

MINUTES

Regular Meeting
City Hall Council Chamber

September 19, 2016
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Dennis C. Bailey, Dicky Amaya; City Manager Rick Howell, City Clerk Bernadette A. Parduski, NCCMC, MMC, City Attorney Robert W. (Bob) Yelton, Director of Finance Justin S. Merritt, MPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Water Resources David W. Hux, Director of Engineering Services Benjamin (Ben) Yarboro, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Assistant Fire Chief Todd McMurry, Director of Public Works Daniel C. (Danny) Darst, Director of Parks and Recreation Charlie Holtzclaw, Director of Planning and Development Services Walter (Walt) Scharer, AICP; Reporter Casey White of The Shelby Star and Director of Cable Programming Greg Tillman of Cleveland Community College

Absent: Council Member Ben Kittrell

Mayor Anthony called the meeting to order at 6:00 p.m. and welcomed all who were in attendance. The Mayor observed a moment of silence in memory of fallen Shelby Police Officer Timothy James (Tim) Brackeen and gave the invocation. Mrs. Parduski led the *Pledge of Allegiance*.

A. Approval of agenda:

1) Motion to adopt the proposed agenda

Mr. Bailey requested that Item D-2 (b) be removed from the Consent Agenda and placed under New Business as Item F-2 as follows:

- Consideration of a Special Event Permit Application, Rhythm & Roots 5K Walk/Run and 10K Run, requested date: November 5, 2016

ACTION TAKEN: Upon a motion made by Mr. Bailey, City Council voted unanimously to approve the agenda as amended.

B. Public Comment: None

C. Public Hearings:

- 1) **Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina at 1309 West Dixon Boulevard: Ordinance No. 40-2016**

Mr. Scharer introduced a proposed map amendment to the Unified Development Ordinance for 1309 West Dixon Boulevard. Utilizing a location map, he pointed to the subject property which has frontage on West Dixon Boulevard and Stroud Road. It is currently the site of a vacant single-family dwelling with a small lot size of approximately 11,800 square feet. Mr. Scharer stated land uses in the area include the Clay-Barnette Funeral Home, single-family dwellings, and other commercial and institutional uses. He further stated the applicant has requested a zoning map amendment from Residential 8 (R8) Zoning District to Neighborhood Business (NB) Zoning District. The R8 Residential District is primarily intended to accommodate moderate density single-family detached dwellings, modular homes, and two-family dwellings. The NB Neighborhood Business District is established as a district in which to allow small, limited retail service land uses that provide goods and services primarily to surrounding residential neighborhoods.

Mayor Anthony opened the public hearing at 6:05 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:06 p.m.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Ordinance No. 40-2016 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA AT 1309 WEST DIXON BOULEVARD".

- 2) **Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina on North Post Road: Ordinance No. 41-2016**

Mr. Scharer introduced a proposed map amendment to the Unified Development Ordinance for North Post Road. He stated this vacant property is located on the northern end of North Post Road. The site is approximately 22 acres in size. The applicant has requested a zoning map amendment from Residential 20 (R20) Zoning District and General Business- Conditional Use (GB-CU) Zoning District to General Business (GB) Zoning District. Mr. Scharer added the property was partially zoned GB-CU at the request of the Landmark Baptist Church to have a larger sign at that location should the

church locate there. Mr. Scharer further stated the new Shelby bypass will be located near this site and improvements to North Post Road have already been approved in the State's Transportation Improvement Program.

Upon questioning, Mr. Scharer responded the proposed zoning map amendment is inconsistent with Shelby's Comprehensive Land Use Plan, which designates this property as an agricultural area. This was done in an effort to preserve the corridor for the new Shelby Bypass. However, it is very likely the future land use designation will change within the next five years.

Mayor Anthony opened the public hearing at 6:08 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:09 p.m.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Ordinance No. 41-2016 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA ON NORTH POST ROAD".

3) Consideration of a resolution confirming the City of Shelby's intent to offer an economic development incentive grant: Resolution No. 44-2016

Mr. Howell introduced Resolution No. 44-2016 together with the proposed incentive agreement under code name, "Project Lava", for Council's consideration. He stated the unnamed new company is considering a capital investment of \$17.9 million over five years and the creation of 113 full time permanent jobs over the next five years at an average wage of \$31,723 per year. In return, the City of Shelby and Cleveland County are proposing to offer a 30 percent of the total ad valorem taxes paid as an incentive grant back to the company over a five-year period based upon the net new investment. The grantee must also be current in the payment of all applicable local taxes on the assessed value of the project, utility charges, and fees imposed by the City and County. After that timeframe, 100 percent would be retained by both taxing entities.

Mr. Howell acknowledged Matt Blackwell, Director of Business Services with the Cleveland County Economic Development Partnership (CCEDP), in attendance. He has worked closely with the company to develop the project.

Mr. Howell added the company is required to petition for a voluntary annexation into the City per the terms of the agreement. It will be fully served by City utilities with the exception of the electric service at the existing

building which is provided by Duke Energy.

Mayor Anthony opened the public hearing at 6:11 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:12 p.m.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 44-2016 entitled, "A RESOLUTION CONFIRMING THE CITY OF SHELBY'S INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT".

D. Consent Agenda:

ACTION TAKEN: Mayor Anthony presented the consent agenda. Mr. White made a motion to approve the amended consent agenda. The amended consent agenda and following items were unanimously approved:

- 1) Approval of the Minutes of the Regular Meeting of August 22, 2016
- 2) Approval of Special Event Permit Applications:
 - a. Shelby High School Homecoming Parade, requested date: October 6, 2016

REMOVED AND PLACED UNDER NEW BUSINESS AS ITEM F-2
 - b. Rhythm & Roots 5K Walk/Run and 10K Run, requested date: November 5, 2016
- 3) Approval of the Certificate of Sufficiency regarding Petition for Contiguous Annexation of applicant, Edward Johnson, for Circle Holdings, LLC
- 4) Approval of resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission, requesting the local government commission to sell the bond at private sale and approving the successful bidder in connection with the sale and issuance of a revenue bond by the City of Shelby, North Carolina: Resolution No. 45-2016
- 5) Adoption of Fiscal Year (FY) 2016-2017 Budget Ordinance Amendment No. 2: Ordinance No. 42-2016

- 6) Adoption of Fiscal Year (FY) 2016-2017 Budget Ordinance Amendment No. 3: Ordinance No. 43-2016
- 7) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 44-2016
- 8) Adoption of an ordinance authorizing closure of a dwelling: Ordinance No. 45-2016
- 9) Approval of a resolution accepting and entering into an agreement with the North Carolina Department of Transportation to accept grant funding for the Shelby-Cleveland County Regional Airport Project No. 36244.23.12.1: Resolution No. 46-2016
- 10) Approval of a resolution honoring the life and memory of Timothy James (Tim) Brackeen, fallen Shelby Police Officer: Resolution No. 47-2016

END CONSENT AGENDA

E. Unfinished Business:

- 1) Consideration of an ordinance amending the City of Shelby's Schedule of Fees: Ordinance No. 46-2016

Mr. Howell introduced Ordinance No. 46-2016 for Council's consideration. If approved, the ordinance would amend the official fee schedule of the City pertaining to electric rates and charges.

Mr. Howell stated during budget sessions held in May 2016 and June 2016 the City of Shelby, along with Utility Financial Solutions, LLC and ElectriCities staff, performed an Electric Cost of Service Study and Financial Projection, which is a comprehensive examination of the existing electric rate structure. Specifically, the purpose was to identify revenue requirements, potential cross-subsidies between customer types, identify any needed rate adjustments, and to identify the appropriate monthly customer charge for each customer type. As a result of this study, several recommendations were made, which pertain directly to customer rate charges. These recommendations have been previously presented to City Council. Mr. Howell referenced the Rate Design Summary which mirrors the recommendations from the Cost of Electric Service Study completed in June 2016, essentially and functionally lowering rates the equivalent of 1.5 percent.

Mr. Howell concluded if adopted, these rate adjustments will be effective

October 1, 2016 and will be reflected in October billing cycles and the City's Schedule of Fees.

ACTION TAKEN: Upon a motion made by Mr. Bailey, City Council voted unanimously to approve and adopt Ordinance No. 46-2016 entitled, "AN ORDINANCE AMENDING THE CITY OF SHELBY'S SCHEDULE OF FEES".

- 2) Consideration of a resolution authorizing submission of a grant/loan application to the North Carolina Clean Water State Revolving Fund Program for funding related to the Water Treatment Plant Upgrades: Resolution No. 48-2016

Mr. Howell introduced Resolution No. 48-2016 for Council's consideration. In 2011, Mr. Howell stated City Council adopted the Water and Sewer Asset Management Plan that identified the need for water plant improvements in 2017. The first step would be to obtain approval to apply for a \$10.5 million loan from the North Carolina Clean Water State Revolving Fund Program, which is the same approach that was taken with the upgrade of the First Broad River Wastewater Treatment Plant. The terms and conditions of this loan program allow for up to a 20-year payback with a fixed interest rate not to exceed 2 percent. The City has received a 0 percent interest commitment at this time. If approved, it is anticipated that it would take three years to select an engineer, complete engineering reports/design, permit, and construct.

Mr. Howell further stated to provide flexibility with capital expenditures, the rehabilitation and upgrade components were further based on criticality into a three-phased approach. Phase I activities include:

- New clear wells and high service pumps
- Sedimentation basin improvements
- Filtration improvements
- Dry chemical feed improvements
- Main control building rehabilitation
- Gaseous chlorine facility improvements

Mr. Howell concluded by stating the development of a financing package will follow at a later date for Council's further consideration and authorization.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 48-2016 entitled, "A RESOLUTION AUTHORIZING SUBMISSION OF A GRANT/LOAN APPLICATION TO THE NORTH CAROLINA CLEAN WATER STATE

REVOLVING FUND PROGRAM FOR FUNDING RELATED TO THE WATER TREATMENT PLANT UPGRADES”.

G. New Business:

- 1) **Consideration of a resolution authorizing submission of a grant/loan application to the North Carolina Clean Water State Revolving Fund Program for funding related to the Shelby Collection System Asset Inventory and Assessment: Resolution No. 49-2016**

Mr. Howell introduced Resolution No. 49-2016 for Council’s consideration. If approved, it would authorize the filing of an application with the North Carolina Division of Water Infrastructure Asset and Inventory Assessment Grant Program in the amount of \$150,000. If awarded, this grant would be used to conduct an asset inventory and assessment of the sewer collection system to assist staff with developing an implementation plan to address serious infiltration and inflow issues within the City’s sewer system.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 49-2016 entitled, “A RESOLUTION AUTHORIZING SUBMISSION OF A GRANT/LOAN APPLICATION TO THE NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND PROGRAM FOR FUNDING RELATED TO THE SHELBY COLLECTION SYSTEM ASSET INVENTORY AND ASSESSMENT”.

- 2) **Consideration of the Special Event Permit Application, Rhythm & Roots 5K Walk/Run and 10K Run, requested date: November 5, 2016**

Mr. Bailey introduced the matter for discussion purposes. He said he received correspondence from a few citizens who did not agree with holding 5K and/or 10K races in Sunset Cemetery. In their opinion, running through the cemetery would be perceived as disrespectful and is a violation of City code. Mr. Bailey cited running races through Arlington National Cemetery as an example he might find disrespectful.

Upon questioning, Mr. Howell responded it has been common practice over many years for the cemetery to be used for running races. Mr. Holtzclaw agreed with Mr. Howell, stating there have been no concerns or issues raised by staff following races in the past.

Mr. Howell requested Council to direct staff as to any changes in language or an amendment to the ordinance they wish to consider.

Discussion followed and led to a consensus to allow races to continue in the City's Sunset Cemetery.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted 4 to 1 (Bailey) to approve the Special Event Permit Application for the Rhythm & Roots 5K Walk/Run and 10K Run on November 5, 2016, as presented.

H. City Manager's Report:

- 1) Mr. Howell confirmed the Shelby Police Department will host a building dedication and open house at its new location, 130 West Warren Street, on September 22, 2016 from 4:00 p.m. to 6:00 p.m. as previously planned.
- 2) Mr. Howell also reminded Mayor Anthony and City Council members to attend the 2016 City of Shelby Employee Picnic on September 22, 2016 from 11:00 a.m. to 2:00 p.m. at Shelby City Park.

I. Council Announcements and Remarks:

- 1) Mayor Anthony addressed the loss of Officer Brackeen by commending Police Chief Ledford, the officers, and staff of the Shelby Police Department for all they have been through and for the work they put in throughout a difficult, emotional week. The Mayor also acknowledged how the community has come together and the outpouring of support Shelby received from across the country, both near and far, in light of the situation. He read a letter from the City of Alamogordo, New Mexico, a town that lost an officer in a similar manner earlier this month.
- 2) Mr. White and Mr. Causby echoed Mayor Anthony's comments.
- 3) Mr. Bailey described how proud he was of the planning and the work of the Shelby Police Department and City staff concerning the magnitude of Office Brackeen's funeral service. He was overwhelmed by the "sea of blue lights" while leaving Keeter Stadium. Mr. Bailey also mentioned the citizens who poured out their love along the procession route, many of whom made positive comments and were impressed by what they witnessed.
- 4) Mr. Amaya said he was touched and overwhelmed by the outpouring of care sharing in the loss of Office Brackeen. He added this was a very emotional time in the City of Shelby but adversity showed how a community can come together as citizens expressed how proud they are to be part of Shelby.

- 5) Acknowledging the emotional loss of Officer Brackeen, Mr. Hendrick pledged his support to Police Chief Ledford and the Shelby Police Department.

J. Adjournment:

- 1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 6:42 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of September 19, 2016