

**Welcome and Call to Order by Mayor O. Stanhope Anthony III**

~ Invocation ~

~ Pledge of Allegiance ~

**A. Approval of agenda:**

*Discussion and revision of the proposed agenda, including consent agenda; adoption of an agenda*

- 1) Motion to adopt the agenda as proposed or amended

**B. Special Presentation:**

- 1) Recognition of Geoffrey Lynn Heffner on the occasion of his retirement from employment with the City of Shelby:  
Resolution No. 80-2017

1

**C. Consent Agenda:**

*Prior to approval and adoption of the agenda, a Council Member may move an item from the Consent Agenda to the regular agenda. Items remaining on the Consent Agenda will be considered collectively through a single motion and vote.*

- 1) Approval of the Minutes of the Regular Meeting of December 18, 2017 3
- 2) Approval of a resolution stating the intent of the City of Shelby to annex satellite property owned by the City of Shelby:  
Resolution No. 1-2018 13
- 3) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 8: Ordinance No. 1-2018 19
- 4) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 9: Ordinance No. 2-2018 44

**D. Unfinished Business:**

**1) Consideration of appointments to City advisory boards and commissions:**

**a. Keep Shelby Beautiful (KSB) Commission 48**

**2) Consideration of a resolution of award for the First Broad Wastewater Treatment Plant – Influent and Preliminary Treatment Improvements award to Wharton-Smith, Inc.: Resolution No. 2-2018 61**

**E. New Business: None 73**

**F. City Manager’s Report 73**

**G. Council Announcements and Remarks 73**

**H. Adjournment:**

**To adjourn a meeting of City Council, a majority of the Council members must vote for a motion to adjourn.**

**1) Motion to adjourn 73**

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

Agenda Item: B-1

*Special Presentations*

- 1) Recognition of Geoffrey Lynn Heffner on the occasion of his retirement from employment with the City of Shelby: Resolution No. 80-2017

**(Comments: Mayor Stan Anthony)**

---

Summary of Available Information:

- Resolution No. 80-2017

---

City Manager's Recommendation / Comments

This time is scheduled on your agenda to recognize Geoffrey Lynn Heffner on the occasion of his retirement from employment. In keeping with policy City Council previously adopted Resolution No. 80-2017 to recognize him for having served the City faithfully for the past 28 years with the City of Shelby Utilities Department. He is to be congratulated!

Geo is a dedicated employee who has provided veteran leadership over the past several years in the performance of his duties. He has been a vital part of the team at the City of Shelby Utilities Electric Department. He will be missed both personally and professionally. Geo is a true team player always appreciative of his opportunity to work with the City for these many years.

As is in keeping with current policy Geoffrey Heffner will be presented with a framed resolution, a city lapel pin and a key to the City. It is customary and appropriate to recognize Geo for his many years of service to the City.

Please join me in wishing him a healthy and happy retirement.

**RESOLUTION NO. 80-2017**

**A RESOLUTION HONORING GEOFFREY LYNN HEFFNER  
ON THE OCCASION OF HIS RETIREMENT FROM EMPLOYMENT  
WITH THE CITY OF SHELBY**

**WHEREAS**, on the occasion of his retirement from employment on November 30, 2017, it is fitting and proper for the City Council to express its sincere appreciation to Geoffrey Lynn Heffner for his loyal, dedicated, and committed service to the City of Shelby from October 4, 1989 to November 30, 2017; and,

**WHEREAS**, Mr. Heffner has been a loyal team member in the continuing development of the City of Shelby serving in the Electric Department and to the City of Shelby government as a whole and to all of its citizens; and,

**WHEREAS**, during his tenure of service, Mr. Heffner has been a loyal employee for the City of Shelby, beginning as Laborer in 1989, transferring to a Meter Reader in January 1990, receiving a promotion to a Lineman Helper in January 1991, receiving a promotion to Electric Line Worker Apprentice in July 1994, receiving a promotion to Electric Distribution Technician I in July 2000, receiving a promotion to Electric Distribution Technician II in December 2007, and finishing his career as Electric Supervisor, and has been an outstanding example of the quality of employee necessary to the development of the good of the City; and,

**WHEREAS**, Mr. Heffner has worked on many miles of the electric system on a routine basis and during rain, snow, ice, wind and other harsh weather and spent many hours troubleshooting when problems would arise. Mr. Heffner has assisted on out-of-town restoration on several occasions. He represented the City of Shelby on the North Carolina Association of Municipal Electric Systems (NCAMES) safety committee; and,

**WHEREAS**, the City of Shelby is most grateful for the devoted, community, and personal contributions Mr. Heffner has given to all the citizens, organizations, and businesses within the greater Shelby community; and,

**WHEREAS**, the City Council of the City of Shelby wishes to acknowledge and express its appreciation to Mr. Heffner for his 28 years of dedicated and devoted duty in service to its citizens, noting that Mr. Heffner will be missed both professionally and as a fellow co-worker who was always on call and returned to care for Shelby nearly every time he was called upon over the course of his career.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and City Council publicly express their sincere appreciation to Geoffrey Lynn Heffner for his performance of duty to the City of Shelby during the past 28 years, and extend the very best wishes for a successful, long, safe, and happy retirement.

**BE IT FURTHER RESOLVED** that this Resolution be entered upon the permanent Minutes of the City Council.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Shelby to be affixed this the 18th day of December 2017.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

**C. Consent Agenda:**

*Prior to approval and adoption of the agenda, a Council Member may move an item from the Consent Agenda to the regular agenda. Items remaining on the Consent Agenda will be considered collectively through a single motion, second, and vote.*

**Agenda Item: C-1**

- 1) Approval of the Minutes of the Regular Meeting of December 18, 2017

**Consent Agenda Item: (Staff Resource, Bernadette Parduski, City Clerk)**

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of December 18, 2017.

---

City Manager's Recommendation / Comments

**Approve the minutes as presented or as amended by the Mayor and City Council via the Consent Agenda.**

## MINUTES

Regular Meeting  
City Hall Council Chamber

December 18, 2017  
Monday, 6:00 p.m.

**Present:** Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, Violet Arth Dukes, Ben Kittrell, Jr., and 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, Fire Chief William P. Hunt, MPA, EFO, Assistant Fire Chief – Logistics and Enforcement Services Todd McMurry, Assistant Fire Chief – Operations and Personnel David Vanhoy, Director of Public Works Daniel C. (Danny) Darst, Jr., and Director of Planning and Development Services Walter (Walt) Scharer, AICP; and Director of Cable Programming Greg Tillman of Cleveland Community College and The Video Factory

**Absent:** Council Member David Causby

Mayor Anthony called the meeting to order at 6:00 p.m. and welcomed all who were in attendance. The Mayor gave the invocation and Mr. Hendrick led the *Pledge of Allegiance*.

**A. Approval of agenda:**

- 1) Motion to adopt the proposed agenda

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

**B. Special Presentation:**

- 1) Recognition of John Delano (J. D.) Kimble on the occasion of his retirement from employment with the City of Shelby: Resolution No. 70-2017

Mayor Anthony called upon John Delano (J. D.) Kimble. Mr. Kimble recognized his wife in attendance. The Mayor formally read and presented framed Resolution No. 70-2017 to Mr. Kimble. He then presented a shadow

box, which displays the key to the City and various keepsakes, and a City lapel pin to him in honor of and with heartfelt appreciation for more than 30 years of dedicated service to the City of Shelby Utilities Department in the Field Operations Division.

Humbled by the recognition, Mr. Kimble expressed his appreciation to all.

C. Public Comment: None

D. Public Hearings:

- 1) Consideration of an ordinance designating a local historic landmark, Cleveland County Arts Council (former United States Post Office), Shelby, North Carolina: Ordinance No. 76-2017

Mr. Scharer introduced Ordinance No. 76-2017 for Council's consideration. He explained that since 2005 the Cleveland County Historic Preservation Commission (CCHPC) has served as the Historic Preservation Commission for the City of Shelby through an inter-local agreement. The CCHPC is solely responsible for reviewing and designating historic landmark properties, having followed this process for several properties in Shelby. Mr. Scharer stated the Cleveland County Arts Council has submitted a Historic Landmark Designation Application for the Arts Council building to the CCHPC. The CCHPC has communicated to the City the applicable state and local ordinances governing local landmark designation have been complied with fully.

Mr. Scharer pointed out a landmark designation has two main consequences:

- An owner who wishes to make changes to a property designated as a historic landmark must first have the plans reviewed and approved by the commission and by applying for a certificate of appropriateness.
- The owner of a designated landmark property may apply for an annual 50 percent property tax deferral for as long as the property's important historic features are retained.

He explained at the current time the tax benefit is not applicable given the building is owned by the Cleveland County Arts Council, which is a non-profit 501(c)(3) corporation.

Mr. Howell noted the owner has fully cooperated for the designation and the CCHPC has certified to the City that the owner has been fully informed regarding the applicable statutory requirements.

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.

Mrs. Arth Dukes disclosed she is an employee of the Cleveland County Arts Council.

Mr. Yelton advised that Mrs. Arth Dukes' employment does not constitute a conflict of interest in this matter.

**ACTION TAKEN:** Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Ordinance No. 76-2017 entitled, "AN ORDINANCE DESIGNATING A LOCAL HISTORIC LANDMARK – CLEVELAND COUNTY ARTS COUNCIL, 111 SOUTH WASHINGTON STREET, SHELBY, NORTH CAROLINA".

2) Consideration of a proposed ordinance to amend the Unified Development Ordinance (UDO) of the City of Shelby: Ordinance No. 77-2017

Mr. Scharer introduced the proposed amendment to allow the use of permanent banners within the Central Business (CB) District. He stated the amendment also revises the current definition of banners and adds a new definition of permanent banners, along with new permanent banner standards.

Utilizing a presentation entitled, "Permanent Banner – Proposed Text Amendment", Mr. Scharer described permanent banners as a type of banner that is securely attached to a structure. The point of attachment for a permanent banner is typically a metallic bracket which connects a pole to the structure or building. The actual sign is then tightly wrapped and sewn around a pole at the top and bottom. This differentiates from typical banners which are temporary in nature. Mr. Scharer also provided examples for illustrative purposes.

Upon questioning, Mr. Scharer responded the Keep Shelby Beautiful (KSB) Commission did not review the proposed text amendment. There is no change to sign size in the CB zoning district. He added the Planning and Zoning Board has reviewed the proposal and recommended its approval as submitted.



Upon further questioning as to maximum distance from a building (projection) and calculated wind loads on banners, Mr. Scharer responded all sign permits are considered building permits and subject to review by a City building inspector.

Mayor Anthony opened the public hearing at 6:19 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:20 p.m.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted 4 (White, Arth Dukes, Kittrell, and Amaya) to 1 (Hendrick) to approve and adopt Ordinance No. 77-2017 entitled, "A PROPOSED ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE (UDO) OF THE CITY OF SHELBY".

**E. Consent Agenda:**

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

- 1) Approval of the Minutes of the Regular Meeting of December 4, 2017
- 2) Approval of a Special Event Permit Application:
  - a. Dr. Martin Luther King Jr. March and Program, requested date: January 15, 2018
- 3) Adoption of an ordinance authorizing demolition of a dwelling (1016 Frederick Street): Ordinance No. 78-2017
- 4) Adoption of an ordinance authorizing demolition of a dwelling (506 Booker Street): Ordinance No. 79-2017
- 5) Approval of a resolution designating HomeTrust Bank an official depository: Resolution No. 76-2017
- 6) Approval of a resolution adopting and maintaining the Anti-displacement and Relocation Assistance Plan of the Community Development Block Grant (CDBG) Program for the City of Shelby: Resolution No. 77-2017
- 7) Shelby-Cleveland County Regional Airport North Carolina Division of Aviation VISION Grant Number 36237.16.14.1

- a. 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. 36237.16.14.1: Resolution No. 78-2017
  - b. Adoption of an ordinance establishing a capital project ordinance and budget for the City of Shelby's Airport Grant 36237.16.14.1 Project: Ordinance No. 80-2017
- 8) Approval of a resolution honoring Kathy Melton on the occasion of her retirement from employment with the City of Shelby: Resolution No. 79-2017
  - 9) Approval of a resolution honoring Geoffrey Lynn Heffner on the occasion of his retirement from employment with the City of Shelby: Resolution No. 80-2017
  - 10) Approval of Notice of Cancellation in the Regular Meeting Schedule of Shelby City Council

**END CONSENT AGENDA**

**F. Unfinished Business:**

- 1) Consideration of a resolution awarding the bid for materials for the installation of an additional circuit in Electric Substation 11: Resolution No. 81-2017

Mr. Howell introduced Resolution No. 81-2017 for Council's consideration. If approved, this resolution would award a bid in the amount of \$57,830 to NTS/Siemens of Wendell, North Carolina for the provision of materials for this project. As a reminder, he stated in November 2017 Council approved a project budget ordinance to proceed with the design and construction of an additional circuit out of Substation 11. This circuit will serve customers from Substation 11 west to the Foothills Commerce Center. The current circuit that feeds the Foothills Commerce Center also feeds east into the City and the southwest portion of the system. The addition of this circuit will create load availability with the Foothills Commerce Center as well as reduce the potential outages in that area due to circumstances that would occur in the City.

Mr. Howell concluded by stating he recommended Council's approval for awarding the bid, noting the bid is for materials only.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 81-2017 entitled, “A RESOLUTION AWARDDING THE BID FOR MATERIALS FOR THE INSTALLATION OF AN ADDITIONAL CIRCUIT IN ELECTRIC SUBSTATION 11”.

- 2) Consideration of a resolution awarding the bid for Washburn Switch Road Gas Line Relocation, Farmville Road Loop, Farmville Access Road, and Clearwater Service Line Gas Installation: Resolution No. 82-2017

Mr. Howell introduced Resolution No. 82-2017 for Council’s consideration. If approved, this resolution would formally award the bid for new construction and relocation of natural gas line related to the Clearwater Paper Corporation’s infrastructure improvement project to Classic City Mechanical, Inc. of Winterville, Georgia in the amount of \$739,851.00. As a reminder, he stated in February 2017 Council approved the engineering project budget ordinance for the Farmville Road Natural Gas System Loop and Pressure Uprating Project. In addition, in March 2017 Council approved the construction project budget ordinance for the same project. This project involves installing a 6-inch steel gas line from Polkville Road along Chatfield Road and on Farmville Road, it also involves installing gas main along the to-be-constructed access road from Farmville Road to the Clearwater Paper Corporation site, and the service line to serve the Clearwater Paper Corporation facility. Mr. Howell noted this loop is necessary to ensure redundancy and volumes to serve the new facility as well as to protect the City’s existing natural gas customer base.

Additionally, the gas lines along Washburn Switch Road adjacent to Customer First Drive must be relocated due to a North Carolina Department of Transportation (NCDOT) roadway project in 2018.

Mayor Anthony mentioned a discrepancy in the lowest bid submitted as \$739,851.00 on the bid tabulation and as \$740,776.00 in the letter dated December 11, 2017 from the City’s consultant, Heath and Associates, Inc. Mr. Howell confirmed the lowest bid as \$739,851.00.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 82-2017 entitled, “A RESOLUTION AWARDDING THE BID FOR WASHBURN SWITCH ROAD GAS LINE RELOCATION, FARMVILLE ROAD LOOP, FARMVILLE ACCESS ROAD, AND CLEARWATER SERVICE LINE GAS INSTALLATION”.

**3) Consideration of a resolution awarding the bid for relocation of gas lines at Joe's Lake Road intersection: Resolution No. 83-2017**

Mr. Howell introduced Resolution No. 83-2017 for Council's consideration. If approved, this resolution would formally award the bid for construction of natural gas line relocations directed by the North Carolina Department of Transportation (NCDOT) as a result of the construction of a roundabout at the intersection of Joe's Lake Road, Earl Road, and South Post Road to Classic City Mechanical, Inc. of Winterville, Georgia in the amount of \$171,401.00. As a reminder, he stated in November 2017 Council approved the project budget ordinance to proceed with the natural gas line relocation project at the Joe's Lake Road intersection. The gas lines must be relocated due to this NCDOT roadway project that will commence in 2018 and involves four City natural gas pipelines.

Mr. Howell further stated in accordance with the recent changes in the utility relocation statute, the City will share 25 percent of the total cost of this project with NCDOT covering the remaining 75 percent. This is a reimbursement process so the City will spend the money then apply for NCDOT reimbursement.

**ACTION TAKEN:** Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 83-2017 entitled, "A RESOLUTION AWARDED THE BID FOR RELOCATION OF GAS LINES AT JOE'S LAKE ROAD INTERSECTION".

**G. New Business:**

**1) Consideration of an ordinance granting permission by the City Council of the City of Shelby, North Carolina to use the 10 percent/70 percent development option available in the City's Unified Development Ordinance (UDO): Ordinance No. 81-2017**

Mr. Scharer introduced Ordinance No. 81-2017 for Council's consideration. If approved, the ordinance would allow the Cleveland Rutherford Kidney Association located at 1017 North Washington Street to develop a larger percentage of impervious surface than is currently permitted within the City's Watershed Overlay District. Under the 10 percent/70 percent rule, only City Council may specifically allow a development that will exceed the impervious surface limitations within the City's watershed.

Utilizing a location map, Mr. Scharer pointed to and stated the total watershed area is approximately 2,500 acres. Therefore, a total of approximately 250 acres may be developed using the 10 percent/70 percent

development option. To date, approximately 15 acres have been developed in the Shelby Watershed Protection Area (WPA) using the 10 percent/70 percent option. Of the .334 acre site at 1017 North Washington Street, less than 69 percent will be developed with impervious surface in accordance with the submitted site plan.

Next, Mr. Howell explained The Watershed Protection Overlay is in place because of the 1989 Watershed Protection Act adopted by the North Carolina General Assembly. The General Assembly recognized the importance of protecting water quality in those watersheds immediately upstream from public water system intakes. Protection of the water quality in this situation not only takes into consideration the public health aspect but also impacts the City's ability and cost to treat the raw water from the First Broad River. The more negative impact of development on water quality, the more difficult and expensive it is to treat to public drinking water standards.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Ordinance No. 81-2017 entitled, "AN ORDINANCE GRANTING PERMISSION BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA TO USE THE 10 PERCENT/70 PERCENT DEVELOPMENT OPTION AVAILABLE IN THE CITY'S UNIFIED DEVELOPMENT ORDINANCE (UDO)".

**H. City Manager's Report:**

- 1) Mr. Howell provided an update regarding the temporary closure of Pine Street for stormwater system repairs on December 14, 2017. A detour has been established and repairs are anticipated to take approximately one week to complete, weather permitting.
- 2) Mr. Howell initiated a follow-up discussion regarding Council's retreat dates, format, and potential agenda items. By consensus, Council scheduled their retreat for Saturday, January 20, 2018, at 8:00 a.m. to be held at the Shelby Cleveland County Regional Airport.

**I. Council Announcements and Remarks:**

- 1) Mayor Anthony and Council members wished all a Merry Christmas.

**J. Adjournment:**

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted

unanimously to adjourn the meeting at 6:44 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC  
City Clerk

O. Stanhope Anthony III  
Mayor

Minutes of December 18, 2017

DRAFT

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

Agenda Item: C-2

- 2) Approval of a resolution stating the intent of the City of Shelby to satellite annex property owned by the City of Shelby: Resolution No. 1-2018

**Consent Agenda Item: (Staff Resource, Walter Scharer, Planning Director)**

---

Summary of Available Information:

- Memorandum dated December 27, 2017 from Walter Scharer, Planning Director to Rick Howell, City Manager
- Location Map
- Certificate of Sufficiency – Customer First Drive
- Survey of property
- Resolution No. 1-2018

---

City Manager's Recommendation / Comments

Resolution No. 1-2018 is presented for City Council consideration at this time. If approved this resolution simply puts Council on record stating the intent to annex city owned property that is not contiguous to the primary corporate limits and schedules the required statutory public hearing for November 16, 2015. This particular property is a 1.9 acre parcel consisting of all of the newly established street right of way for "Customer First Drive". Construction of this roadway will begin very soon and will serve as an access road for the new Clearwater facility immediately behind the former Container Corporation building on Washburn Switch Road. This road will be built to NCDOT standards and the City will ultimately assume ownership of this road. In order for the City to own this road it must be annexed into the city limits. This will in turn allow the City to receive additional Powell Bill funding based upon the new street mileage.

**It is my recommendation Resolution No. 1-2018 be adopted and approved by City Council at this time via the Consent Agenda**



## **Memorandum**

To: Rick Howell - City Manager  
From: Walter Scharer – Planning Director  
Date: December 27, 2017  
Subject: Satellite Annexation – Customer First Drive

### **Executive Summary of issue – Background**

Earlier in 2017, the Clearwater Paper Corporation dedicated the Right of Way for the future Customer First Drive to the City of Shelby. As part of the Economic Development Agreement, the City of Shelby is to take over this road for maintenance once constructed. However, this property is not the Corporate Limits of the City of Shelby, therefore, it must be annexed to maintain the road.

### **Review and Comments**

Currently, the Customer First Drive is being designed for construction.

Even though the city is the owner, the property must meet the same annexation standards as privately owned property. But instead of presenting a petition to its self, the city council initiates the annexation process by adopting a resolution of intent. This resolution must state the city's intent to annex the property, describe it, and set a date for a public hearing.

In addition, if the city is proceeding under the satellite annexation statute, the resolution must affirm the five statutory standards for satellite annexation. Once the city council adopts the resolution of intent, it follows the same procedure for annexing city-owned property as it does for privately owned property.

The five standards a satellite annexation must meet are set out in G.S. 160A-58.1(b) as follows:

1. Some part of the annexation area must be within three miles of the annexing City's corporate limits.
2. No point in the annexation area may be closer to the primary corporate limits of another city than to the primary corporate limits of the annexing city.
3. The annexing city must be able to provide the same services to the annexation area that it provides to areas within its primary corporate limits.
4. If the area is a subdivision, the entire subdivision must be annexed.
5. The total area of a city's satellites may not exceed 10 percent of the area within its primary corporate limits.

The City Clerk has certified that this satellite annexation meets the criteria found in G.S. 160A-58.1(b).

Please place this item on the January 8, 2018 City Council agenda.

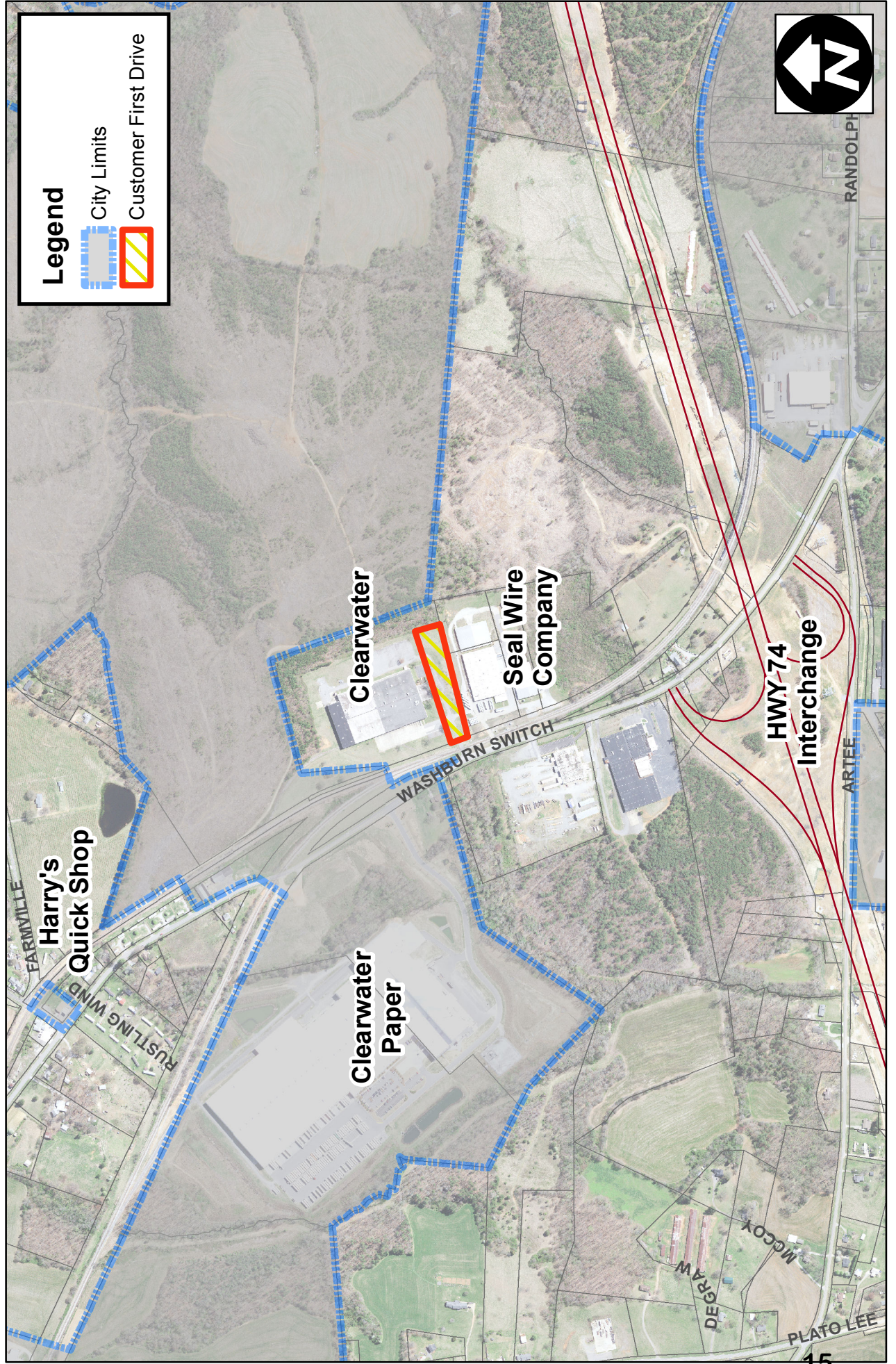
**Attachments: Location Map, Clerk's Certification Certificate, Resolution of Intent and Plat**





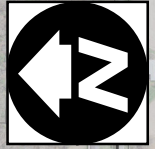
# Location Map Customer First Drive

Map Information:  
Datum: NAD 1983  
Coordinate: State Plane  
Projection: North Carolina (Meter)  
US National Grid  
Grid Zone Designation (GZD): 17S  
100,000m Square ID: MV/MU



**Legend**

- City Limits
- Customer First Drive



Scale 1:10,000 1 in = 833 feet 0 412.5 825 1,650 Feet

Date: 12/27/2017

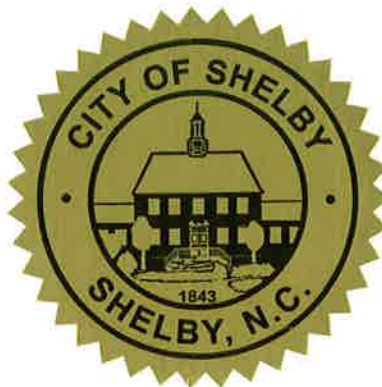


CERTIFICATE OF SUFFICIENCY  
Satellite Annexation  
Customer First Drive

To the City Council of the City of Shelby, North Carolina:

I, Bernadette A. Parduski, City Clerk, do hereby certify that this proposed Satellite Annexation attached hereto satisfies the five standards a satellite annexation must meet as set out in North Carolina General Statute 160A-58.1(b). In witness whereof, I have hereunto set my hand and affixed the seal of the City of Shelby, North Carolina, this 27th day of December 2017.

  
Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk



# EXHIBIT A

Donna Mellon, REVIEW OFFICER OF CLEVELAND COUNTY CERTIFY THAT THIS MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

11-13-17 DATE  
Donna Mellon REVIEW OFFICER

### CERTIFICATE OF EXCEPTION

THE SURVEY SHOWN HEREON IS OF ANOTHER CATEGORY, AND IS AN EXCEPTION TO THE DEFINITION OF A SUBDIVISION IN THE CITY OF SHELBY AND NO APPROVAL IS REQUIRED.

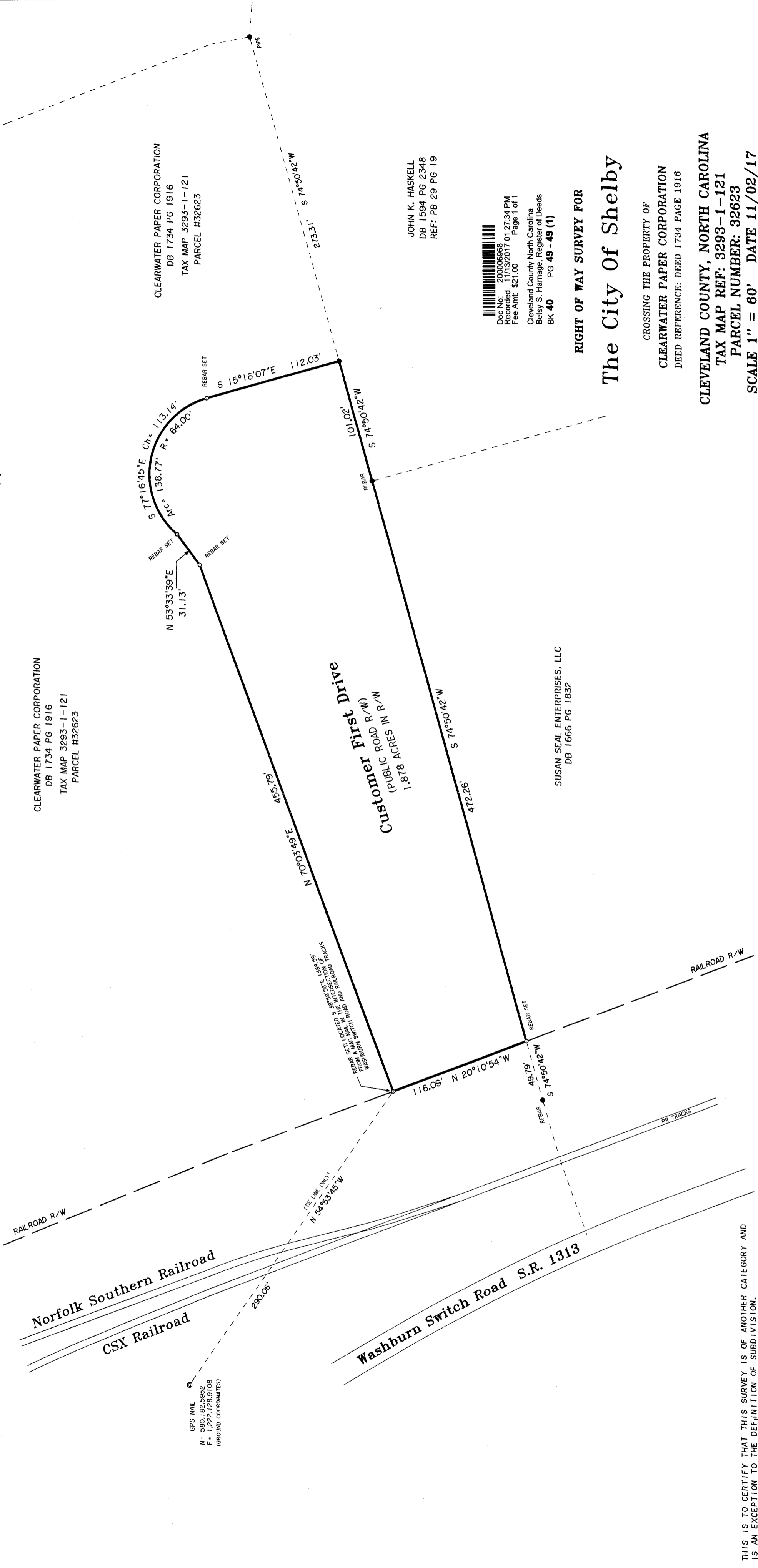
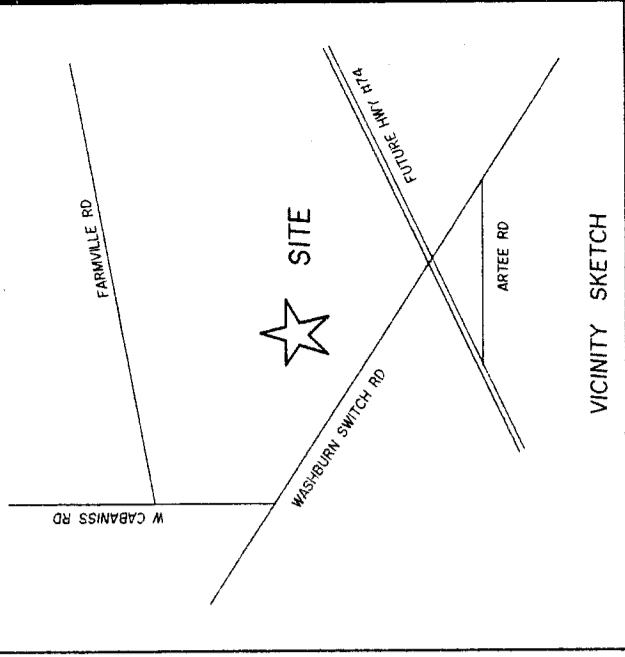
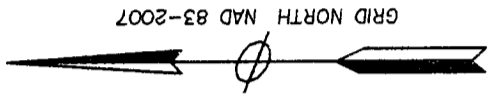
Walter D. Selman 11/8/2017 DATE  
COMMUNITY DEVELOPMENT DIRECTOR

### CERTIFICATE OF DEDICATION

I (WE) HEREBY CERTIFY THAT I AM (WE ARE) THE OWNER(S) OF THE PROPERTY DESCRIBED HEREON, AND THAT I (WE) HEREBY FREELY ADOPT THIS PLAN AND DEDICATE TO PUBLIC USE ALL AREAS SHOWN ON THIS PLAT AS STREETS AND EASEMENTS. ALL PROPERTY SHOWN ON THIS PLAT AS DEDICATED FOR PUBLIC USE SHALL BE DEEMED TO BE DEDICATED FOR ANY PUBLIC USE AUTHORIZED BY LAW WHEN SUCH OTHER USE IS APPROVED BY THE CITY COUNCIL OF THE CITY OF SHELBY IN THE PUBLIC INTEREST.

John G. Well 11/7/2017 DATE  
OWNER

BK 40 Pg 49



CLEARWATER PAPER CORPORATION  
DB 1734 PG 1916  
TAX MAP 3293-1-121  
PARCEL H32623

CLEARWATER PAPER CORPORATION  
DB 1734 PG 1916  
TAX MAP 3293-1-121  
PARCEL H32623

JOHN K. HASKELL  
DB 1594 PG 2348  
REF: PB 29 PG 19

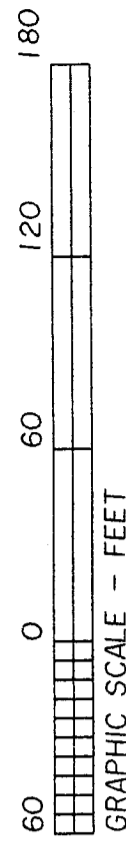
Doc No: 200062983  
Recorded: 11/13/2017 01:27:34 PM  
Page 1 of 1  
Fee Amt: \$21.00  
Cleveland County North Carolina  
Betsy S. Harnage, Register of Deeds  
BK 40 PG 49 - 49 (1)

### RIGHT OF WAY SURVEY FOR

## The City Of Shelby

CROSSING THE PROPERTY OF  
CLEARWATER PAPER CORPORATION  
DEED REFERENCE: DEED 1734 PAGE 1916

CLEVELAND COUNTY, NORTH CAROLINA  
TAX MAP REF: 3293-1-121  
PARCEL NUMBER: 32623  
SCALE 1" = 60' DATE 11/02/17



SURVEY BY  
BANKHEAD SURVEYING, PA  
407 EAST MARION STREET  
SHELBY, N.C. 28150  
(704) 481-1040  
FIRM LICENSE NUMBER= C-0972

### GENERAL NOTES

- AREA CALCULATED BY COORDINATE COMPUTATION
- THE PROPERTY SHOWN HEREON MAY BE SUBJECT TO EASEMENTS OF RECORD OR UNRECORDED EASEMENTS
- BANKHEAD SURVEYING WAS NOT PROVIDED WITH ANY TITLE EXCEPTIONS
- ROAD R/W'S ARE APPROXIMATE UNLESS OTHERWISE NOTED
- UNDERGROUND UTILITIES HAVE NOT BEEN LOCATED
- NO FEATURES (BUILDING, UTILITIES, ETC) LOCATED EXCEPT THOSE SHOWN HEREON
- ALL DISTANCES SHOWN HEREON ARE HORIZONTAL DISTANCES

### LEGEND

- EXISTING IRON
- IRON REBAR SET
- RAILROAD RIGHT OF WAY
- NEW ROAD RIGHT OF WAY
- LINE PLOTTED PER DEED (UNLESS SHOWN WITH BEARING AND DISTANCE)



THIS IS TO CERTIFY THAT THIS SURVEY IS OF ANOTHER CATEGORY AND IS AN EXCEPTION TO THE DEFINITION OF SUBDIVISION.

T. Scott Bankhead (PLS)

I, T. SCOTT BANKHEAD, PROFESSIONAL LAND SURVEYOR CERTIFY THAT THIS PLAT WAS DRAWN FROM AN ACTUAL FIELD SURVEY PERFORMED UNDER MY DIRECTION AND SUPERVISION (DEED REFERENCE: DEED 1734 PAGE 1916); THAT THE BOUNDARIES NOT SURVEYED ARE INDICATED BY DASHED LINES DRAWN FROM THE DEED INFORMATION SHOWN HEREON; THAT THE RATIO OF PRECISION IS 1:10,000, AND THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH GS 47-30 AS AMENDED, WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL THIS

2nd Day of November 2017

T. Scott Bankhead

Professional Land Surveyor - License No. L-3001

**RESOLUTION NO. 1-2018**

**A RESOLUTION STATING THE INTENT OF THE CITY OF SHELBY TO  
ANNEX SATELLITE PROPERTY OWNED BY THE CITY OF SHELBY**

**WHEREAS**, North Carolina General Statute 160A-58.1 authorizes the City Council of the City of Shelby to annex satellite property owned by the City of Shelby; and,

**WHEREAS**, approximately 1.878 acres of land on Customer First Drive, described herein, is owned by the City of Shelby; and,

**WHEREAS**, some part of the annexation area is within three miles of the corporate limits of the City of Shelby; and,

**WHEREAS**, no point in the annexation area is closer to the primary corporate limits of another city than to the primary corporate limits of the City of Shelby; and,

**WHEREAS**, the area is not a subdivision; and,

**WHEREAS**, the total area of a city's satellites does not exceed 10 percent of the area within its primary corporate limits; and

**WHEREAS**, the City Council considers it advisable to conduct a public hearing for the purpose of giving consideration to this proposal.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:**

Section 1. The City of Shelby intends to annex the approximately 1.878 acres at Customer First Drive as shown on the attached "Exhibit A."

Section 2. A public hearing for this proposed annexation shall be held on February 19, 2018.

Section 3. This Resolution of Intent shall become effective upon its adoption and approval.

Adopted and Approved this the 8th day of January 2018.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

**Agenda Item: C-3**

- 3) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 8:  
Ordinance No. 1-2018

**Consent Agenda Item: (Staff Resource, Justin Merritt, Finance Director)**

---

Summary of Available Information:

- Memorandum dated December 28, 2017 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Copy of Resolution No. 62-2013
- Incentive Agreement
- Grant Payment Schedule and supporting documents – Greenheck Fan Corporation
- Ordinance No. 1-2018

---

City Manager's Recommendation / Comments

This item is presented for City Council consideration at this time. If approved this amendment would formally appropriate the incentive grant for Tax Year 2016. Future payments will be made as the grant recipient requests payment after complying with the provisions of the adopted agreement. This is year three of a seven year agreement with Greenheck Fan Corporation at their location (2000 Partnership Drive) in the Foothills Commerce Center. The approved grant covers a seven year period at 65% grant incentive payment back to the company.

As a reminder to Council you will recall that companies awarded incentive grants must pay in full all tax and other bills owed to the City prior to making a request. It is the responsibility of the company to certify to the City they have done with written verification coming from the Cleveland County Tax Office. Council must then approve this budget amendment appropriating the amount due. Only then will the City pay the incentive grant.

**It is my recommendation Ordinance No. 1-2018 be adopted and approved by City Council at this time via the Consent Agenda.**



To: Rick Howell, City Manager  
From: Justin Merritt, Finance Director  
Date: December 28, 2017  
Subject: Greenheck Fan Corporation Industrial Incentive Grant Distribution

Background:

As you are aware, the City of Shelby entered into an agreement with Greenheck Fan Corporation to provide Industrial Incentive Grants upon completion of certain grant requirements. The agreements are attached and detail the guidelines of the grant program.

Greenheck Fan Corporation has now met the requirements for year three of the grant payment and has asked for the distribution to be made.

Recommendation:

The recommendation from staff is to approve the attached budget amendment, which will allow for distribution of year three of the grant incentive.

# FILE COPY

## RESOLUTION NO. 62-2013

### A RESOLUTION CONFIRMING THE CITY OF SHELBY INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT AND RELATED INCENTIVES

WHEREAS, on the City of Shelby has established the practice of offering economic development incentives for the purpose of promoting the economic health and vitality of the community, and,

WHEREAS, the Cleveland County Economic Development Partnership has presented a qualifying economic development project named "Project Lakewood" (the "Project") with an total expected investment valued at \$26 Million of net new investment which shall be eligible for incentives through the policy and create 177 new full time jobs; and,

WHEREAS, the City Council believes that Project Lakewood will stimulate and provide stability for the local economy, will provide local economic benefits for the citizens of the City of Shelby through an increase in sales tax revenues, increased personal property tax revenues, increased purchases of local goods and services, increased revenues from having the project as a new customer of the City for water and sewer services and natural gas service, and will result in the creation of a substantial number of new full-time permanent jobs; and

WHEREAS, the City Manager and the Cleveland County Economic Development Partnership have determined that the Project meets the goals set forth by City Council including job creation and capital investment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. In accordance with the City's economic development incentive practices, the City Council extends to the Project by agreement the offer to provide annual grants with an amount equal to an estimated \$514,000 paid over a period of 7 years along with an upfront, one-time cash grant in the amount of \$150,000. Additionally, the City Council approves the City's extensions of the existing street system within the Foothills Commerce Center ("FCC"), the gifting of approximately 20 acres within the "FCC" as well as the option by the company to be gifted an additional 12 acres within the "FCC" under the terms of the agreement. The grant award is subject to execution of a legal agreement drafted in accordance with the provisions of North Carolina General Statute § 158-7.1, said agreement describing the Project and stating expected benchmarks and recourse for non-compliance. The City Manager and City Attorney were hereby authorized and directed to negotiate the language of said legal agreement for presentation to and final approval by the City Council, and to record the approved agreement in the Office of the Register of Deeds for Cleveland County.

Section 2. The Mayor and City Clerk of the City of Shelby are hereby authorized and directed to execute the agreement specified in Section 1 of this resolution on behalf of the City.



Resolution No. 62-2013  
October 7, 2013  
Page 3

Section 3. This resolution shall become effective upon its adoption and approval.


Adopted and approved this the 7<sup>th</sup> day of October 2013.



---

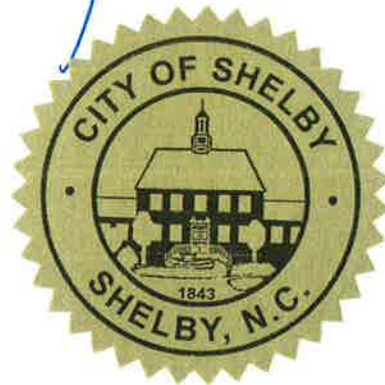
O. Stanhope Anthony III  
Mayor

ATTEST:



---

Bernadette A. Parduski, NCCMC, MMC  
City Clerk



## INCENTIVE AGREEMENT

This **Incentive Agreement** (the "Agreement") is made and entered into as of the 7th day of October, 2013, by and between **CITY OF SHELBY, NORTH CAROLINA**, a municipal corporation of the State of North Carolina (the "City") and **GREENHECK FAN CORPORATION**, a business corporation of the State of Wisconsin (the "Company"). The City and the Company may from time to time hereinafter be referred to individually as a "Party" and collectively as the "Parties."

### WITNESSETH:

WHEREAS, the Local Development Act of 1925, as amended, (Article 1 of Chapter 158 of the North Carolina General Statutes) grants cities the authority to make appropriations for the purposes of aiding and encouraging the location or expansion of certain business enterprises in the city or for other purposes which the city's governing body finds in its discretion, will increase the population, taxable property base and business prospects of the city; and,

WHEREAS, the City council of the City of Shelby (the "Council"), pursuant to North Carolina law, has adopted the City of Shelby Industrial Incentive Program (the "Program"), duly adopted and enforced at the time of this Agreement, in order to induce existing industry to expand in the City and target new industries to locate in the City, through the provision of various incentives including the payment of a stipulated incentive grant amount from the City's General Fund (the "General Fund"), as determined in accordance with the provisions of the Program; and,

WHEREAS, the Company contemplates the construction and equipping of an approximately 150,000 square foot building in Phase I of its Project, to be located in the Foothills Commerce Center Park located in the City of Shelby, North Carolina, (the "Project"); and,

WHEREAS, the Company intends to create approximately one hundred seventy seven (177) new, permanent full-time jobs during the first five (5) years of this Agreement at the Project; and,

WHEREAS, the entire Project will include buildings and the installation of machinery and equipment with a total initial investment of approximately Twenty Six Million Dollars (\$26,000,000.00) in the County; and,

WHEREAS, the Council has determined following a public hearing on October 7, 2013, that the Company meets the criteria for participation in the Program due to the planned construction and operation of the Project, which will increase the population, taxable property base and business prospects of the City, and that certain incentives for the Project (the "Incentives") will encourage the Company to expand its operations in the area, and that it is in the public interest to provide assistance as authorized by the North Carolina General Statutes § 158-7.1; and

WHEREAS, the Company acknowledges that the Incentives will serve as an inducement for the Company to construct and operate the Project in the City;

NOW, THEREFORE, in consideration of the reasons recited above, and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto do each contract and agree as follows:

#### Incentive Number One

The City shall make a one-time Grant to the Company of One Hundred Fifty Thousand Dollars (\$150,000.00) to be used by the Company for site preparation at the Project. This Grant shall be made to the Company within fifteen (15) days of commencement of grading at the Project site. If the Company does not begin operation of the Project within twenty four (24) months of the date of this Agreement, then the Company shall repay the One Hundred Fifty Thousand Dollars (\$150,000.00) to the City within fifteen (15) days of the expiration of the twenty four (24) months.

#### Incentive Number Two

##### 2.1 Incentive Grant Criteria

The Company shall comply with the following conditions (the "Grant Criteria") in order to qualify for Incentive Grants pursuant to this Agreement.

- a. The Company shall begin construction of the Project within twelve (12) months of the execution of this Agreement.
- b. The Company shall maintain its investment in the City for the duration of the Grant Term (hereinafter defined).
- c. The Company shall operate the Project substantially in compliance with all laws, rules, regulations, ordinances, and orders of all governmental bodies, agencies, authorities, and courts having jurisdiction.
- d. The City shall not be responsible for any aspect of the design or equipping of the Project.
- e. The Company shall be current in the payment of all ad valorem taxes and fees imposed on the Company by the City of Shelby and Cleveland County.
- f. The Company shall conduct operations at the Project in such manner as to be in material compliance with applicable Federal, State and local environmental regulations.

2.2 Certification of Grant Criteria by the Company.

- a. In each year of the Grant Term, the Company shall request payment of an Incentive Grant from the City. This request for payment can be made at any time after the Company has paid all local ad valorem taxes for the current tax year. In connection with each request for payment of the Incentive Grant, the Company shall deliver to the City's Finance Director a performance letter certifying that in the prior year, (or the current year if the request is made between July 1 and December 31 of the tax year) the Company (i) satisfied all of the Grant Criteria, (ii) agreed to the Assessed Value (hereinafter defined) of the Project as determined by the Cleveland County Tax Assessor; and (iii) paid all applicable local taxes on the Assessed Value of the Project. If in any year of the Grant Term, the Company fails to request payment from the City of the Incentive Grant for that year, the Company forfeits absolutely its right to the Incentive Grant for that year.
- b. Upon receipt of such certification from the Company, the Cleveland County Tax Assessor shall determine, as of January 1<sup>st</sup> for each year of the Grant Term, the total new property invested in the Project that is subject to ad valorem property taxes in the City (the "Taxable Investment") and the assessed value of the Taxable Investment (the "Assessed Value").
- c. The Company agrees to cooperate with the Cleveland County Tax Assessor and the City by providing such information and access to the Company's records as may be necessary to verify and substantiate initial and ongoing compliance with the Grant Criteria. If the City is unable to independently verify compliance with the Grant Criteria upon exercise of reasonable effort, then the City shall provide thirty (30) days written notice to the Company of the additional information needed to ascertain compliance. If the Company does not provide such additional information, and such additional information is necessary to ascertain its compliance with this Agreement, to the City before the expiration of this thirty (30) day period, the City may immediately terminate this Agreement. To the full extent allowed by law, such information shall be kept confidential by the City and shall remain the property of the Company to be returned after the City's review.
- d. The Company acknowledges that it has been informed by the City that the City is required by law, upon request, to disclose "Public Records" as that term is defined by N. C. Gen. Stat. § 132.1. Notwithstanding the immediately preceding sentence, the City acknowledges that some or all of the information made available by the Company to the City pursuant to this Agreement may be exempt from disclosure as a "Public Record" pursuant to N. C. Gen. Stat. §§ 132-1.2, 132-6(d), and that all such information is proprietary. Some or all of the information made available to the City pursuant to this Agreement may be designated by the Company as confidential and as a trade secret at the time of disclosure to the City. The City, to the fullest extent allowed by state law, will hold such designated information as confidential. The City shall, if it receives

a request for disclosure of any such information, notify the Company of such request so that the Company may defend any claims or disputes arising from efforts of others to cause such trade secrets to be disclosed as a Public Record, and the City shall refrain from making any such disclosures unless or until it (i) receives the Company's written permission to do so; or (ii) is compelled to do so by the final order of a court of competent jurisdiction. The Company shall have the right to direct any litigation of such dispute and shall indemnify the City for any legal fees and expenses incurred by the City in opposing such request for disclosure. The Company acknowledges that the City has met the disclosure requirements set forth in N. C. Gen. Stat. § 132-1.11(b).

### 2.3 Grant Term and Payment of Incentive Grants.

- a. Grant Term. The Grant Term will begin upon the issuance of a certificate of occupancy for the Project and upon verification that the Company has (i) satisfied all Grant Criteria, (ii) agreed to the Assessed Value of the Project as determined by Cleveland County's Tax Assessor, and (iii) paid all applicable local ad valorem taxes and fees. The Grant Term will continue for seven (7) calendar years following initial verification as long as the Grant Criteria remain satisfied.
- b. Between January 1<sup>st</sup> and March 31<sup>st</sup> of each year of the Grant Term, the City shall make an Incentive Grant payment to the Company in an annual amount equal to sixty five per cent (65%) of the City ad valorem taxes (with the current rate being \$0.435 per \$100.00 valuation) on real and personal property paid on the Project by the Company to the City during the preceding calendar year, as long as the Company remains compliant with this Agreement.

- 2.4 Termination upon Failure to Pay Ad Valorem Taxes. If the Company at any time during the Grant Term fails to pay all applicable ad valorem taxes when due, then the City shall provide thirty (30) days written notice to the Company stating that the ad valorem taxes are delinquent. If the taxes have not been paid upon the expiration of such thirty (30) day period of the Company's receipt of notice, then the City may terminate this Agreement and have no further obligation to the Company for the payment of any Incentive Grant.

### Incentive Number Three

- 3.1 Conveyance of Real Property. Within sixty (60) days of the execution of this Agreement by both parties, the City will convey to the Company by General Warranty Deed, and free of all encumbrances (with the exception of utility easements) an approximately twenty (20) acre tract of land located in the Foothills Commerce Center Park (the "Property"), said tract to be surveyed at the expense of the City.

The Company shall have no obligation to accept title to the Property unless and until (a) The Company is satisfied in all respects with its due diligence investigation of the

Property including, without limitation, all title, survey, geotechnical and environmental matters related thereto; (b) the City is not in default of the performance of any covenant or agreement to be performed as of the date of Closing by the city as set forth in this Agreement; and (c) the Company has confirmed that its use of the Property for the Project will not violate any private restrictions, zoning ordinances or governmental regulations then in effect on the date of Closing. Once the Company has determined that the conditions set forth in clauses (a), (b) and (c) preceding have been satisfied (or have been waived in whole or in part by the Company in its sole discretion), the Company shall give notice (the "Closing Notice") to the City that it is ready to close on the conveyance of the Property. The Company must give the Closing Notice within sixty (60) days of the execution of this Agreement by both parties. The City agrees to deliver the General Warranty Deed to the Property in the manner set forth in this Section 3.1 on a date that is no more than ten (10) business days following the date of the Closing Notice (the "Closing").

The City represents to the Company that the Property now is, and at Closing will be, in full compliance with all applicable zoning and land use laws and other local, state and federal laws and regulations and the City does not have knowledge of any proposed change in any such code, law or regulation which would interfere with the Company's proposed use of the Property for the Project.

The City represents to the Company that no person, firm or entity has any rights to acquire or to lease all or any portion of the Property or to otherwise obtain any interest therein and there are no outstanding options, rights of first refusal or negotiation, rights of reverter or rights of first offer relating to the Property or any interest therein.

Upon Closing and conveyance of the Property from the City to the Company, the City shall indemnify, defend and hold the Company harmless from any claim, liability or cause of action that relates to a period of time prior to the Closing and the Company shall indemnify, defend and hold the City harmless from any claim, liability or cause of action that relates to any period of time following the Closing.

All representations, warranties and indemnities made and given by the Parties in this Agreement shall survive the Closing.

- 3.2 Commencement and Completion of the Project. The Company agrees to commence construction of the Project within twelve (12) months of the execution of this Agreement by both parties, and to complete construction of the Project within twenty four (24) months of the execution of this Agreement by both parties. For the purposes of the foregoing (a) the term "commence construction" shall mean that applicable permits for the Project have been obtained and the Company's chosen contractor has begun grading the site of the Project and (b) the term "complete construction" means that the Project has been completed and the Company has received a certificate of occupancy.

3.3 Re-conveyance of Real Property. In the event the Company does not comply with the provisions of paragraph 2.2 above, the Company agrees to either (a) re-convey to the City by General Warranty Deed, and free of all contractual obligations, claims, liens proceeding and encumbrances (with the exception of utility easements and any matter consented to by the City), the Property conveyed by the City to the Company as described in paragraph 3.1 above; or (b) pay to the City an amount equal to the appraised value of the Property by the City (the "Agreed Price"). The option to select the remedy in clauses (a) or (b) preceding may be made by the Company in its sole and absolute discretion; provided, that the Company may not select option (b) if it has, in fact, on the date of non-compliance with the provisions of paragraph 3.2 above, abandoned the Property and notified the City that it will not use the Property for the Project.

3.4 Option to Obtain Additional Real Property. The City hereby grants to the Company an option for three (3) years from the date of this Agreement to obtain an additional approximately twelve (12) acre tract adjacent to the twenty (20) acres described in paragraph 3.1. The twelve (12) acre tract will be surveyed at the expense of the City at the same time the twenty (20) acres are surveyed.

If, within the three (3) year option period, the Company makes a capital investment of at least Eight Million Dollars (\$8,000,000.00) in the Project and starts construction of at least a one hundred thousand (100,000) square-foot building on said twelve (12) acres, the City will convey to the Company by General Warranty Deed, and free of all encumbrances (with the exception of utility easements), the said twelve (12) acre tract.

If the Company does not start construction on the twelve (12) acre tract within the three (3) year option period, then, and in that event, the City grants to the Company an additional three (3) year option to purchase the said twelve (12) acre tract for Eighteen Thousand Dollars (\$18,000.00) per acre.

Incentive Number Four.

Building permit and inspection fees will not be charged to the Company.

Incentive Number Five.

Water and Sewer tap and service fees will not be charged to the Company.

Incentive Number Six.

Partnership Way and Commerce Center Drive will be extended by the City, at its expense, to an agreed upon point at the Property.

7 Notice. Formal notices, demands, and communications between the City and the Company shall be sufficiently given if personally delivered or if dispatched by registered or certified mail, postage prepaid, return receipt requested, or by a

nationally recognized overnight courier to the principal offices of the City and the Company. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by formal notice hereunder.

**If to City:**

City of Shelby  
Shelby City Hall  
Attn: City Manager  
300 South Washington Street  
Shelby, NC 28150

**With copy that shall not constitute notice to:**

Robert W. Yelton  
Yelton, Farfour & Fite, P.A.  
P O Box 1329  
Shelby, NC 28151-1329

**If to the Company:**

Greenheck Fan Corporation  
Attn: Jeff Lamer  
400 Ross Avenue  
Schofield, WI 54476

- 8 Parties. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, and their successors in interest.
- 9 Complete Agreement. This Agreement contains the entire agreement between the Parties and there are no other representations, inducements, or other provisions other than those expressed in this writing. If this Agreement or any provision hereof is determined to be invalid, unlawful or otherwise null and void by any court of competent jurisdiction, then the remainder of this Agreement will remain valid and enforceable.
- 10 Amendments to Agreement. This Agreement may only be modified, altered or amended by mutual written consent of the Parties.
- 11 Termination. Except as otherwise provided herein, this Agreement shall terminate on December 31<sup>st</sup> of the last year of the Grant Term.
- 12 Assignment. No Party shall assign, sublet or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Unless specifically stated to the contrary in any written consent to assignment, no assignment shall release or discharge the assignor from any duty or responsibility under this Agreement.
- 13 Event of Default. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant



to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- a. If the Company shall fail to observe and perform any material provision of this Agreement and such failure shall continue for a period of thirty (30) or more days after the giving by the City of written notice of such failure to the Company; or
- b. If any material representation, warranty or other statement of fact contained in this Agreement or in any writing, certificate, report or statement furnished by the Company to the City in connection with the transaction described in this Agreement shall be false or misleading in any material respect when given; or
- c. If the Company shall be unable to pay its debts generally as they become due; files a petition in bankruptcy; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or a substantial part of its property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws; or
- d. If a court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of the Company or of the whole or any substantial part of its properties, or approve a petition filed against the Company under the federal bankruptcy laws; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of the Company or of the whole or any substantial part of its properties.

- 14 Statutory Authority for Incentive Grant. Both the Company and the City acknowledge that any and all monies appropriated and expended by the City for local economic development incentives as provided in this Agreement are for a bona fide public purpose and are expended in good faith reliance on N. C. Gen. Stat. § 158-7.1. In the event a court of competent jurisdiction, after final appeal, rules in a lawsuit to which either the Company or the City is a party, that the monies expended by the City pursuant to this Agreement were not offered and accepted in good faith and pursuant to and in compliance with N. C. Gen. Stat. §158-7.1 and, further, that such monies must be repaid, the Company will make such repayment. Further, if any elected officials of the City are found by a court of competent jurisdiction, after final appeal, to be personally liable for any of the monies so expended, and such liability is not covered by the City's public officials' liability insurance, then the Company will indemnify such elected officials individually to the extent of the monies received by the Company pursuant to this Agreement, but exclusive of court costs and attorney fees. The City agrees to maintain adequate public official liability coverage, consistent with that maintained by other similarly situated cities in North Carolina. The City agrees to require that its insurer(s) providing such coverage waive any subrogation rights it or they may have against the Company in connection with such coverage, and the City waives (on behalf of itself and its insurer) any claim or

subrogation rights against the Company to the extent covered by such insurance coverage. In the event any lawsuit is brought against the City or any elected official of the City challenging the legality of this Agreement, then the City shall exercise its best efforts to defend against any such lawsuit, including appealing any adverse judgment to the appropriate court. The indemnification arising under this Article shall survive this Agreement's termination. The indemnification by the Company shall not apply if neither the Company nor any of its representatives participated in the improper acts of the City officials.

- 15 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. Exclusive venue for any disputes arising hereunder is conferred upon the General Courts of Justice of the State of North Carolina sitting in Cleveland County.
- 16 Captions, Heading, Titles. Any paragraph headings contained in this Agreement are for convenience only and in no way enlarge or limit the scope or meaning of the various and several paragraphs contained herein.

*(The remainder of this page has been intentionally left blank.)*

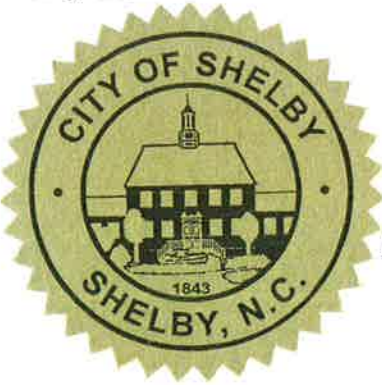
IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed, this the day and year first above written.

**CITY OF SHELBY, NORTH CAROLINA**

Attest:

By: Bernadette A. Parduski  
Bernadette A. Parduski, MMC,  
City Clerk

By: [Signature]  
O. Stanhope Anthony, III,  
Mayor



*[Remaining signature page to follow.]*

ATTEST:

By: Jonino Kalin

**GREENHECK FAN CORPORATION**

By: [Signature]

Name: MARCO A. ESPINOZA

Title: ASST. GENERAL COUNSEL

## Greenheck Fan Corporation City Incentive Grant Payment Schedule

\* Applicable agreement must be reviewed before annual remittance of grant incentive payment. Grant payments to be made after the taxpayer has paid in full all local property taxes. City has option to pay grant to taxpayer between January and March annually.

Column1 Tax Year (Fiscal Yr.)	Column2 2015-16	Column3 2016-17	Column4 2017-18	Column5 2018-19	Column6 2019-20	Column63 2020-2021	Column62 2021-22	Column7 Totals
% authorized	65%	65%	65%	65%	65%	65%	65%	N/A
Estimated net new investment	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000	N/A
Current City Tax Rate per \$100	0.00435	0.00435	0.004972	0.004972	0.004972	0.004972	0.004972	N/A
Estimated City Tax Levy	\$113,100	\$113,100	\$129,272	\$129,272	\$129,272	\$129,272	\$129,272	\$872,560
Calculated Grant Incentive Payment	\$73,515	\$73,515	\$84,027	\$84,027	\$84,027	\$84,027	\$84,027	\$567,164
Actual net new investment#	\$19,518,567	\$18,704,500	\$19,417,721					N/A
Current City Tax Rate per \$100	0.00435	0.004972	0.004972	0.004972	0.004972	0.004972	0.004972	N/A
Actual City Tax Levy#	\$84,906	\$92,999	\$96,545	\$0	\$0	\$0	\$0	\$274,449
Actual Grant Incentive Payment	\$55,189	\$60,449	\$62,754	\$0	\$0	\$0	\$0	\$178,392
<b>Difference</b>	<b>\$28,194</b>	<b>\$20,101</b>	<b>\$32,727</b>	<b>\$129,272</b>	<b>\$129,272</b>	<b>\$129,272</b>	<b>\$129,272</b>	<b>\$598,111</b>

# To be reported and confirmed by Cleveland County Tax Office annually to the City Manager and Finance Director.

Requirements for remittance: (This list is not exhaustive. Please refer to agreement.)

- 1 - Company must have paid all local property taxes in full.
- 2 - Company must be current on all utility accounts with the City.
- 3 - Company must be current on all fees and charges owed to the City.
- 4 - Company must request in writing during the fiscal year to be eligible to receive the City grant. Grants not requested are forfeited for that fiscal year.
- 5 - Company must meet the minimum stated net new investments.
- 6 - Company must be in compliance with all federal, state and local laws. (Including zoning, nuisance and other applicable ordinances)
- 7 - Grant to be paid between January 1 - March 31 of the fiscal year after all above conditions met.

# The Greenheck Group

Greenheck • Airolite • Accurex • Unison • Innovent • Valent • Precision Coils

October 30, 2017

City of Shelby  
Shelby City Hall  
Attn: City Manager  
300 South Washington Street  
Shelby, NC 28150

RE: Project Lakewood City of Shelby Incentive Grant Program

Dear City Manager,

In accordance with the terms of the Incentive Agreement (“Agreement”) dated October 7, 2013 between the City of Shelby and our company we are providing the attached information supporting our request for payment under the agreement.

Attached you will find an exhibit that outlines the net taxable investment and our calculation of the amount of the grant reimbursement that our company has earned. All grant criteria have been met under the terms of the Agreement and we have remitted payment for all of the taxes due.

Thank you for your help and please do not hesitate to contact me with questions related to the above matter.

Regards,



Dan Strehlow, CPA  
**Corporate Tax Manager | The Greenheck Group**  
Office: 715.355.3156 | Fax: 715.355.6545  
1100 Greenheck Drive, Schofield, WI 54476

**City of Shelby Economic Development Incentive Grant**  
**Greenheck Group Property Tax Rebate Request**  
**Request #3**

Project Lakewood - Shelby, North Carolina		
	Bill #	City Assessed Value
Personal Property	3688820	11,859,844
Less: Supplies Cost Listed		-
Net Personal Property Value Assessed		11,859,844
Real Property	3686125	8,052,452
Less: Tax value of "Gifted" Land		(494,575)
		7,557,877
Total Taxable Investment		19,417,721
Tax Rate (City of Shelby)		0.4972%
Property Tax Due		96,545
Tax Abatement Percentage		65%
Property Tax Abatement Refund Requested		62,754



ORIGINAL BILL

PROPERTY TAX NOTICE

Cleveland County
TAX COLLECTOR
P.O. BOX 760
Shelby, N.C. 27884-0760

OFFICE: 700 N.
5th St., Winston-Salem
Shelby, NC
HOURS:
8:00 am to 5:00 pm
Monday thru Friday
(703) 481-4440 Real Property
(703) 481-4440 Personal Property
(703) 481-4833 Collections

- Pay by August 31 to receive 1% of 1% discount
• For September 1 thru January 5, interest begins on 1
at a rate of 2% and increases by 1% each month thereafter.
Advertising and legal fees may apply.
• Payments submitted by mail are deemed to be received
on the date of the U.S. Postal Service postmark.
• Liens on unpaid real estate tax will be advertised in N
• Confirmation, Attachment of funds, Attachment of returns,
and Levy, may be initiated after January 5.
• Value, situs, and usability of personal property may
be appealed within 30 days of the billing date.
• Returned checks: NCGS 105-357 requires a penalty of
or 10% whichever is greater.
• For on line payment go to www.clevelandcountytaxes.com
• Cleveland County collects property tax for municipalities
other special districts. Please see reverse side for detailed
information on tax rates.

GREENHECK FAN CORP
PO BOX 410
SCHOFIELD WI 54476-0410

Table with columns: YEAR, PARCEL NO, PROPERTY DESCRIPTION, REAL VALUE. Row 1: 2017, PERSONAL PROPERTY - CVI, 11,859,844. Row 2: BILLING DATE 7/21/2017, DIST. 55, LAND USE, PERSONAL VALUE 11,859,844, TOTAL VALUE 11,859,844.

Table with columns: TAXING DISTRICT, RATE PER \$100, AMOUNT DUE. Includes handwritten notes: 181365, 8/17/17, 214970-X. Total due circled: 145,996.35. Includes 'KEEP THIS PORTION FOR YOUR RECORD' stamp.

DETACH HERE

MAKE CHECK PAYABLE TO CLEVELAND COUNTY TAX COLLECTOR AND REMIT IN THE ENCLOSED PAYMENT ENVELOPE.

PLEASE RETURN THIS PORTION WITH PAYMENT

CLEVELAND CO. TAX COLLECTOR PO BOX 760 SHELBY, NC 278

ACCOUNT NO. 1306128 RECEIPT NO. SEQ. NO. BILL NO. 3755

Summary table with columns: YEAR, DIST., PARCEL NO, EXEMPT, I.U., EARLY PAY DISCOUNT (VALID ONLY THRU AUGUST 31), PAY THIS AMOUNT (SEPTEMBER 1 THRU JAN. 5). Values: 2017, 55, 145,996.35, 146,730.00.

IMPORTANT - FOR ADDRESS CHANGE: CHECK BOX TO LEFT AND PRINT CORRECT ADDRESS BELOW

GREENHECK FAN CORP
PO BOX 410
SCHOFIELD WI 54476-0410





THIS DOCUMENT HAS A MICRO PRINTED BORDER & VOID PANTOGRAPH. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.



**GREENHECK FAN CORPORATION**  
 PO BOX 410  
 SCHOFIELD WI 54476-0410  
 PHONE 715-359-6171

BMO HARRIS BANK N.A.  
 CHICAGO

2-28  
 710

CASH PROMPTLY - VOID AFTER 90 DAYS

CHECK DATE	CHECK NUMBER
08/17/17	598978

THREE HUNDRED SEVENTY-THREE THOUSAND SIXTY-NINE Dollars And 53-Cents

PAY THIS AMOUNT
\$*****373,069.53**

TO THE  
 ORDER OF

CLEVELAND COUNTY TAX COLLECTOR  
 PO BOX 760  
 SHELBY NC 28151-0760

181365

*Robert C. Marshall*  
*Robert A. Greenlee*

⑈0598978⑈ ⑆071000288⑆ 00127⑈07206⑈

**GREENHECK FAN CORPORATION**  
 PO BOX 410  
 SCHOFIELD, WI. 54476-0410

181365 CLEVELAND COUNTY TAX COLLECTOR

08/17/17 598978

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	AMOUNT	DISCOUNT	NET AMOUNT
3734986	07/21/17	1232329	11,284.35	0.00	11,284.35
3749291	07/21/17	1287079	27,965.62	0.00	27,965.62
3750132	07/21/17	1290754	37,080.41	0.00	37,080.41
3752604	07/21/17	1295303	99,126.82	0.00	99,126.82
3755075	07/21/17	1306127	51,615.98	0.00	51,615.98
3755076	07/21/17	1306128	145,996.35	0.00	145,996.35
			373,069.53	0.00	373,069.53

## Justin Merritt

---

**From:** Chris Green <Chris.Green@clevelandcounty.com>  
**Sent:** Wednesday, November 29, 2017 4:16 PM  
**To:** Justin Merritt  
**Subject:** RE: Greenheck Taxes

Justin,

The attached bill #s 3755076 and 3752604 have both been paid.

chris

---

**From:** Justin Merritt [<mailto:Justin.Merritt@cityofshelby.com>]  
**Sent:** Monday, November 27, 2017 10:08 AM  
**To:** [chris.green@clevelandcounty.com](mailto:chris.green@clevelandcounty.com)  
**Subject:** Greenheck Taxes

Chris,

Can you verify these amounts have been paid.

Thanks,

Justin S. Merritt, MPA  
Director of Finance  
City of Shelby  
300 South Washington Street  
P.O. Box 207  
Shelby, NC 28150-0207  
Office – 704-484-6834  
[www.cityofshelby.com](http://www.cityofshelby.com)

**From:** CHCopier  
**Sent:** Monday, November 27, 2017 11:08 AM  
**To:** Justin Merritt  
**Subject:** Attached Image

### CONFIDENTIALITY STATEMENT:

This electronic communication from Cleveland County is confidential, privileged, and intended solely for the use of the recipient named above. If you're not the intended recipient, or the employee or agent responsible for delivering this information to the intended recipient, and have received this communication in error, please notify the sender immediately. Unauthorized disclosure, copying, distribution or other use of the contents of this electronic communication is strictly prohibited.

ORDINANCE NO. 1-2018

CITY OF SHELBY  
FISCAL YEAR (FY) 2017-2018 BUDGET ORDINANCE AMENDMENT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its annual budget for FY 2017-2018; and,

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve same for implementation and compliance with the Fiscal Control Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. Ordinance No. 41-2017, the City's FY 2017-2018 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 8 for the year:

(A) The City of Shelby, via resolution 62-2013, approved incentive agreements and awarded Industrial Incentive Grants to Greenheck Fan Corporation. Greenheck Fan Corporation has now met the requirements for distribution of grant funds for the third year of their incentive. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

(1) The following General Fund line items are amended:

- |   |          |
|---|----------|
| (a) Increase 11001000-39900<br>Fund Balance Appropriated              | \$62,754 |
| (b) Increase 110495-49230<br>Transferred to Economic Development Fund | \$62,754 |

(2) The following Econ. Development Funds Line Items are amended:

- |   |          |
|---|----------|
| (a) Increase 23009000-39000<br>Transferred from Other Funds | \$62,754 |
| (b) Increase 230590-42006<br>Economic Development           | \$62,754 |

Section 2. That the revenues, expenditures and amendments set forth in Section 1 of this ordinance are hereby summarized as follows:

	<u>Current Budget</u>	<u>Amendment No. 8</u>
General Fund	\$ 22,883,744	\$ 22,946,498
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	654,750	654,750
Economic Dev. Fund	1,072,219	1,134,973
Housing Fund	1,494,872	1,494,872
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,175,797	5,175,797
Utilities-Sewer Fund	5,461,315	5,461,315
Utilities-Electric Fund	21,894,427	21,894,427
Utilities-Gas Fund	17,151,911	17,151,911
Utilities – Stormwater Fund	798,000	798,000
FY 2017-2018 Budget Total	<u>\$ 76,724,035</u>	<u>\$ 76,849,543</u>

Section 3. Copies of this Budget Ordinance Amendment shall be furnished to the City Manager as Budget Officer and to the Finance Director to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code, the General Statutes of North Carolina, and the provisions of the original budget ordinance; inclusive of GS 159-28 governing budgetary accounting of appropriations.

Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 8th day of January 2018.

---

O. Stanhope Anthony, III  
Mayor

ATTEST:

---

Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

APPROVED AS TO FORM:

---

Robert W. Yelton  
City Attorney

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

Agenda Item: C-4

- 4) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 9:  
Ordinance No. 2-2018

**Consent Agenda Item: (Staff Resource, Justin Merritt, Finance Director, Jeff Ledford, Police Chief)**

---

Summary of Available Information:

- Memorandum dated December 20, 2017 from Jeff Ledford, Police Chief to Rick Howell, City Manager
- Ordinance No. 2-2018

---

City Manager's Recommendation / Comments

Ordinance No. 2-2018 is presented for City Council consideration via the Consent Agenda. As noted in Chief Ledford's memo to me the City has received additional donations in the amount of \$21,539.00 from the public following the line of duty death of Officer Tim Brackeen. Many organizations and citizens not only donated to support the family during that very difficult time but also wanted to show support and help the City's police department. Some of the donations were specified to be used for the K-9 program and others were not specified. In trying to be respectful of the intended purposes we have identified the amount directly specified for the K-9 program and allocated those resources accordingly. The remainder will be used for equipment to outfit the new fitness room at the police department. If approved this ordinance merely recognizes these donations within the current budget and then appropriates them for expenditure.

**It is my recommendation Ordinance No. 2-2018 be adopted and approved by City Council at this time via the Consent Agenda.**



## Intradepartmental Communication

---

**To:** Mr. Rick Howell, City Manager  
**From:** Chief Jeff Ledford  
**Date:** December 20, 2017  
**Subject:** Budget Amendment Request

### Background

In September 2016, our city and community experienced a tragedy in the line of duty death of K9 Officer Timothy Brackeen. As we are aware, Officer Brackeen died while serving the citizens of our community in a law enforcement capacity. In the fifteen months that have followed this incident, the outpouring of support from our community has been overwhelming. From simple words of encouragement and prayer to cards, letters, and food, the men and women of the Shelby Police Department have observed first-hand the compassion and support of our community. In addition to these acts of kindness, the police department has received \$21,539.00 in monetary donations to support equipment needs within our organization.

### Review

The following donation deposits have been made into the city's General Fund:

December 8, 2017—**\$13,164.00**

March 2, 2017—**\$3,375.00**

March 23, 2017—**\$5,000.00**

### Recommendation

We are requesting a budget amendment to place these funds into our department's non-capital expenditure budget line. We intend on utilizing these funds to cover the costs associated with promoting our wellness program by outfitting our fitness room at police headquarters with exercise equipment.

Thanks for your consideration and please let us know if you need any further.

ORDINANCE NO. 2-2018

CITY OF SHELBY  
FISCAL YEAR (FY) 2017-2018 BUDGET ORDINANCE AMENDMENT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its annual budget for FY 2017-2018; and,

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve same for implementation and compliance with the Fiscal Control Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. Ordinance No. 41-2017, the City’s FY 2017-2018 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 9 for the year:

(A) The City of Shelby, specifically the Shelby Police Department, has received monetary donations in response to the death of Officer Timothy Brackeen. These funds must be used for Police Department operations and the department has requested that thee funds be appropriated for immediate use to equip the newly constructed fitness room. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

(1) The following General Fund line items are amended:

(a) Increase 11001000-39900 Fund Balance Appropriated	\$ 8,375
Increase 11003000-36830 Donations	\$13,164
(b) Increase 110431-41999 Non-Capital Equipment	\$21,539

Section 2. That the revenues, expenditures and amendments set forth in Section 1 of this ordinance are hereby summarized as follows:

	<u>Current Budget</u>	<u>Amendment No. 9</u>
General Fund	\$ 22,946,498	\$ 22,968,037
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	654,750	654,750
Economic Dev. Fund	1,134,973	1,134,973
Housing Fund	1,494,872	1,494,872
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,175,797	5,175,797
Utilities-Sewer Fund	5,461,315	5,461,315
Utilities-Electric Fund	21,894,427	21,894,427
Utilities-Gas Fund	17,151,911	17,151,911
Utilities – Stormwater Fund	798,000	798,000
FY 2017-2018 Budget Total	<u>\$ 76,849,543</u>	<u>\$ 76,871,082</u>



Ordinance No. 2-2018  
January 8, 2018  
Page 2

Section 3. Copies of this Budget Ordinance Amendment shall be furnished to the City Manager as Budget Officer and to the Finance Director to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code, the General Statutes of North Carolina, and the provisions of the original budget ordinance; inclusive of GS 159-28 governing budgetary accounting of appropriations.

Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 8th day of January 2018.

---

O. Stanhope Anthony, III  
Mayor

ATTEST:

---

Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

APPROVED AS TO FORM:

---

Robert W. Yelton  
City Attorney

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

**Agenda Item: D-1**

Old Business

- 1) Consideration of appointments to City advisory boards and commissions:
  - a. Keep Shelby Beautiful (KSB) Commission

**Old Business Item: (Staff Resource, Bernadette Parduski, City Clerk)**

Summary of Available Information:

- Memorandum dated December 29, 2017 from Bernadette A. Parduski, City Clerk to Rick Howell, City Manager
- Keep Shelby Beautiful Roster 2018
- Applications for Keep Shelby Beautiful (Baker, Bridges, Brooks, Carter and Hendrick)

---

City Manager's Recommendation / Comments

Volunteers are an essential part of the work the City performs each year. As always this is just a reminder that we all should work to recruit qualified and quality people to serve whenever possible. Solicitation of both qualified and interested citizens to serve on these important advisory boards remains a priority for 2018. I would challenge each of you to recruit viable candidates that possess the knowledge and willingness to serve during the coming months.

I cannot emphasize enough the importance of appointing quality people to these very important citizen boards and commissions. It is incumbent upon Council as the appointing authority to ensure members are responsible members of the community who will make decisions that reflect the established and recognized values of the City. These appointees after all reflect upon Council as the appointing authority as well as the City as they conduct business month to month.



# Memo

To: Rick Howell, City Manager  
From: Bernadette A. Parduski, City Clerk  
Date: December 29, 2017  
Re: Appointments to City Advisory Boards and Commissions

## **BOARD REVIEW:**

### KEEP SHELBY BEAUTIFUL (KSB) COMMISSION:

There are three vacancies for new terms concluding January 2020. There are also seven incumbents who wish to continue their service with KSB:

1. Modestenia Bush
2. Don Costner
3. Charles Hamrick
4. Patrick McMurry
5. Patti Ellis McMurry
6. Dana Scoggin
7. Wiley Smith

There are five applications on file in the Clerk's Office:

1. Richard (Dick) Baker, Jr.
2. Linda Bridges
3. Stevie Brooks
4. Chris Carter
5. Laurie Hendrick

**POSSIBLE ACTION:**

Council can begin the nominating process or take appointive action for five new terms (3 vacancies and 2 incumbents) concluding January 2020 and five new terms (5 incumbents) concluding January 2021.

**Attachments:**

- A. Keep Shelby Beautiful (KSB) Commission Roster 2018
- B. Application of Richard F. (Dick) Baker, Jr.
- C. Application of Linda G. Bridges
- D. Application of Stevie Brooks
- E. Application of Chris Carter
- F. Application of Laurie Hendrick

## KEEP SHELBY BEAUTIFUL (KSB) COMMISSION ROSTER 2018

MEMBERS	ADDRESS	TERM EXPIRATION	PHONE NUMBER
Audrey Whetten Executive Director <a href="mailto:awhetten@uptownshelby.com">awhetten@uptownshelby.com</a>	211 South Trade Street Shelby NC 28150	USA representative	W: 704 484-3100
VACANT		January 2020	
VACANT		January 2020	
Charles Hamrick <a href="mailto:mrcharles911@gmail.com">mrcharles911@gmail.com</a>	911 West Marion Street Shelby, NC 28150	January 2017	704 996-0097
VACANT		January 2020	
Modestenia Bush <a href="mailto:modestenia_bush@yahoo.com">modestenia_bush@yahoo.com</a>	1338 N. Lafayette Street Shelby, NC 28150	January 2017	H: 704 471-9702 C: 704 472-6556
A. Patrick McMurry <a href="mailto:apmcmurry@gmail.com">apmcmurry@gmail.com</a>	205 Ware Street Shelby, NC 28150	January 2018	704 692-1819
Wiley Smith, Jr., <a href="mailto:truckhead64@gmail.com">truckhead64@gmail.com</a>	806 East Marion Street Shelby, NC 28150	January 2018	C: 704-418-5070
Don Costner <a href="mailto:Don.Costner@AllenTate.com">Don.Costner@AllenTate.com</a> <a href="mailto:doncostner@carolina.rr.com">doncostner@carolina.rr.com</a>	1209 Charles Road Shelby, NC 28152	January 2018	H: 704 480-1989 W: 704 472-8052
Patti Ellis McMurry <a href="mailto:patti.mcmurry@hospicecares.cc">patti.mcmurry@hospicecares.cc</a>	905 Elizabeth Road Shelby, NC 28150	January 2018	H: 980 522-1340 W: 704 487-4677
Dana Scoggin <a href="mailto:danawhite@hotmail.com">danawhite@hotmail.com</a>	1007 Queens Circle Shelby, NC 28150	January 2018	H: 704 487-1757 W: 704 487-8627
Joe Linton Suttle IV <a href="mailto:joesuttle4@gmail.com">joesuttle4@gmail.com</a>	909 Elizabeth Road Shelby, NC 28150	January 2019	H: 704 300-1516 W: 704 484-6295
Kellie Ledford <a href="mailto:kellie.j.ledford@gmail.com">kellie.j.ledford@gmail.com</a>	219 Windsor Drive Shelby, NC 28150	January 2019	704 473-6676
Linda Price <a href="mailto:linda@shelby.net">linda@shelby.net</a>	427 Brookside Drive Shelby, NC 28150	January 2019	H: 704 487-6665
Peter Potemkin <a href="mailto:ppotemkin@gmail.com">ppotemkin@gmail.com</a>	711 Ridgeview Drive Shelby, NC 28150	January 2019	H: 704 482-8012 W: 704 600-5990

**Meetings held on 1<sup>st</sup> Wednesday of each month;** 11:45 - 1:00 pm; UOC Assembly Room, 824 W. Grover St.

**City Council Liaison:** Eric Hendrick, Ward 1, 926 Elizabeth Road, Shelby, NC 28150; C: 704 418-5688 and W: 704 487-7846; [eric.hendrick@cityofshelby.com](mailto:eric.hendrick@cityofshelby.com)

**Advisor:** Fred Blackley, 504 S. DeKalb St., Shelby, NC 28150 W: 704 484-1731; [fred504@bellsouth.net](mailto:fred504@bellsouth.net)

**Staffed by Planning and Development Services Department (704 484-6829):** Walt Scharer, Director and KSB Coordinator, [walt.scharer@cityofshelby.com](mailto:walt.scharer@cityofshelby.com); Code Enforcement Officers: Wanda LaRhette, [wanda.larhette@cityofshelby.com](mailto:wanda.larhette@cityofshelby.com); Stuart McDaniel, [stuart.mcdaniel@cityofshelby.com](mailto:stuart.mcdaniel@cityofshelby.com); and Blake Scott, [blake.scott@cityofshelby.com](mailto:blake.scott@cityofshelby.com)



APPLICATION FOR APPOINTMENT TO  
BOARDS AND COMMISSIONS



The Shelby City Council believes that all citizens should have the opportunity to actively participate in governmental decisions. One way of participating is by serving as a voluntary member of one of the City's boards, commissions, or committees as outlined below. If you have an interest in being considered for appointment, please complete the form below and mail it to the City Clerk, City of Shelby, P O Box 207, Shelby, NC 28151-0207 or email it to [bernie.parduski@cityofshelby.com](mailto:bernie.parduski@cityofshelby.com). If you have questions or need assistance, please call 704 669-6588. Thank you!

- Keep Shelby Beautiful Commission
- Shelby-Cleveland County Regional Airport Advisory Commission
- Shelby Alcoholic Beverage Control Board
- Shelby Zoning Board of Adjustment
- Shelby Firefighters Relief Fund Board of Trustees
- Shelby Housing & Redevelopment Advisory Board
- Shelby Parks & Recreation Advisory Commission
- Shelby Planning & Zoning Advisory Board

DATE November 3, 2017

NAME Richard F. (Dick) Baker, Jr.

ADDRESS (No P O Boxes please) 1810 Country Garden Drive

CITY / STATE / ZIP Shelby, NC 28150

DO YOU RESIDE WITHIN THE CITY OF SHELBY'S CORPORATE LIMITS?  
YES

DO YOU RESIDE WITHIN THE CITY OF SHELBY'S EXTRATERRITORIAL JURISDICTION (ETJ)?  
N/A

WARD 2

PHONE NUMBERS: Cell 704-574-1443 Work 980-487-3787

EMAIL ADDRESS Rbaker51@carolina.rr.com

OCCUPATION Executive Director, HealthCare Foundation of Cleveland County

EDUCATIONAL BACKGROUND University of Georgia, Non-profit executive for over 30 years, former chamber of commerce executive, civic volunteer. Current Chair of Leadership Cleveland County program, member of Shelby Rotary Club

BOARD OR COMMISSION INTERESTED IN:

1. Parks & Recreation Advisory Commission
2. Regional Airport Advisory Commission (US Air Force Veteran)
3. Keep Shelby Beautiful Commission

OTHER COMMENTS

SIGNATURE *Richard F. Baker, Jr.* DATE 11/3/17



**APPLICATION FOR APPOINTMENT TO BOARDS AND COMMISSIONS**

The Shelby City Council believes that all citizens should have the opportunity to actively participate in governmental decisions. One way of participating is by serving as a voluntary member of one of the City’s Boards, Commissions or Committees as outlined below. If you have interest in being considered for appointment, please complete the form below and mail it to the City Clerk, City of Shelby, and P.O. Box 207, Shelby, North Carolina 28151-0207.

- Shelby-Cleveland County Regional Airport Advisory Commission
- Shelby Alcoholic Beverage Control Board
- Shelby Appearance Advisory Commission
- Shelby Zoning Board of Adjustment
- Shelby Community Relations Council
- Shelby Fireman’s Relief Fund Board of Trustees
- Shelby Housing & Redevelopment Advisory Board
- Shelby Parks & Recreation Advisory Commission
- Shelby Planning & Zoning Advisory Board
- \*Other committees that may be formed by the Mayor and City Council

DATE 8-2-17

NAME Linda G. Bridges

ADDRESS (No PO Boxes, please) 1204 Brookwood Drive

CITY / STATE / ZIP Shelby, NC 28150

*Hard 2*

TELEPHONE (Home) 704-482-1998 (Work) 704-482-1998

EMAIL ADDRESS Kbridges3@carolina.rr.com

OCCUPATION Resturant owner

EDUCATIONAL BACKGROUND High School Graduate

BOARD OR COMMISSION INTERESTED IN:

1. KSB

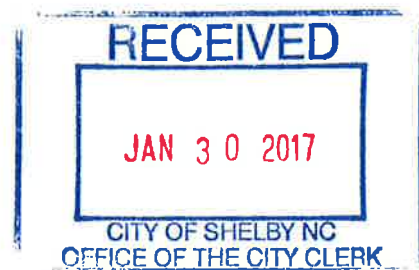
2. \_\_\_\_\_

3. \_\_\_\_\_

OTHER COMMENTS:

SIGNATURE *Spencer G. Bridges* DATE 8-2-17





**APPLICATION FOR APPOINTMENT TO BOARDS AND COMMISSIONS**

The Shelby City Council believes that all citizens should have the opportunity to actively participate in governmental decisions. One way of participating is by serving as a voluntary member of one of the City’s Boards, Commissions or Committees as outlined below. If you have interest in being considered for appointment, please complete the form below and mail it to the City Clerk, City of Shelby, and P.O. Box 207, Shelby, North Carolina 28151-0207.

- Shelby-Cleveland County Regional Airport Advisory Commission
- Shelby Alcoholic Beverage Control Board
- Shelby Appearance Advisory Commission
- Shelby Zoning Board of Adjustment
- Shelby Community Relations Council
- Shelby Fireman’s Relief Fund Board of Trustees
- Shelby Housing & Redevelopment Advisory Board
- Shelby Parks & Recreation Advisory Commission
- Shelby Planning & Zoning Advisory Board
- \*Other committees that may be formed by the Mayor and City Council

DATE 1/25/17

NAME Stevie Brooks

ADDRESS (No PO Boxes, please) 866 West Marion St.

*Ward 4*

CITY / STATE / ZIP Shelby, NC 28150

TELEPHONE (Home) 7046006142 (Work) \_\_\_\_\_

EMAIL ADDRESS mimna1dj@gmail.com

OCCUPATION \_\_\_\_\_

EDUCATIONAL BACKGROUND \_\_\_\_\_

Central Michigan University

BOARD OR COMMISSION INTERESTED IN:

1. Appearance Advisory Commission - KSB
2. \_\_\_\_\_
3. \_\_\_\_\_

OTHER COMMENTS:

I am a founding member of the West Marion Street Neighborhood Association and the chair for WMSNA's Marketing and Membership comity. I would love the opportunity to work with this commission.

SIGNATURE



DATE

1/25/17



**APPLICATION FOR APPOINTMENT TO BOARDS AND COMMISSIONS**

The Shelby City Council believes that all citizens should have the opportunity to actively participate in governmental decisions. One way of participating is by serving as a voluntary member of one of the City's Boards, Commissions or Committees as outlined below. If you have interest in being considered for appointment, please complete the form below and mail it to the City Clerk, City of Shelby, and P.O. Box 207, Shelby, North Carolina 28151-0207.

- Shelby-Cleveland County Regional Airport Advisory Commission
- Shelby Alcoholic Beverage Control Board
- Shelby Appearance Advisory Commission
- Shelby Zoning Board of Adjustment
- Shelby Community Relations Council
- Shelby Fireman's Relief Fund Board of Trustees
- Shelby Housing & Redevelopment Advisory Board
- Shelby Parks & Recreation Advisory Commission
- Shelby Planning & Zoning Advisory Board
- \*Other committees that may be formed by the Mayor and City Council

DATE 12/8/17

NAME Chris Carter

ADDRESS (No PO Boxes, please) 503 Forest Hill Drive

CITY / STATE / ZIP Shelby NC 28150

*Handwritten note: David!*

TELEPHONE (Home) (704) 692 9437 (Work) (704) 402 4341

EMAIL ADDRESS ccarter@carterchev.com

OCCUPATION Automotive Industry

EDUCATIONAL BACKGROUND Western Carolina M.E. Entrepreneurship

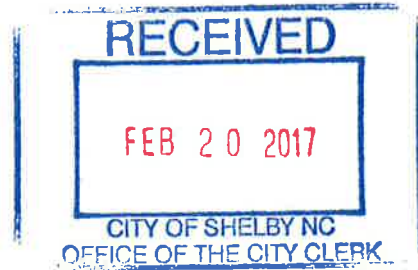
Methodist University B.S. Environmental and Occupational Management

**BOARD OR COMMISSION INTERESTED IN:**

1. Keep Shelby Beautiful Board
2. \_\_\_\_\_
3. \_\_\_\_\_

**OTHER COMMENTS:**

SIGNATURE CHC DATE 12/8/17



**APPLICATION FOR APPOINTMENT TO BOARDS AND COMMISSIONS**

The Shelby City Council believes that all citizens should have the opportunity to actively participate in governmental decisions. One way of participating is by serving as a voluntary member of one of the City’s Boards, Commissions or Committees as outlined below. If you have interest in being considered for appointment, please complete the form below and mail it to the City Clerk, City of Shelby, and P.O. Box 207, Shelby, North Carolina 28151-0207.

- Shelby-Cleveland County Regional Airport Advisory Commission
- Shelby Alcoholic Beverage Control Board
- Shelby Appearance Advisory Commission
- Shelby Zoning Board of Adjustment
- Shelby Community Relations Council
- Shelby Fireman’s Relief Fund Board of Trustees
- Shelby Housing & Redevelopment Advisory Board
- Shelby Parks & Recreation Advisory Commission
- Shelby Planning & Zoning Advisory Board
- \*Other committees that may be formed by the Mayor and City Council

DATE 2-20-2017

NAME Laurie Hendrick

ADDRESS (No PO Boxes, please) 926 Elizabeth Road

CITY / STATE / ZIP Shelby, NC 28150

*2nd!*

TELEPHONE (Home) 704-487-5103 <sup>Cell</sup> (Work) 704-418-4984

EMAIL ADDRESS laurieh@carolina.rr.com

OCCUPATION Stay at home Mom

EDUCATIONAL BACKGROUND Shelby High School - 1997

University of North Carolina - 2001

\* Degree in Communication Studies

BOARD OR COMMISSION INTERESTED IN:

1. Shelby Appearance Advisory Commission

2. \_\_\_\_\_

3. \_\_\_\_\_

OTHER COMMENTS:

SIGNATURE

Laurie Hendrick

DATE

2-20-17

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

**Agenda Item: D-2**

- 2) Consideration of a resolution of award for the First Broad Wastewater Treatment Plant – Influent and Preliminary Treatment Improvements award to Wharton-Smith, Inc.: Resolution No. 2-2018

**Old Business Item: (Presenting: Rick Howell, City Manager, Staff Resource, David Hux, Water Resources Director)**

---

Summary of Available Information:

- Memorandum dated December 28, 2107 from David Hux, Water Resources Director to Rick Howell, City Manager
- Letter dated December 14, 2017 from HDR to David Hux, City of Shelby
- Bid Tabulation Sheets
- Copy of Ordinance No. 2-2017 and Ordinance No. 17-2017
- Resolution No. 2-2018

---

City Manager's Recommendation / Comments

Resolution No 2-2018 is presented for consideration by City Council at this time. Council will recall that project budget Ordinance No. 16-2017 was approved providing funding for this project in March 2017. Bids were subsequently solicited from qualified contractors in mid-December. If approved this resolution would award this contract for the First Broad River Wastewater Treatment Plant – Influent and Preliminary Treatment Improvement project to Wharton Smith Inc. of Charlotte, NC in the amount of \$5,712,094. This is within the amount approved in the budget ordinance. Construction is expected to begin in February 2018 and completed by February 2019.


This project is directly related to the expansion of Clearwater Paper in the Washburn Switch Business Park and includes the construction of upgraded headworks facilities at the First Broad River Wastewater Treatment Plant.

**It is my recommendation Resolution No. 2-2018 be adopted and approved by City Council at this time via the Consent Agenda**



## ***Memorandum***

**To:** Rick Howell, City Manager

**From:** David Hux, Water Resources Director 

**RE:** **First Broad WWTP Improvements – Influent & Preliminary Treatment Construction Contract Award to Wharton-Smith, LLC.**

**Date:** December 28, 2017

### **Background:**

In January 2017, Shelby City Council established a capital project budget ordinance (2-2017) for the design engineering of a project entitled First Broad WWTP Improvements – Influent and Preliminary Treatment. In March of 2017, the project was amended with project budget ordinance (17-2017) that allocated the funds for construction based on engineering estimates.

The First Broad WWTP Improvements – Influent and Preliminary Treatment would include upgrades to the preliminary treatment system and main lift station, which would improve preliminary treatment operation and enhance pumping capacities for economic development projects; such as the Foothills Commerce Center and the Washburn Switch Business Park. The construction of the new Clearwater expansion on Washburn Switch Road is underway and the improvements are needed for the increased sewer flows.

HDR Engineering of the Carolinas was selected in January of 2017 and awarded the design contract for the First Broad WWTP – Influent and Preliminary Treatment Upgrades. Design of this project was completed and the project was bid in November of 2017.

### **Review:**

On December 12, 2017 the City received bids for the project. HDR Engineering of the Carolinas assisted with bid advertisement and they have completed the canvassing of five (5)



bids that were received. The lowest bid was submitted by Wharton-Smith of Charlotte, North Carolina in the amount of \$5,712,094.00.

**Recommendation:**

Staff recommends proceeding with construction of the First Broad Influent and Preliminary Treatment improvements portion of this project and hereby requests that City Council authorize the award of the construction contract to Wharton-Smith in the amount of \$5,712,094.00.

Please let us know if further information is needed.



December 14, 2017

David Hux  
City of Shelby  
824 West Grover Street  
Shelby, NC 28150

RE: First Broad River WWTP – Influent Improvements Project Recommendation of Award

Dear Mr. Hux:

We have evaluated the bid of the apparent low bidder received on Tuesday, December 12, 2017 for the above referenced project. Five (5) bids were received by the City of Shelby as shown below. A certified bid tab, which includes a detailed breakdown of each bid, is attached.

Bidder	Total Bid Price
<b>Wharton-Smith, Inc</b>	\$5,712,094.00
<b>State Utility Contractors, Inc</b>	\$5,882,000.00
<b>The Harper Corporation</b>	\$6,195,000.00
<b>English Construction</b>	\$6,820,000.00
<b>Haren Construction Company</b>	\$6,842,000.00

The low bid was submitted by Wharton-Smith, Inc as determined with or without the inclusion of any combination of Bid Alternate Deductions or Additions. Based upon our evaluation of the qualifications, references, experience, reputation and financial condition of Wharton-Smith, Inc., and its surety (Western Surety Co), we believe they are capable of completing the work required.

As noted in the attached, Wharton-Smith submitted all required forms and there were no irregularities found. Based on the above and attached, we recommend the award of a contract for construction of the First Broad River WWTP Influent Improvements project to Wharton-Smith, Inc., in the amount of \$5,712,094.00.

D. Hux, City of Shelby  
December 14, 2017  
Page 2

If you should have any questions or require any additional information, please do not hesitate to contact us.

Sincerely,

HDR Engineering, Inc. of the Carolinas



Will Shull, PE  
*Design Manager*

cc: Christopher Crotwell, HDR  
Mary Knosby, HDR



**Bid Tabulation Sheet Summary**  
**First Broad River Wastewater Treatment Plant Influent Improvements Project**  
 Bids Received December 12, 2017 at 2:00 p.m.

Item No.	Description	Estimated Quantity	Unit	Wharton-Smith, Inc.		State Utility Contractors, Inc.		The Harper Corporation		English Construction		Hanan Construction Company, Inc.	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
<b>CONTRACTOR:</b> Wharton-Smith, Inc. ADDRESS: 5601 Seventy Seven Center Drive, Suite 12C Charlotte, NC 28217 PHONE: (704) 525-5695 ext 301 FAX: (704) 289-6400 LICENSE #: 38755 TYPE: General Contractor STATUS: Active CLASSIFICATION: PU(Water Lines & Sewer Lines) PU(Water Pur. & Sewage Disp.)													
<b>CONTRACTOR:</b> State Utility Contractors, Inc. ADDRESS: 4417 Old Charlotte Highway Monroe, NC 28111-5019 PHONE: (704) 289-6400 LICENSE #: 17793 TYPE: General Contractor STATUS: Active CLASSIFICATION: Unclassified/Unlimited													
<b>CONTRACTOR:</b> The Harper Corporation ADDRESS: 35 West Court Street, Suite 400 Greenville, SC 29601 PHONE: (854) 527-2500 LICENSE #: 3146 TYPE: General Contractor STATUS: Active CLASSIFICATION: Building, PU(Water Lines & Sewer Lines), PU(Water Pur. & Sewage Disp.)													
<b>CONTRACTOR:</b> English Construction ADDRESS: 815 Church Street Lynchburg, VA 24504 PHONE: (434) 845-0301 LICENSE #: 3786 TYPE: General Contractor STATUS: Active CLASSIFICATION: Unclassified/Unlimited													
<b>CONTRACTOR:</b> Hanan Construction Company, Inc. ADDRESS: 1715 Highway 411 North Elbow, TN PHONE: (423) 263-5561 LICENSE #: 7770 TYPE: General Contractor STATUS: Active CLASSIFICATION: Unclassified/Unlimited													
<b>Base Bid Price for Contract</b>													
A	Lump Sum Bid Price	1	LS	\$ 5,090,000.00	\$ 5,090,000.00	\$ 5,235,956.00	\$ 5,235,956.00	\$ 5,686,706.00	\$ 5,686,706.00	\$ 6,181,706.00	\$ 6,181,706.00	\$ 6,212,781.00	\$ 6,212,781.00
B	Preferred Brand Alternate: Grit Collection and Concentration System (pre-allocated cash allowance)	1	LS	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00	\$ 244,500.00
C	Lump Sum Cash Allowance (Instrumentation and Integration - Refer to Appendix)	1	LS	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00	\$ 123,794.00
D	Lump Sum Contingency Allowance	1	LS	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
E	<b>Total Lump Sum Bid Price (A+B+C+D)</b>			\$ 5,659,294.00	\$ 5,659,294.00	\$ 5,604,250.00	\$ 5,604,250.00	\$ 6,135,000.00	\$ 6,135,000.00	\$ 6,750,000.00	\$ 6,750,000.00	\$ 6,781,075.00	\$ 6,781,075.00
F	Calcium Aluminate Mortar Wall Overlay (Refer to Spec Section 03 01 30)	2,000	SF	\$ 18.00	\$ 36,000.00	\$ 15.00	\$ 30,000.00	\$ 15.00	\$ 30,000.00	\$ 20.00	\$ 40,000.00	\$ 21.50	\$ 43,000.00
G	Concrete Repair - Type 1 (Refer to Spec Section 03 01 30)	25	SF	\$ 77.00	\$ 1,925.00	\$ 270.00	\$ 6,750.00	\$ 100.00	\$ 2,500.00	\$ 180.00	\$ 4,500.00	\$ 87.00	\$ 2,175.00
H	Concrete Repair - Type 2 (Refer to Spec Section 03 01 30)	200	SF	\$ 45.00	\$ 9,000.00	\$ 145.00	\$ 29,000.00	\$ 100.00	\$ 20,000.00	\$ 100.00	\$ 20,000.00	\$ 51.00	\$ 10,200.00
I	Crack Repair - Type 3 (Refer to Spec Section 03 01 30)	75	LF	\$ 65.00	\$ 4,875.00	\$ 150.00	\$ 12,000.00	\$ 100.00	\$ 7,500.00	\$ 80.00	\$ 6,000.00	\$ 74.00	\$ 5,550.00
J	<b>Total Unit Price Items (F+G+H+I)</b>			\$ 53,000.00	\$ 53,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,925.00
<b>Total Base Bid Price For Contract (E+J)</b>					\$ 5,712,094.00		\$ 5,882,000.00		\$ 6,185,000.00		\$ 6,820,000.00		\$ 6,842,000.00



**Bid Tabulation Sheet Summary**  
**First Broad River Wastewater Treatment Plant Influent Improvements Project**  
 Bids Received December 12, 2017 at 2:00 p.m.

CONTRACTOR: Wharton-Smith, Inc.		State Utility Contractors, Inc.		The Harper Corporation		English Construction		Haven Construction Company, Inc.	
ADDRESS: 5801 Seventy Seven Center Drive, Suite 12C Charlotte, NC 28217		4417 Old Charlotte Highway Monroe, NC 28111-5019		35 West Court Street, Suite 400 Greenville, SC 29601		815 Church Street Lynchburg, VA 24504		1715 Highway 411 North Etowah, TN	
PHONE: (704) 528-5695 ext.301		(704) 289-6400		(864) 527-2500		(434) 845-0301		(423) 263-5561	
FAX:									
LICENSE # 38755		17793		3146		8786		7770	
TYPE: General Contractor		General Contractor		General Contractor		General Contractor		General Contractor	
STATUS: Active		Active		Active		Active		Active	
CLASSIFICATION: PU(Water Line & Sewer Line)		Unclassified/Unlimited		Building, PU(Water Lines & Sewer Lines), PU(Water P.r. & Sewage Disp.)		Unclassified/Unlimited		Unclassified/Unlimited	
<b>Bid Alternates</b>									
A	Deductive Bid Alternate 1 - Influent Pump Station Roof Replacement	\$	44,800.00	\$	35,000.00	\$	60,000.00	\$	50,000.00
B	Deductive Bid Alternate 2 - Influent Standby Generator	\$	240,000.00	\$	230,000.00	\$	200,000.00	\$	220,000.00
C	<b>Total Deductions for Bid Alternate Items (A+B)</b>	\$	<b>284,800.00</b>	\$	<b>265,000.00</b>	\$	<b>260,000.00</b>	\$	<b>270,000.00</b>
<b>Preferred Brand Alternates</b>									
	<b>Base Bid</b>								
	<b>Equipment Mfr</b>								
	<b>Owner Preferred Brand Alternate</b>								
26 08 13	Electrical Measuring Devices	Eaton	\$	\$	\$	\$	\$	\$	\$
26 24 13	Switchboards	Eaton	\$	\$	\$	\$	\$	\$	\$
26 24 16	Panelboards	Eaton	\$	\$	\$	\$	\$	\$	\$
26 24 19	Motor Control Equipment (MCC)	Eaton	\$	\$	\$	\$	\$	\$	\$
26 26 13	Package Power Supply	Eaton	\$	\$	\$	\$	\$	\$	\$
26 26 13	Overcurrent and Short Circuit Protective Devices	Eaton	\$	\$	\$	\$	\$	\$	\$
26 26 13	Reduced Voltage Solid State Starters - Low Voltage	Eaton	\$	\$	\$	\$	\$	\$	\$
26 26 23	Variable Frequency Drives (VFD)	Eaton	\$	\$	\$	\$	\$	\$	\$
	<b>Total for Preferred Brand Alternate Items</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
	<b>Total Bid Alternatives Price For Contract</b>	\$	<b>5,712,094.00</b>	\$	<b>5,882,000.00</b>	\$	<b>6,195,000.00</b>	\$	<b>6,920,000.00</b>
	<b>Total Base Bid Plus Alternatives for Contract</b>	\$	<b>5,712,094.00</b>	\$	<b>5,882,000.00</b>	\$	<b>6,195,000.00</b>	\$	<b>6,942,000.00</b>
All Address Acknowledged									
A	Required Bid Security (5%)	Yes		Yes		Yes		Yes	
B	List of Proposed Subcontractors	Yes		Yes		Yes		Yes	
C	List of Proposed Suppliers	Yes		Yes		Yes		Yes	
D	List of Project References	Yes		Yes		Yes		Yes	
E	Evidence of authority to do business in the state of the Project, or a written covenant to obtain such license within the time for acceptance of Bids	Yes		Yes		Yes		Yes	
F	Contractor's License No.:	Yes		Yes		Yes		Yes	
G	Required Bidder Qualification Statement with supporting data	N/A		N/A		N/A		N/A	
	Irregularities (see highlighted areas on form)								



ORDINANCE NO. 2-2017

AN ORDINANCE ESTABLISHING A CAPITAL PROJECT ORDINANCE AND BUDGETS FOR THE CITY OF SHELBY'S WESTSIDE SEWER IMPROVEMENTS PROJECT AND FIRST BROAD WWTP INFLUENT AND PRELIMINARY TREATMENT UPGRADE PROJECT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to establish a capital project ordinance and budgets for the City of Shelby's Westside Sewer Improvements Project and First Broad Wastewater Treatment Plant (WWTP) Influent and Preliminary Treatment Upgrade Project; and

WHEREAS, it is necessary for the City to establish a budget for this capital project and appropriate applicable funds needed for the administration and construction of this project in order to comply with applicable provisions of the North Carolina Local Government Budget and Fiscal Control Act; and,

WHEREAS, G.S. 159-13.2 provides that a City may undertake the construction of a capital asset such water and sewer infrastructure, by way of a capital project ordinance providing the necessary balanced budget and funding for the life of the project;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA: The City of Shelby has identified a need to make improvements to sewer infrastructure to support industrial growth and development. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

Section 1. For the Westside Sewer Improvements Project, the following revenues are available and amounts are hereby appropriated for:

Revenues:		
Cleveland County	62106000-33500-62871	\$550,000
Appropriation:		
Engineering	621726-42004-62871	\$550,000

Section 2. For the First Broad WWTP Influent and Preliminary Treatment Upgrade Project, the following revenues are available and amounts are hereby appropriated for:

Revenues:		
Cleveland County	62106000-33500-62872	\$500,000
Appropriation:		
Engineering	621726-42004-62872	\$500,000

Section 3. The provisions of this capital project ordinance shall be entered in the minutes of the Shelby City Council and copies filed with the City Manager as Budget Officer, the Finance Director, and the City Clerk for their direction and guidance in receiving revenues and expending the monies due thereunder.

Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 9th day of January 2017.



O. Stanhope Anthony III  
Mayor

ATTEST:

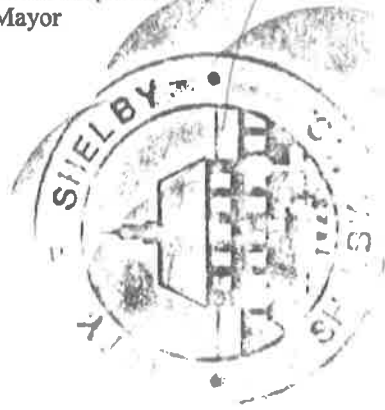


Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

APPROVED AS TO FORM:



Robert W. Yelton  
City Attorney



ORDINANCE NO. 17-2017

A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S  
INFLUENT AND PRELIMINARY TREATMENT UPGRADE PROJECT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its capital project ordinance and budgets for the City of Shelby's Influent and Preliminary Treatment Upgrade Project; and

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve the same for implementation and compliance with the North Carolina Local Government Budget and Fiscal Control Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. Ordinance No. 2-2017, the City's Influent and Preliminary Treatment Upgrade Project, is hereby amended as follows to provide for Budget Amendment No. 1 for said project:

**Influent and Preliminary Treatment Upgrade Project**

(1) The following Sewer Fund Cap. Project Revenues are amended by the City:

Clearwater Funding	62106000-34719-62872	\$4,500,000
--------------------	----------------------	-------------

(2) The following Sewer Fund Cap. Project Expenditures are amended by the City:

Construction	621726-53000-62872	\$4,500,000
--------------	--------------------	-------------

Section 2. That the revenues, expenditures and amendments set forth in Section 1 of this ordinance are hereby summarized as follows:

**Influent and Preliminary Treatment Upgrade Project**


	<u>Current Budget</u>	<u>Amendment No. 2</u>
<b>Revenues</b>		
Cleveland County Funding	\$ 500,000	\$ 500,000
Clearwater Funding	\$ -0-	\$4,500,000
<b>Expenditures</b>		
Engineering	\$ 500,000	\$ 500,000
Construction	\$ -0-	\$4,500,000



Section 3. Copies of this Budget Ordinance Amendment shall be furnished to the City Manager as Budget Officer and to the Finance Director to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code, the General Statutes of North Carolina, and the provisions of the original budget ordinance; inclusive of GS 159-28 governing budgetary accounting of appropriations.

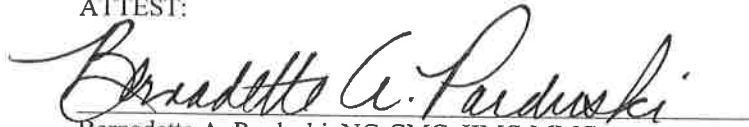
Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 6th day of March 2017.



O. Stanhope Anthony III  
Mayor

ATTEST:



Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

APPROVED AS TO FORM:



Robert W. Yelton  
City Attorney



**RESOLUTION NO. 2-2018**

**A RESOLUTION OF AWARD FOR THE FIRST BROAD WWTP - INFLUENT AND PRELIMINARY TREATMENT IMPROVEMENTS AWARD TO WHARTON-SMITH, INC.**

**WHEREAS**, the City of Shelby, North Carolina has designed, valued engineered to reduce costs, and bid a project entitled the First Broad WWTP – Influent & Preliminary Treatment Improvements and has held a competitive public bid opening on December 12, 2017 consistent with the applicable North Carolina General Statutes for bidding of public construction contracts; and,

**WHEREAS**, the City of Shelby received bids from five (5) qualified contractors for the completion of the First Broad WWTP – Influent Improvements; and,

**WHEREAS**, the City’s consulting engineer, HDR of the Carolinas and the City have reviewed the bids and now recommend award of the construction contracts for the work described to Wharton-Smith, Inc. in the amount of \$5,712,094.00 conditioned on the sections below; and,

**WHEREAS**, project budget ordinances were established with Ordinance Nos. 02-2017 and 17-2017.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:**

Section 1. The City Council of the City of the City of Shelby hereby awards the contract to Wharton-Smith, Inc. for the construction of the First Broad WWTP – Influent and Preliminary Treatment Improvements.

Section 2. The City Manager and City Clerk are hereby authorized to execute the applicable contracts associated with this project.

Section 3. The City Manager and his designees are hereby to execute amendments and change orders to the applicable documents associated with this project.

Section 4. This resolution shall become effective upon its adoption and approval.

Adopted and approved this the 8<sup>th</sup> day of January 2018.

---

O. Stanhope Anthony, III  
Mayor

ATTEST:

---

Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

City of Shelby  
Agenda Item Summary  
January 8, 2018  
City Hall Council Chamber

Agenda Item: E

New Business

None

Agenda Item: F

City Manager's Report

1. Council Retreat Agenda Discussion

Agenda Item: G

Council Announcements and Remarks

H. Adjournment:

To adjourn a meeting of City Council, a majority of the Council members must vote for a motion to adjourn.

1) Motion to adjourn