

MINUTES

Regular Meeting
City Hall Council Chamber

October 4, 2010
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 Clerk Bernadette A. Parduski, MMC, City Attorney Robert W. (Bob) Yelton, Director of Finance Theodore B. (Ted) Phillips, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Utilities Brad R. Cornwell, PLS, EI, Fire Chief William P. Hunt, Director of Planning Services Walter (Walt) Scharer, AICP; Cleveland County Historic Preservation Commission: Chair Vickie Rudasill, Vice Chair Max Hopper, Fred Blackley, Bob Smith, Meloni Wray, Wade Nichols, Cleveland County Planning Director Bill McCarter; and media representatives

Mayor Alexander called the joint meeting with the Cleveland County Historic Preservation Commission to order at 6:00 p.m. and welcomed all who were in attendance. He recognized the members of the Historic Preservation Commission and invited guests. The Mayor gave the invocation and Mayor Max Hopper of Earl, North Carolina led the *Pledge of Allegiance*.

A. Approval of agenda:

ACTION TAKEN: Upon a motion by Mrs. Patterson, second by Mr. Hopper, City Council voted unanimously to approve the agenda as presented, noting a revision to Resolution No. 74-2010 had been made.

B. Cleveland County Historic Preservation Commission (CCHPC)

Chair Rudasill introduced herself and the Commission members who were present followed: Representing the Municipal jurisdictions were Fred Blackley, Bob Smith, and Max Hopper; representing the County jurisdictions were Meloni Wray and the Chair; Wade Nichols representing Uptown Shelby Association; and Cleveland County Planning Director Bill McCarter.

Mr. Anthony stated that he had a conflict of interest in this matter because his firm is listed as an owner on the Landmark Designation Application. Upon the advice of the City Attorney, he requested to be recused from the discussion as well as the vote on the motion.

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mr. Hopper, City Council voted unanimously to excuse Mr. Anthony from the discussion and the vote regarding Ordinance No. 26-2010.

Chair Rudasill opened the meeting of the Cleveland County Historic Preservation Commission at 6:05 p.m.

Mr. McCarter provided background information on the property known as Mason Square, the former Masonic Temple Building, located at 201 South Washington Street, within the jurisdiction of the City of Shelby and its designation as a local historic landmark. Mr. McCarter stated the Masonic Temple Building was individually listed in the National Register of Historic Places in 1982 and is also a contributing structure in the Central Shelby Historic District listed in the National Register of Historic Places in 1983. The North Carolina Department of Cultural Resources through the State Historic Preservation Office has reviewed the Landmark Application and has indicated that this building is one of the best two surviving examples of Egyptian Revival architecture in North Carolina. Mr. McCarter noted that a Certificate of Appropriateness, approved by the Historic Preservation Commission, will be required prior to any construction, reconstruction, alteration, restoration, moving, or demolition of buildings, appurtenant fixtures, outdoor advertising, or other significant features in accordance with the United States Secretary of Interior Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.

Mayor Alexander disclosed that his employer, Preservation North Carolina, also has protective covenants on this building.

C. Joint Session – Public Hearing:

- 1) Consideration of an ordinance designating a local historic landmark:
Masonic Temple Building, Shelby, North Carolina: Ordinance No. 26-2010

Chair Rudasill opened the Commission's public hearing at 6:10 p.m. and invited comments from the public.

Mayor Alexander opened the City's public hearing at 6:10 p.m. and invited comments from the public.

The public offered no comments.

Chair Rudasill closed the Commission's public hearing at 6:11 p.m. and Mayor Alexander closed the City's public hearing at 6:11 p.m.

ACTION TAKEN: Upon a motion by Mr. Hopper, second by Mr. Blackley, the Cleveland County Historic Preservation Commission voted unanimously to recommend that Shelby City Council approve the ordinance that would designate the Masonic Temple Building as a local historic landmark.

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mr. Mabry, City Council voted five in favor (Mabry, Patterson, Bailey, Shores, and Hopper) and one abstention (Anthony) to approve and adopt Ordinance No. 26-2010 entitled, "AN ORDINANCE DESIGNATING A LOCAL HISTORIC LANDMARK: MASONIC TEMPLE BUILDING, SHELBY, NORTH CAROLINA".

There being no further business to discuss, the meeting of the Cleveland County Historic Preservation Commission was adjourned pursuant to a motion by Mr. Hopper, second by Ms. Wray, and the unanimous vote of all members present.

D. Special Presentations:

1) Proclamation honoring Heath and Associates on their 50th Anniversary

Mayor Alexander congratulated Heath and Associates, Inc. on their 50th year of service in the natural gas industry. The Mayor called upon Scott Heath and recognized his mother, Betty Rose Heath. The Mayor formally read and presented the framed Proclamation honoring Heath and Associates to Mr. Heath.

Mr. Heath expressed his appreciation to the City of Shelby and its staff for being one of Heath and Associates first and continuous clients since 1960. He invited all to attend the firm's open house tomorrow, October 5, 2010, to celebrate 50 years of business with them.

2) City of Shelby Water Treatment Plant – Brad Cornwell, Public Utilities Director; David W. Hux, Assistant Utilities Director – Operations; and Michael Mull, Water Treatment Plant Supervisor/ORC

Mr. Howell introduced the staff presentation regarding necessary short term improvements to the Water Treatment Plant, which were initiated during the Water Fund budget discussions for the current fiscal year. Following the presentation, a proposed capital project budget ordinance appropriating \$465,000 from the Water Fund reserve fund balance and allowing the design and bidding to proceed is included for Council's discussion, consideration, and approval.

Next Mr. Cornwell introduced David Hux as the Assistant Utilities Director of Operations who oversees the City's water and wastewater facilities and Michael Mull as Supervisor and State designated Operator in Responsible Charge (ORC) of the City's Water Treatment Plant.

Mr. Hux began the presentation by providing an overview of the Water Treatment Plant operations by stating the current Plant was constructed in 1953 and additional upgrades occurred in 1969 with a new high service pump building (clearwell) and in 1994 with an expanded treatment/new intake structure. He noted that treatment capabilities were expanded and additional pumping was added, however, no pumps were replaced. Currently the City is permitted for 12 million gallons per day (MGD) of capacity and produces approximately 4 to 5 MGD.

Utilizing the Water Treatment Plant schematic, Mr. Mull described the water processing operations which included the following:

- Raw water intakes
- Reservoirs
- Flash mixing
- Flocculators
- Sedimentation basins
- Filters
- Clearwell
- High service pumps

Mr. Hux continued the presentation and stated that the Water Treatment Plant underwent a general assessment in order to evaluate its overall condition and to identify priority areas of improvement. Willis Engineers assisted with the evaluation process and provided a written report identifying the needs of the Plant for the upcoming years along with some estimation for upgrades and repairs.

Mr. Hux said there are five pertinent projects that are deemed critical for Fiscal Year 2010-2011. He detailed these projects as follows:

- Plant Cross Connection/Backflow Prevention Improvements – \$100,000

Mr. Hux explained at the time of the original Plant construction it was common practice for the potable water system throughout the Plant to be interconnected with non-potable uses. As a result, some of the potable water connections found in bathrooms, water fountains, emergency eyewash, and shower stations are "cross-connected" with the water systems used for

chemical delivery. With this setup, there is a potential for contamination of the potable water systems.

Plans for the improvements have been completed and an estimated project budget of \$100,000 for these improvements is needed. These plans will separate the potable water systems from any chemical connections by re-plumbing all potable connections within the Plant.

- Filter Controls/Valve Replacement – \$225,000

Mr. Hux explained the Water Treatment Plant filters are responsible for ensuring the removal of suspended particles that are too fine to settle in the sedimentation portion of the water treatment process. The Plant utilizes eight media filters, constructed initially in the 1950s and then others added at different times during the Plant's various expansions.

Proper water treatment/filter operation requires accurate regulation of water flow during the normal filtration cycle and the manipulation of valves for backwashing the filter when it becomes excessively dirty. Each of the eight filters is equipped with six filter control valves that are modulated using either hydraulic cylinders or motor operated actuators. These valves continuously modulate their position in order to regulate the flow of water at a preset rate. Rates are controlled by electric actuators which receive a signal from each of the control consoles located at each filter. Because of their continuous manipulation, these valves are subject to extensive wear. The motorized actuators controlling the valves are antiquated and difficult to maintain and two of the actuators are completely inoperable. Plant staff must continually manually manipulate the valve in order to maintain proper flow control. Valves will require extensive renovation or replacement in order to ensure the continued reliability of the filters. Mr. Hux added that suppliers have indicated that replacement parts for many of the valves no longer exist.

Replacement options have been evaluated and it was determined that a large renovation project entailing the complete replacement/upgrade of the valves and control system are estimated at \$1 million. In consideration of the current economic conditions, Mr. Hux said this project is not feasible at this time. Staff considers the best option is to complete a project that would replace outdated equipment and complete necessary repairs to the remaining items in order for the City to gain 10 to 15 years until a wholesale plant modification can be completed. This project would entail two phases totaling an estimated \$450,000. Staff recommended the initial funding of \$225,000 to begin the replacement of the Rate of Flow controllers for each of the filters and to begin the initial repair of other valves.

Mr. Hux said the future Phase II for an additional \$225,000 would include any additional valve replacements and the upgrade of filter controls.

Mr. Hux stated the condition of these filter valves is likely the largest single concern for the long-term operation of the Plant and these improvements are needed to ensure uninterrupted operation of the Water Treatment Plant.

- Replace High Service Pump Check Valve No. 2 – \$40,000

Mr. Hux stated the Plant utilizes service pumps that are equipped with actuated valves that are original to the Plant construction. These actuated valves utilize hydraulic cylinders for valve actuation and over the past few years staff has begun to replace these units with newer ones because replacement parts for these valves are no longer fabricated. Staff has completed the valve replacement on some of the other high service pumps and staff will use the \$40,000 to complete replacement of the valve on High Service Pump No. 2 at the clearwell.

- Rebuild Clearwell Pump and Motor No. 1 – \$50,000

Mr. Hux said the Plant utilizes service pumps to provide water to the distribution system. Pump No. 1 at the clearwell has been in service since the 1960s. The column pipe for the pump is at the end of its useful life and needs to be replaced. The pump and motor will be completely refurbished with the estimated \$50,000.

- Water Plant Pump Upgrades – \$50,000

Mr. Hux explained a majority of the pumps at the Plant are original installations or were installed during subsequent Plant upgrades. Most of these pumps have not had a complete rebuild or have been replaced and are in need of major rebuild or replacement. Staff has targeted the old raw intake structure for pump rebuilds. The old intake building houses three pumps for intake of raw water for treatment and this facility is used during low river flow periods and when maintenance is being conducted on the new station. The estimated \$50,000 will be used to rebuild/refurbish these pumps.

Mr. Hux concluded by stating the City's Strategic Growth Plan calls for the phasing out of old utility system components and the phasing in of new ones. He reiterated that staff must implement Plant improvements to maintain services and reduce operational costs. Mr. Hux requested Council's favorable consideration of the \$465,000 needed to complete the projects as identified.

Council discussion followed concerning the total replacement cost of \$1.24 million for 16 new pumps versus the requested \$465,000 in a capital project budget ordinance for repair costs. Council also discussed the feasibility of a long-term plan for replacement of the Water Treatment Plant.

Upon questioning, Mr. Cornwell responded that security measures currently employed at the Plant are appropriate, all operators maintain the highest level of certification, and the Plant is manned by City personnel 24 hours per day, 365 days per year.

E. ACTION TAKEN: Mayor Alexander presented the consent agenda. Mr. Mabry 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 September 20, 2010
- 2) Approval of a resolution honoring Thomas Randolph McSwain on the occasion of his retirement from employment: Resolution No. 71-2010
- 3) Approval of a resolution establishing procedures for handling of closed session minutes: Resolution No. 72-2010
- 4) Adoption of FY 2010-2011 Budget Ordinance Amendment No. 2: Ordinance No. 27-2010

END CONSENT AGENDA

F. Unfinished Business:

- 1) Consideration of an ordinance establishing a capital project and budgets for the City of Shelby's Water Treatment Plant Improvements FY 11 Project: Ordinance No. 28-2010

Mr. Howell stated Ordinance No. 28-2010 is the recommended action item to the earlier presentation regarding the needed improvements at the Water Treatment Plant. He reminded Council that all of these items were requested as part of the budget process; however, they were removed from the operating budget due to the extensive nature of the work that needs to be done in the next five years at the Plant. In general the facilities are well maintained by staff and are capable of meeting the immediate demands of the City. Nonetheless, there are several items which require attention in order to insure the continued reliability of the facilities. Likewise, there are several

areas the City may wish to consider for more long-term improvements in the future.

At this time, Mr. Howell recommended an appropriation of fund balance from the Water Fund to pay the cost of this \$465,000 project.

ACTION TAKEN: Upon a motion by Mr. Hopper, second by Mrs. Patterson, City Council voted unanimously to approve and adopt Ordinance No. 28-2010 entitled, "AN ORDINANCE ESTABLISHING A CAPITAL PROJECT AND BUDGETS FOR THE CITY OF SHELBY'S WATER TREATMENT PLANT IMPROVEMENTS FY 11 PROJECT".

2) Consideration of appointments to City Advisory Boards and Commissions:

a. Community Relations Council

Mrs. Parduski reported that incumbent, Vincent Toms, submitted his resignation. Mr. Toms' resignation created a vacancy for an unexpired term concluding August 2011. Applications on file in the Clerk's Office include the following: Alfred Babineau, Michael Shawn Collins, David Forms, and Randy Skelton.

By consensus, Council continued the nominations.

G. New Business:

1) Consideration of a resolution adopting a Code of Ethics for the Shelby City Council of the City of Shelby, North Carolina:
Resolution No. 73-2010

Mr. Howell introduced Resolution No. 73-2010, which would establish a formal Code of Ethics as required by North Carolina General Statute 160A-86, for Council's discussion and consideration. At Mr. Howell's request, the City Clerk developed the Code using the model prepared by an advisory committee through the University of North Carolina School of Government. Mr. Howell stated the proposed draft Code of Ethics meets the criteria and can be revised as Council desires as long as the minimum standards are maintained and it is adopted by the end of the calendar year. The City Clerk also verified that the Mayor and all Council members have complied with the ethics education program as required by North Carolina General Statute 160A-87.

Upon questioning, Mr. Yelton concurred that the content of the Code of Ethics met the statutory requirements.

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mr. Bailey, City Council voted unanimously to approve and adopt Resolution No. 73-2010 entitled, "A RESOLUTION ADOPTING A CODE OF ETHICS FOR THE SHELBY CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA".

- 2) Consideration of a resolution to transfer property from the City of Shelby to Shelby Housing Development Corporation: Resolution No. 74-2010

Mayor Alexander recognized Dean Edwards representing the Crosland Group and Opportunities South LLC. The Mayor also disclosed that he is a board member of the North Carolina Housing Partnership as the North Carolina League of Municipalities representative and serves in an advisory capacity.

Mr. Howell began by stating the Shelby Housing Development Corporation (SHDC) has been approached by a private developer of tax credit housing projects to partner with them to develop affordable senior housing in West Shelby. The proposed site for this development is a City block in West Shelby bordered by McBrayer Street, Blanton Street, Martin Street, and Graham Street. The City has held several lots in this block for many years. These properties are currently vacant and are maintained by the City.

Mr. Howell said staff has been investigating infill development opportunities throughout Shelby and has identified this site as an excellent infill development opportunity for single family development or multi-family development. He reminded Council that the City's Strategic Growth Plan of 2005 identifies the need to facilitate the provision of additional affordable housing for seniors and the Neighborhood Action Plan of 2006 urges the City to promote infill development. Mr. Howell added this proposed site was also identified as an excellent infill development or redevelopment site in the City Center Master Plan of 2007 as well as the Comprehensive Land Use Plan of 2009.

Utilizing a map, preliminary site plan, and photographs for illustrative purposes, Mr. Scharer stated the development proposal, tentatively named McBrayer Village, includes approximately 55 dwelling units for a density of approximately 9 units per acre. Mr. Scharer said the preliminary site plan meets the density requirement of the Residential 6 zoning district. However, there are other site details to satisfy before such a project may proceed. In any event, the developer must first secure the necessary tax credit from the North Carolina Housing Finance Agency (NCHFA).

Staff recommended approval of the resolution authorizing the transfer of real

property within the boundaries of McBrayer, Blanton, Martin, and Graham Streets to the SHDC. In turn, SHDC does agree to join Opportunities South LLC as a member of the ownership entity, and to facilitate the donation of the described land for its use in the development of the proposed McBrayer Village Project. All actions by Opportunities South LLC regarding the application for tax credits to NCHFA are predicated that the proposed project is eligible for consideration by NCHFA under the 2011 Qualified Allocation Plan (QAP).

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mrs. Patterson, City Council voted unanimously to approve and adopt Resolution No. 74-2010 entitled, "A RESOLUTION TO TRANSFER PROPERTY FROM THE CITY OF SHELBY TO SHELBY HOUSING DEVELOPMENT CORPORATION", as corrected.

H. City Manager's Report:

- 1) Mr. Howell informed Council that the City received its North Carolina State Street Aid allocation under the Powell Bill Program in the amount of \$571,000.
- 2) Mr. Howell distributed and briefly discussed the City's Monthly Financial Summary, Fiscal Year to Date at August 31, 2010. Council requested further review at a future meeting.

I. Council Announcements and Remarks:

- 1) Mr. Mabry announced that Fire Prevention Week is October 3 through 9, 2010. Insurance Commissioner and State Fire Marshall Wayne Goodwin will kick off Fire Prevention Week with Safe Kids North Carolina, Safe Kids Cleveland County, and the Cleveland Health Care Foundation at the Safe Kids House at the Cleveland County Fair on October 6, 2010 from 11:00 a.m. to 12:30 p.m.
- 2) Mr. Hopper and Mr. Bailey toured Duke Energy's Cliffside Steam Station on September 23, 2010.
- 3) Mayor Alexander reminded all that October 6, 2010 is International Walk to School Day.
- 4) Mayor Alexander announced that Congressman Patrick McHenry will visit and tour the Shelby-Cleveland County Regional Airport on October 15, 2010 at 10:00 a.m.

The Mayor also announced the Shelby-Cleveland County Regional Airport will hold its annual Fly In and Public Open House on October 16, 2010 from 10:00 a.m. to 3:00 p.m.

And lastly the Mayor mentioned his beloved Livermush Expo held in conjunction with the Shelby Fall Festival and the Art of Sound Music Festival on October 23, 2010.

J. Closed Session:

- 1) To approve Minutes and General Account of the Closed Session of September 20, 2010
- 2) To conduct the annual performance evaluation of the City Manager pursuant to North Carolina General Statute 143-318.11(a) (6)

ACTION TAKEN: Mr. Shores made a motion to enter into a closed session to conduct the annual performance evaluation of the City Manager pursuant to the appropriate North Carolina General Statute as cited. Council consulted with Mr. Yelton who advised that the topic met the statutory requirements for a closed session. The Mayor invited all Council members present and Mr. Yelton to attend. The motion was seconded by Mr. Hopper. The motion passed unanimously and Council moved into closed session at approximately 7:40 p.m.

ACTION TAKEN: Upon a motion by Mr. Anthony, second by Mr. Hopper, City Council voted unanimously to return to regular session at 8:50 p.m.

K. Adjournment:

- 1) Motion to adjourn

ACTION TAKEN: Upon a motion by Mr. Hopper, second by Mrs. Patterson, City Council voted unanimously to adjourn the meeting at 8:55 p.m.

Respectfully submitted,

Bernadette A. Parduski, MMC
City Clerk

**W. Ted Alexander
Mayor**

Minutes of October 4, A. D. 2010