Mr. Kraus said we have a situation; when Catawba Heights was developed with water and sewer. Now we find people have tapped on to the system and have not been paying the sewer charge. Councilman McLean said we charged them \$3.50 a month if they did not tap onto it. The bills have continued to be printed for them that way. Kemp Michael said that you can charge for the last three years, and if tapped on without notice to the city there is a potential criminal

charge. City Manager Kraus, we are considering a fine. David Kraus said he had discovered this when a woman came in to pay to hook up the sewer, but when we came to hook it up, her husband said he had done it years ago.

CLOSED SESSION

Councilman Helms moved to go into closed session for the purpose of discussing personnel evaluation matters, seconded by Councilman McLean, with all in favor.

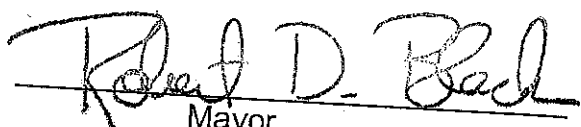
Councilman Hough moved to return to open session, seconded by Councilwoman Hubbard, with all in favor.

ADJOURN

There being no further business, the meeting was adjourned, upon motion duly made by Councilman Hough, seconded by Councilwoman Hubbard and carried.

10:15 PM


Clerk


Mayor

cpm

Closed Session:
Black, when I got