

MINUTES

Regular Meeting
City Hall Council Chamber

May 2, 2011
Monday, 6:00 p.m.

Present: Mayor W. Ted Alexander, presiding; Council Members Christopher H. (Chris) Mabry, O. Stanhope (Stan) Anthony, III, Jeanette D. Patterson, Dennis C. Bailey, Joel R. Shores, Jr., Andrew L. Hopper, Sr.; City Manager Rick Howell, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, MMC, Director of Finance Theodore B. (Ted) Phillips, CPA, Director of Utilities Brad R. Cornwell, PLS, EI, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, Director of Public Works Daniel C. (Danny) Darst; and media representatives

Mayor Alexander called the meeting to order at 6:02 p.m. and welcomed all who were in attendance. On behalf of City Council, the Mayor expressed condolences to the Beck family on the loss of Nathan Beck, who was recently discovered as drowned in the Broad River in Boiling Springs, North Carolina. On a national note, the Mayor praised the US military's successful operation in the death of terrorist leader, Osama bin Laden, on May 1, 2011 as a great day for our country and for our city.

Mr. Bailey gave the invocation and Mr. Hopper led the *Pledge of Allegiance*.

A. Approval of agenda:

1) Motion to adopt the proposed agenda

At the request of Mr. Howell, Mayor Alexander announced the addition of Item E-3 under New Business as follows:

- Consideration of a Special Event Permit Application submitted by Location Manager Todd Christensen and Assistant Location Manager Jason King for the filming of the movie entitled, Artemis

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

B. Public Hearing:

- 1) Consideration of a resolution confirming the City of Shelby's intent to offer an economic development incentive grant: Resolution No. 22-2011

Mr. Howell stated this public hearing was scheduled in accordance with North Carolina General Statutes by Council to consider the award of an industrial development incentive grant to Curtiss-Wright Controls, Inc. The incentives are being offered for an anticipated net new valued investment of approximately \$12 million and the creation of 25 new full-time permanent employment positions over the next 24 months, which is to take place at 201 Old Boiling Springs Road on the site of their existing facility. If approved, the agreement would provide an incentive grant valued at 60 percent of the previous year's taxes paid for up to five years. The final grant will be based on the actual net new investment less applicable depreciation. Mr. Howell concluded by stating the proposed Incentive Agreement is in keeping with the City's policy, the past practice of matching the percentage of incentive grant offered by Cleveland County, and the referenced statute. He recommended approval of the resolution as well as the proposed agreement between the City of Shelby and Curtiss-Wright Controls, Inc. as presented.

Mayor Alexander opened the public hearing at 6:06 p.m. and invited comments from the public.

The public offered no comments and Mayor Alexander closed the public hearing at 6:07 p.m.

ACTION TAKEN: Upon a motion by Mr. Bailey, second by Mr. Anthony, City Council voted unanimously to approve and adopt Resolution No. 22-2011 entitled, "A RESOLUTION CONFIRMING THE CITY OF SHELBY'S INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT, including the proposed Agreement as referenced".

C. Consent Agenda:

ACTION TAKEN: Mayor Alexander presented the consent agenda. Mrs. Patterson made a motion to approve the consent agenda and each item as presented. After a second from Mr. Shores, the consent agenda and following items were unanimously approved:

- 1) Approval of the Minutes of the Regular Meeting of April 18, 2011

END CONSENT AGENDA

D. Unfinished Business:

- 1) Consideration of appointments to City advisory boards:

a. Planning and Zoning Board

Mrs. Parduski reported that the terms of three incumbents, David Schweppe, Janis Evans Tucker, and Will Rucker (Extraterritorial jurisdiction (ETJ) member), conclude June 2011. Ms. Tucker and Mr. Rucker wish to continue their service while Mr. Schweppe wishes to complete his service. Mrs. Parduski reminded Council that an ETJ member must be appointed by the Cleveland County Commissioners.

Mr. Shores nominated Janis Evans Tucker for reappointment to a new term and recommended Will Rucker to the Cleveland County Commissioners for reappointment to a new term as an ETJ member.

ACTION TAKEN: Upon motion by Mr. Shores, second by Mr. Hopper, City Council voted unanimously to close the nominations and to accept the nominees by acclamation, and to continue the nominations for the vacant position.

With regard to the Keep Shelby Beautiful (KSB) Commission, Mrs. Parduski reported that two vacancies remain: A term concluding January 2014 and an unexpired term concluding January 2012.

With regard to the Community Relations Council, Mrs. Parduski reported David Forms has recently submitted his resignation. This creates a vacancy for an unexpired term concluding August 2011.

Mayor Alexander recognized Chair Phil Hege and Gerald Weathers of the Shelby Alcoholic Beverage Control Board in attendance.

E. New Business:

- 1) Consideration of a resolution approving the contract for the performance of the City of Shelby's annual audit and preparation of financial statements for the Fiscal Year ending June 30, 2011: Resolution No. 23-2011

Mr. Howell introduced Resolution No. 23-2011, along with the accompanying Contract to Audit Accounts, for Council's consideration. He provided background information on discussions with Mr. Phillips to conduct a Request for Qualifications (RFQ) process for auditing services. It was noted that the City had contracted with the current firm, Dixon Hughes, for a total of 12 years. In order to ensure that the City was receiving the best possible service at a competitive pricing structure, it was necessary to go through the RFQ process and not accept pricing proposals based on the least expensive price. Mr. Howell explained the process sought to determine the firm that had

experience auditing similar sized municipalities, understood the specific complexities of the services provided by the City, possessed an experienced staff as well as the work and preparation expectations of City staff in the audit process.

Mr. Howell recommended that the audit contract for the Fiscal Year ending June 30, 2011 be awarded to Martin-Starnes & Associates CPAs, PA in the amount of \$60,000, which is approximately a \$13,000 savings from the previous contract.

Discussion followed and included:

- A general timeline for the audit work – interim field work begins in May and ends in June and the actual audit work begins at the end of August and continues for several weeks
- The importance of deadlines
- No local accounting firms responded to the request
- The multi-year agreement would be a series of single-year contracts that each year would be approved by the Local Government Commission

At the conclusion of discussion, Council commended staff for conducting the process and for recommending the change as presented.

ACTION TAKEN: Upon a motion by Mr. Anthony, second by Mrs. Patterson, City Council voted unanimously to approve and adopt Resolution No. 23-2011 entitled, “A RESOLUTION APPROVING THE CONTRACT FOR THE PERFORMANCE OF THE CITY OF SHELBY’S ANNUAL AUDIT AND PREPARATION OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2011”.

- 2) Consideration of a resolution approving a contract between the City of Shelby and the Shelby Alcoholic Beverage Control Board for the provision of law enforcement services: Resolution No. 24-2011

Mr. Howell introduced Resolution No. 24-2011 and the revised Contract for Alcoholic Beverage Control (ABC) Law Enforcement. If approved, the resolution would authorize an amendment to the current contract between the City and the ABC Board. The requested change simply formalizes the reporting process.

Mr. Howell recommended approval of the resolution and the contract as presented.

There was discussion regarding the general nature of the violations reported by the ABC law enforcement officer to the ABC Board.

ACTION TAKEN: Upon a motion by Mr. Mabry, second by Mr. Anthony, City Council voted unanimously to approve and adopt Resolution No. 24-2011 entitled, "A RESOLUTION APPROVING A CONTRACT BETWEEN THE CITY OF SHELBY AND THE SHELBY ALCOHOLIC BEVERAGE CONTROL BOARD FOR THE PROVISION OF LAW ENFORCEMENT SERVICES".

- 3) Consideration of a Special Event Permit Application submitted by Location Manager Todd Christensen and Assistant Location Manager Jason King for the filming of the movie entitled, Artemis

Mr. Howell stated that the City of Shelby received a Special Event Permit Application submitted by the film production company for the filming of the movie, Artemis. Afterwards, a logistics meeting was held with City staff which resulted in substantial amendments to the original application. In order to ensure coordination and cooperation regarding these production changes, Mr. Howell recommended approval of the amended permit application with the stipulation that any and all future modifications be approved by his authority and at his discretion.

Discussion followed and included movie production as it relates to travel and tourism, casting calls and the hiring of local residents, and informing area residents and businesses of the movie production schedule.

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mr. Hopper, City Council voted unanimously to approve the amended Special Event Permit Application as submitted with the stipulation that any and all future modifications be approved by the authority and at the discretion of the City Manager.

F. City Manager's Report:

- 1) Mr. Howell reminded Council that the YMCA Community Prayer Breakfast is May 13, 2011 at 6:30 a.m. at the Ruby C. Hunt YMCA in Boiling Springs, North Carolina.
- 2) Mr. Howell also reminded Council that Destination Cleveland County is holding a Moving Forward celebration to mark the beginning of the renovations at the Earl Scruggs Center on May 5, 2011 at 5:00 p.m. on the

Court Square.

- 3) **Mr. Howell distributed the City of Shelby's Annual Water Quality Report and American Legion World Series decals to Council.**
- 4) **Mr. Howell informed Council that bids for the Apron Pavement Rehabilitation Project at the Shelby Cleveland County Regional Airport have been received and are slightly higher than the funding. The North Carolina Department of Transportation-Division of Aviation has been informed and staff is awaiting the Division's response.**
- 5) **Mr. Howell announced that the 2011 ElectriCities Annual Conference will take place August 25-27, 2011 at the Grove Park Inn in Asheville, North Carolina.**
- 6) **Mr. Howell informed Council that the previously adopted resolution authorizing compensation levels for the Shelby ABC Board members will need to be amended to remove the authorization for insurance premiums. The City is in receipt of an advisory letter on the matter from the North Carolina Department of Justice Law Enforcement Liaison Section of the Attorney General' Office.**
- 7) **Mr. Howell reminded Council that the North Carolina League of Municipalities Town Hall Day is set for May 4, 2011 at the Quorum Center in Raleigh, North Carolina.**
- 8) **Mr. Howell stated that the General Fund, in particular, is very close to being balanced. He requested Council set a date for a budget session next week. By consensus, Council called a special meeting for May 10, 2011 at 12:00 noon in Council Chamber. Mr. Howell will provide his preliminary budget message and other budget documentation at that time.**

Next Mr. Howell provided a preview of the budget to date as follows:

- **No significant changes**
- **No change in the tax rate**
- **A significant number of capital requests this year**
- **Fee and user fee adjustments are anticipated**
- **No funding for the performance pay program**

After discussion, Mr. Howell concluded that growth in revenues must change dramatically in order for the City to get back on sound financial footing so as to compensate employees in the future.

Mr. Hopper reiterated that Council must approach the budget process exploring creative ways to reward City employees as well as to fund the adopted performance pay program.

G. Council Announcements and Remarks:

- 1) Mr. Anthony requested an update on the status of the Request for Proposals as to the Curbside Recycling Program, which has been extended to May 15, 2011. He also requested Public Works' pick-up schedule with regard to yard waste. Mr. Darst responded that leaves, limbs, and grass are picked up on routine cycle and usually the routine is weekly. However during high volume seasons, the routine could take several weeks to complete.
- 2) Mrs. Patterson reminded all that National Day of Prayer is May 5, 2011 and the Council Chamber will be open at 12:20 p.m. for community-wide prayer.
- 3) Mayor Alexander congratulated Mrs. Patterson's husband, Jack Patterson, on his recent induction into the Cleveland County Sports Hall of Fame.

The Mayor also expressed his deepest appreciation and gratitude for receiving the 2011 City Council Lifetime Achievement Award at the Foothills Merry Go Round Festival Honors Awards held on April 28, 2011.

- 4) After being involved in the search for Nathan Beck, the son of Shelby Fire Inspector Jason Beck, at the Broad River Greenway, Mr. Shores commended Chief Hunt for his leadership and publicly acknowledged that, after initial resistance when he first came to the Shelby Fire & Rescue Department, he now has the respect and support of his firefighters.
- 5) Mr. Hopper echoed Mr. Shores' comments. Mr. Hopper also said he was extremely proud of all branches of the US military as well as civilian law enforcement involved in the successful mission to bring Osama bin Laden to justice without any breach in security.
- 6) Mr. Bailey mentioned the very successful Foothills Merry Go Round Festival held at Shelby City Park on April 30 and May 1, 2011; however, he expressed several concerns about the lack of a dress code standard and other inappropriate displays exhibited by the amusement operator and the vendors providing services to the festival. Mr. Howell will bring these matters to the attention of Festival Committee.

- 7) **Mr. Mabry** praised the Parks and Recreation Department staff for all their efforts in preparing for the Foothills Merry Go Round Festival throughout the year. He also reminded Council about the Keep Shelby Beautiful Commission's clean up and beautification event to be held in the Chestnut Street neighborhood on May 14, 2011.

H. Adjournment:

- 1) **Motion to adjourn**

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mr. Hopper, City Council voted unanimously to adjourn the meeting at 7:02 p.m.

Respectfully submitted,

Bernadette A. Parduski, MMC
City Clerk

W. Ted Alexander
Mayor

Minutes of May 2, A. D. 2011