

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 Presentations:

- 1) Delta Sigma Theta Sorority, Inc. – Andrea Leslie-Fite 1
- 2) North Carolina Division of Water Infrastructure Asset Inventory and Assessment Grant Final Report – David Hux, Director of Water Resources 18

C. Public Comment: 21

In accordance with City Council’s policy, public comment is only taken at the second regular meeting each month. Any citizen who wishes to address Council must register with the City Clerk prior to 6:00 p.m. on the meeting night. The Mayor will call upon each individual during this portion of the meeting and will allow three (3) minutes to speak.

D. Public Hearing:

- 1) Proposed Fiscal Year (FY) 2019-2020 Annual Operating Budget for the City of Shelby 22
 - a. Consideration of Fiscal Year (FY) 2019-2020 Budget Ordinance: Ordinance No. 31-2019 24
 - b. Consideration of Fiscal Year (FY) 2019-2020 Supplemental Budget Ordinance: Ordinance No. 32-2019 32

E. 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 April 15, 2019	35
2) Approval of the Minutes of the Special Meeting of April 24, 2019	46
3) Approval of the Minutes of the Special Meeting of April 29, 2019	53
4) Approval of a Special Event Permit Application:	
a. Host City Welcome, requested date: August 14, 2019	63
5) Approval of a reimbursement resolution with regard to installment financings for Fiscal Year 2019-2020: Resolution No. 34-2019	70
6) Approval of a resolution revising the Purchasing Manual of the City of Shelby to provide for an updated purchasing policy and procedures manual: Resolution No. 35-2019	74
7) Adoption of Fiscal Year 2018-2019 Budget Ordinance Amendment No. 8: Ordinance No. 33-2019	76
8) Approval of a resolution awarding the bid for relocation of electric lines at Marion Street/Peach Street/Cherryville Road intersection: Resolution No. 36-2019	118
9) Approval of a resolution awarding the bid for reconductor of Electric lines in Circuit 10-4 along Trade Street: Resolution No. 37-2019	124
10) Adoption of a budget ordinance amendment for the City of Shelby's Marion Street, Peach Street, and Cherryville Road Natural Gas Line Relocation Project: Ordinance No. 34-2019	130

11) Adoption of an ordinance authorizing demolition of a dwelling at 413 North Washington Street: Ordinance No. 35-2019	136
12) Adoption of an ordinance authorizing demolition of a dwelling at 113 Maple Street: Ordinance No. 36-2019	143
13) Adoption of an ordinance authorizing demolition of a dwelling at 229 Chestnut Street: Ordinance No. 37-2019	150
14) Adoption of an ordinance authorizing demolition of a dwelling at 229 Shannonhouse Street: Ordinance No. 38-2019	159
15) Adoption of an ordinance of the City of Shelby, amending Section 30-5 of Article I of Chapter 30: Ordinance No. 39-2019	166
16) Approval of a resolution approving the North Carolina Division of Aviation Letter of Agreement for Airport Safety/Maintenance Projects for the Shelby-Cleveland County Regional Airport: Resolution No. 38-2019	168
17) Approval of a resolution awarding the bid for relocation of natural gas lines at Marion Street, Peach Street, and Cherryville Road intersection: Resolution No. 39-2019	178
F. Unfinished Business: None	184
G. New Business: None	184
H. City Manager's Report	184
I. Council Announcements and Remarks	184
J. Closed Session:	185
1) To establish or instruct staff concerning the position to be taken by or on behalf of City Council in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease pursuant to North Carolina General Statute 143-318.11 (a) (5)	
2) To consult with the City Attorney in order to preserve the attorney-client privilege pursuant to North Carolina General Statute 143-318.11 (a) (3)	

K. 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

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: B-1

Special Presentations

- 1) Delta Sigma Theta Sorority, Inc. – Andrea Leslie-Fite

(Comments: Stan Anthony, Mayor)

Summary of Available Information:

- Copy of Presentation

City Manager's Recommendation / Comments

This time has been requested by the leadership of the Delta Sigma Theta Sorority to make a short presentation to Council about the community service performed by this group.

**DELTA SIGMA THETA
INCORPORATED**



SHELBY ALUMNAE CHAPTER

SERVING CLEVELAND RUTHERFORD AND LINCOLN COUNTIES FOR OVER 35 YEARS



**Foundation
of
Delta Sigma Theta Sorority, Inc.**



NATIONAL HISTORY

- Founded on January 13, 1913 by 22 collegiate women at Howard University
- Founded on Christian principles
- First public act performed by the Delta Founders involved their participation in the Women's Suffrage March in Washington DC, March 1913
- Delta Sigma Theta Sorority was incorporated in 1930
- Private non-profit organization with public service as the mission of our Sorority



DELTA DAY AT THE CITY OF SHELBY

MISSION STATEMENT

Delta Sigma Theta Sorority, Incorporated is an organized of college educated women committed to the constructive development of its members and to public service with a primary focus on the Black community.



DELTA DAY AT THE CITY OF SHELBY

CHAPTER HISTORY





CHAPTER HISTORY

- Chartered March 6, 1983
- Serving Cleveland, Rutherford and Lincoln Counties for over 35 years.
- Charter Members
 - Dessie Turner (deceased) Anganette Homsley
 - Lillian Howell(deceased) Gwendolyn Atkinson
 - Mildred Enloe (deceased) Helen Love
 - Eula Fowler (deceased) Carol Boyd
 - Aileen Ford (deceased) Linda Meeks-Holton
 - Josephine Bess (deceased) Debra Gardner



FIVE-POINT PROGRAMMATIC THRUST

- The major programs of the Sorority are based upon the organization's Five-Point Programmatic Thrust:
 - Economic Development
 - Educational Development
 - International Awareness and Involvement
 - Physical and Mental Health
 - Political Awareness and Involvement



CURRENT AND PAST PROGRAMS

- Voting Rights and Political Action
 - Sponsoring voter registration drives and voter education programs
 - Combating voter suppression
 - Affordable health care and access to quality health care
- EMBODI Conference
 - Empowering Males to Build Opportunities for Developing Independence
- Delta Days
 - Legislative conference to increase members' involvement in the public policy-making process
- Delta Academy
 - Provides opportunity for local Delta chapters to enhance the education that young females (11-14) receive in public schools
- Financial Fortitude
 - Program that helps participants set and define goals, develop a plan to achieve them, and put the plan in to action



DELTA DAY AT THE CITY OF SHELBY

IMPACTING OUR COMMUNITY

- All local programs of the Sorority are based upon the organization's Five-Point Programmatic Thrust and include:

Local Activities

<i>Scholarships</i>	<i>Personal Development</i>
<i>Delta Cares</i>	<i>Library Expansion</i>
<i>Physical Fitness Awareness</i>	<i>United Negro College Fund</i>
<i>Support Cultural Arts</i>	<i>Sponsorship of Outstanding Swimmer</i>
<i>Political Action</i>	<i>Habitat for Humanity</i>
<i>Battered Women Shelter</i>	<i>Assistance to Handicapped Students</i>
<i>Parent –Daughter Luncheon</i>	<i>Delta Academy / Delta GEMS</i>
<i>Career Development</i>	<i>Founder's Day</i>
<i>Donation to Homeless Shelter</i>	<i>Holiday Meal for Families</i>
<i>Social Welfare Contributions</i>	<i>EMBODI</i>
<i>United Way Day of Caring</i>	<i>Delta P.H.A.S.T.</i>
<i>International Day of Caring</i>	<i>Preventing Heart Attack and Strokes)</i>
<i>Reclamation</i>	<i>Impact Day</i>
<i>Celebrate Negro History</i>	<i>Annual Dreamgirl "Jabberwock" Pageant</i>
	<i>Deprived Student's Educational Experience</i>
	<i>Delta TODD (Technology Opportunities for Delta Dears)</i>





DELTA DAY AT THE CITY OF SHELBY

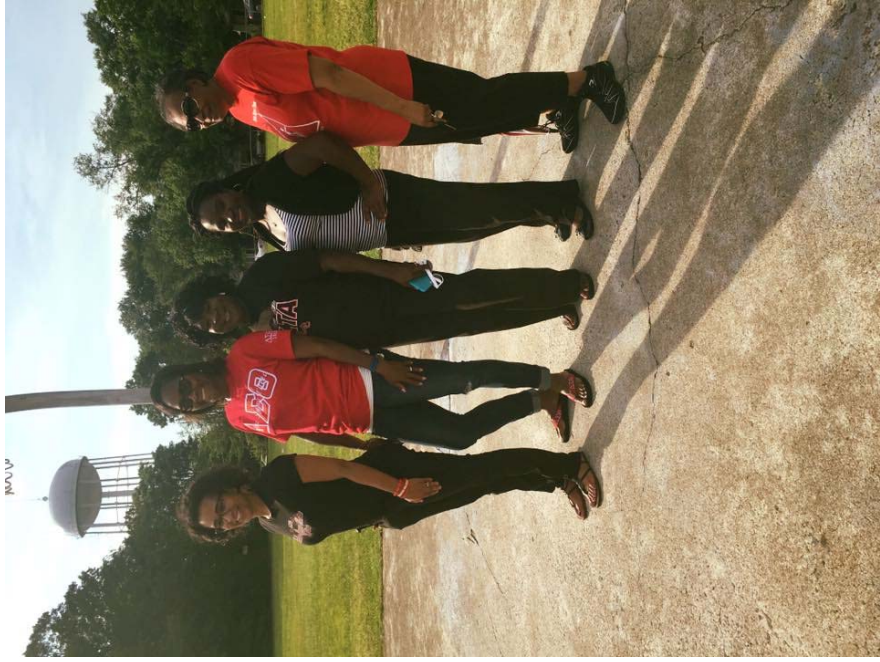
DELTA CARES





DELTA DAY AT THE CITY OF SHELBY

SOCIAL ACTION: STOP THE VIOLENCE AND GET OUT AND VOTE





DELTA DAY AT THE CITY OF SHELBY

DREAMGIRL “JABBERWOCK” PAGEANT





DELTA DAY AT THE CITY OF SHELBY

SERVING OUR COMMUNITY





DELTA DAY AT THE CITY OF SHELBY

PHYSICAL AND MENTAL HEALTH





DELTA DAY AT THE CITY OF SHELBY

MEET THE CHAPTER

- Patty Smith, President
- Dee Hunt, First Vice President
- Terri Beam, Second Vice President
- Dr. Pam Meritt, Recording Secretary
- Sharon Robbs, Corresponding Secretary
- Annette Toms, Treasurer
- Claytenna Camp, Financial Secretary
- Peggy Washington, Audit Chair





DELTA DAY AT THE CITY OF SHELBY

THANK YOU!

“Without community service, we would not have a strong quality of life. It's important to the person who serves as well as the recipient. It's the way in which we ourselves grow and develop.”

Dr. Dorothy I. Height, 10th National President
Delta Sigma Theta Sorority, Inc.

The Shelby Alumnae Chapter of Delta Sigma Theta Sorority, Incorporated, would like to thank the Shelby City Council for its commitment to serving its citizens. We look forward to continuing to be a Community Partner as we strive to serve.



City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: B-2

- 2) North Carolina Division of Water Infrastructure Asset Inventory and Assessment Grant Final Report – David Hux, Director of Water Resources

(Comments: Mayor Stan Anthony)

Summary of Available Information:

- Memorandum dated May 13, 2019 from David Hux, Director of Water Resources to Rick Howell, City Manager

City Manager's Recommendation / Comments

Resolution No. 47-2017 and Ordinance No. 45-2017 were presented and approved by City Council on June 5, 2017. These documents approved an agreement with the NC Department of Environmental Quality and set forth a project budget ordinance to undertake a detailed sewer assessment of the older sections of the sanitary sewer system within the City. As noted in the memorandum referenced above this work is now complete and as part of the grant agreement requirements this presentation must be made to City Council in order for the City to close out this grant with NC DEQ. As a reminder this project was primarily funded by a \$150,000 grant and supplemented by the sewer fund operating budget.

I would note that information obtained from this detailed study is intended to help the City set forth a plan that can be implemented over time to address both short and long term maintenance issues within these aging systems. Water Resource Department staff along with the contractor took great care to make sure the assessment was thorough and provided valuable information that can be used to address identified problems. Mr. Hux will be presenting and will be available to answer questions afterward.

Memorandum

To: Rick Howell; City Manager

From: David Hux; Director of Water Resources *DHux*

RE: **Asset Inventory and Assessment Grant
Final Report Presentation to Council – May 20, 2019**

Date: May 13, 2019

Background:

Like most municipal water and sewer utilities throughout the country, the City of Shelby is challenged by aging infrastructure. From the sewer infrastructure perspective, our records indicate that 60% of the City's sewer system was constructed prior to 1960 with a large portion of these aging lines in need of upgrades and repairs. While the City has made strides to evaluate the sewer lines, there remains a need to develop a detailed capital improvement program and prioritize upgrades and repairs. In 2011, the City adopted the Water and Sewer Assessment Management Plan that specified annual rehabilitation monetary needs but the plan did not include prioritized areas.

The North Carolina Division of Water Infrastructure (NCDWI) Asset Inventory and Assessment Grants were created in Session Law 2015-241 (Changes made to NCGS 159G), to broaden the use of grant funds to encourage water and wastewater utilities to become more viable and proactive in the management and financing of their systems. These grants are limited to \$150,000 from the Water and Wastewater Reserve to aid local governments in the asset inventory process and also enable municipalities to perform assessments of water and sewer inventory.

City Staff believed that the Grant Funds available to North Carolina municipalities was a great opportunity to use funding for outside resources for evaluation and prioritization of improvement activities.

In September of 2016 staff received authorization from City council to submit a grant application to NCDWI for the Sewer Asset Inventory and Assessment Grant with Resolution 49-2016. The City's project application was approved by NCDWI for the full award of \$150,000, while requiring 5% match for the sewer assessment services. The grant agreement was presented to council in June of 2017 and approved with Resolution 47-2017.

Review:

The City utilized the services of Gavel & Dorn Engineering to help coordinate and summarize the City's sewer assessment activities in conjunction with the AIA grant. As the City indicated in our grant application, City staff chose to concentrate our efforts on a portion of the City that contained the City's oldest sewer infrastructure in what we commonly refer to as the "old city limits" (within a 1.5 mile radius of the court square). Our work team focused on two areas for this AIA evaluation:

1. Belvedere Area – Marion south to Kings Road and Kings Road west to Peach
2. West Shelby – Outfalls from Highway 74 Business south to Optimist Park

Gavel & Dorn utilized the services of a subcontractor to perform sewer system cleaning and to provide closed circuit television (CCTV) inspections of the sewer infrastructure. The work consisted of light cleaning and CCTV of 54,724 feet of sewer and also conducted heavy cleaning of 12,583 of the area evaluated. This was primarily on the hard to access sections of sewer.

The CCTV data was reviewed by Gavel & Dorn and manageable project areas and cost estimates were developed and prioritized with various improvement options. The City will prioritize these recommendations with other evaluation areas and incorporate these into our Capital Improvement Program (CIP) budget as funds are available. Overall, this evaluation allows the City to set the groundwork for better sewer improvement planning and prioritization.

Recommendation:

The NCDWI's loan agreement requires that the City of Shelby review the findings of this report with Council and also requires the report to be submitted for the final reimbursement. I am requesting 15-20 minutes to review the findings of this report with council at the May 20, 2019 council meeting.

Please contact me if you have any questions or need additional information.

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

C. Public Comment:

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City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

D. Public Hearing

Agenda Item: D-1

- 1) Proposed Fiscal Year (FY) 2019-2020 Annual Operating Budget for the City of Shelby
 - a. Consideration of Fiscal Year (FY) 2019-2020 Budget Ordinance: Ordinance No. 31-2019
 - b. Consideration of Fiscal Year (FY) 2019-2020 Supplemental Budget Ordinance: Ordinance No. 32-2019

(Presenting: Rick Howell, City Manager)

Summary of Available Information:

- Public Notice
 - Ordinance No. 31-2019
 - Ordinance No. 32-2019
-

City Manager's Recommendation / Comments

City Council has previously been provided a copy the formal Budget Ordinance for the fiscal year beginning July 1, 2019, the Supplemental Budget Ordinance, the City Manager's Budget Message, the Authorized Personnel Summary, the Schedule of Fees and Charges as well as the Budget Summary. This hearing is required by the NC General Statutes to allow the public to comment on the proposed budget. A public copy has been provided in the administrative offices of City Hall and has been posted online for public inspection. The hearing is specifically intended to allow public comment directly to City Council for consideration prior to a formal vote.

Council may act on the budget following the close of the public hearing if it so desires. However, you may also choose to delay action. Council certainly may at your discretion act as it deems appropriate.

After the conclusion of the public hearing City Council may act upon Ordinance No. 31-2019 and Ordinance No. 32-2019

PUBLIC NOTICE

On April 24 and April 29, 2019, the proposed Budget for Fiscal Year (FY) 2019-2020 for the City of Shelby, North Carolina was presented by the City Manager and has been distributed to the City Council. It is available for public inspection at City Hall, 300 South Washington Street, Shelby, North Carolina in the Office of the City Clerk weekdays from 8:00 a.m. to 5:00 p.m.

The City Council will hold a Public Hearing on Monday, May 20, 2019, at 6:00 p.m. on the proposed FY 2019-2020 Budget at City Hall Council Chamber, 300 South Washington Street, Shelby, North Carolina.

The City of Shelby holds all public meetings in accessible rooms. Any individual with a disability who needs an interpreter or other auxiliary aids or services for this meeting should call 336-992-0404 (voice) or 336-993-0196 (TDD) at least 48 hours before the scheduled meeting.

Bernadette A. Parduski
City Clerk

ORDINANCE NO. 31-2019

CITY OF SHELBY
FISCAL YEAR 2019-2020 BUDGET ORDINANCE

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

Sec. 1) The following amounts are hereby appropriated in the General Fund for the operation of City Government and its activities for the fiscal year beginning July 1, 2019 and ending June 30, 2020 in accordance with the chart of accounts heretofore established for this City:

Governing Board	\$98,496
Administration	359,686
Finance	574,942
Purchasing	62,360
Legal	12,200
Human Resources	235,553
Customer Service	195,079
Information Systems	223,913
Meter Services	141,542
Garage	512,335
City Hall	117,200
Police	7,999,100
Fire	4,986,384
Building Inspections	403,800
Streets	1,277,555
Airport	423,279
Solid Waste	1,911,975
Recycling	289,400
GIS	66,849
Planning Services	536,900
Special Appropriations	2,312,600
Parks & Recreation	1,549,975
Maintenance Grounds & Cemetery	<u>1,602,498</u>
Total	<u>\$25,893,621</u>

Sec. 2 It is estimated that the following revenues will be available to the General Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Property Taxes	\$ 12,385,000
Local Option Sales Tax	3,978,000
Other Taxes	43,000
Unrestricted Intergovernmental Revenues	2,298,000
Restricted Intergovernmental Revenues	47,000
Permits and Fees	195,750
Sales & Services	2,681,000
Investment Revenues	75,000
Other Financing Sources	890,871
Fund Balance	0
Transfers	<u>3,300,000</u>
Total	<u>\$25,893,621</u>

Sec. 3) The following amounts are hereby appropriated in the Powell Bill Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Construction	\$ 489,700
Street Maintenance	193,900
Debt Service	<u>106,600</u>
Total	<u>\$ 790,200</u>

Sec. 4) It is estimated that the following revenues will be available to the Powell Bill Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Powell Bill	\$ 590,000
Interest Income	40,000
Proceeds from Financing	55,000
Fund Balance	<u>105,200</u>
Total	<u>\$ 790,200</u>

Sec. 5 The following amounts are hereby appropriated in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Emergency Telephone System	107,000
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Total \$ 107,000

Sec. 6) It is estimated that the following revenues will be available to the Emergency Telephone System Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

911 Revenues	107,000
Fund Balance Appropriated	<u>0</u>

Total \$ 107,000

Sec. 7) The following amounts are hereby appropriated in the Economic Development Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Services	<u>\$ 680,450</u>
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Total \$ 680,450

Sec. 8) It is estimated that the following revenues will be available to the Economic Development Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

MSD Property Taxes	\$ 114,950
Local Occupancy Tax	180,000
Investment Revenues	5,500
Other Income	3,000
Transfers	377,000
Fund Balance Appropriated	<u>0</u>

Total \$ 680,450

Sec. 9) The following amounts are hereby appropriated in the Housing Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Conventional	<u>\$ 1,458,250</u>
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Total \$ 1,485,250

Sec. 10) It is estimated that the following revenues will be available to the Housing Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Subsidies	\$ 467,000
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Rent Income	625,000
Other Income	2,500
Fund Balance	<u>390,750</u>

Total \$ 1,485,250

Sec. 11) The following amounts are hereby appropriated in the Cemetery Perpetual fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Fund Balance Increase	30,000
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Total \$ 30,000

Sec. 12) It is estimated that the following revenues will be available to the Cemetery Perpetual Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Cemetery Fees	30,000
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Total \$ 30,000

Sec. 13) The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Administration	\$ 2,196,366
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Line Operation	1,126,855
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Plant	<u>1,821,779</u>
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Total \$ 5,145,000

Sec. 14) It is estimated that the following revenues will be available to the Water Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Fees	\$ 5,059,000
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Proceeds From Financing	12,000
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Fund Balance	0
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Other Income	<u>74,000</u>
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Total \$ 5,145,000

Sec. 15) The following amounts are hereby appropriated in the Sewer Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Administration	\$ 2,221,558
Line Operation	1,228,860
Plants	<u>2,098,382</u>
Total	<u>\$5,548,800</u>

Sec. 16) It is estimated that the following revenues will be available to the Sewer Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Fees	\$ 5,447,000
Other Income	43,000
Proceeds From Financing	58,800
Fund Balance	<u>0</u>
Total	<u>\$ 5,548,800</u>

Sec. 17) The following amounts are hereby appropriated in the Electric Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Administration	\$ 2,682,935
Purchase/Generation	16,125,220
Line Operation	<u>3,600,800</u>
Total	<u>\$22,408,955</u>

Sec. 18) It is estimated that the following revenues will be available to the Electric Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Fees	\$22,388,000
Proceeds From Financing	0
Other Income	20,955
Fund Balance	<u>0</u>
Total	<u>\$22,408,955</u>

Sec. 19) The following amounts are hereby appropriated in the Gas Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Administration	\$ 4,495,625
Gas Purchases	9,362,225
Line Operation	<u>2,248,750</u>
Total	<u>\$16,106,600</u>

Sec. 20) It is estimated that the following revenues will be available to the Gas Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Fees	\$15,991,000
Other Income	28,600
Proceeds From Financing	87,000
Fund Balance	<u>0</u>
Total	<u>\$16,106,600</u>

Sec. 21) The following amounts are hereby appropriated in the Stormwater Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Administration	832,160
Total	<u>\$ 832,160</u>

Sec. 22) It is estimated that the following revenues will be available to the Stormwater Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

Fees	\$ 832,160
Proceeds From Financing	<u>0</u>
Total	<u>\$ 832,160</u>

Sec. 23) That the revenues and expenditures set forth in Section 1 through Section 20 of this ordinance are hereby summarized as follows:

General Fund	\$25,893,621
Powell Bill Fund	790,200
Emergency Telephone System	107,000
Economic Development Fund	680,450
Housing Fund	1,485,250
Cemetery Perpetual Fund	30,000
Utilities-Water Fund	5,145,000

Utilities-Sewer Fund	5,548,800
Utilities-Electric Fund	22,408,955
Utilities-Gas Fund	16,106,600
Utilities-Stormwater Fund	<u>832,160</u>
Total	\$79,028,036
Less Interfund Transfers	<u>3,677,000</u>
Total FY 2019-20 Budget	<u>\$75,351,036</u>

Sec. 24) There is hereby levied a tax at the rate of fifty-two and twenty-five one hundredths cents (\$0.5225) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2019 for the purpose of raising the revenue listed as property taxes in the General Fund in Section 2 of this ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of \$2,315,499,000 and an estimated collection rate of 98.63%. The estimated rate of collection is based on the actual rate of collection for fiscal year 2018-2019.

Sec. 25) There is hereby further levied an additional tax at the rate of twenty-five cents (\$0.25) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2019 within the boundaries of the Uptown Shelby Municipal Service District for the purpose of raising the revenue listed as uptown district tax in the Economic Development Fund in Section 8 of this ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of \$46,773,000 and an estimated collection rate of 98.56%. The estimated rate of collection is based on the actual rate of collection for fiscal year 2018-2019.

Sec. 26) Copies of the Budget Ordinance shall be furnished to the City Manager (Budget Officer) and Finance Officer 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 and the General Statutes of the State of North Carolina.

Sec. 27) The following authorizations and restrictions shall apply to the adoption and enactment of this budget:

- A. The City Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditure as he believes necessary.
- B. The City Manager shall be authorized to effect interdepartmental transfers in the same fund not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced.

- C. The City Manager shall be authorized to effect transfers between capital projects that are budgeted in the same capital project fund.
- D. The City Manager shall be authorized to transfer any remaining balances from any Capital Project upon its completion to the corresponding reserve fund. Interfund transfers from operating funds shall be accomplished by City Council authorization only.
- E. The budget adopted herein may be amended to reflect encumbrance balances for expenditures properly committed but unpaid at the end of the prior fiscal year, and increasing fund balances appropriated by a similar amount.

Adopted and approved this the 20th day of May 2019.

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. 32-2019

CITY OF SHELBY
FISCAL YEAR 2019-2020 SUPPLEMENTAL BUDGET ORDINANCE

WHEREAS, in accordance with applicable provisions of the North Carolina Local Government Budget and Fiscal Control Act, the City of Shelby has enacted the FY 2019-20 Budget Ordinance, providing for the annual operating budget of the City for the stated fiscal year; and,

Whereas, in support of enactment of the subject Budget Ordinance various legislative actions are necessary and required of the Shelby City Council to effectively implement the City's budget plan; and,

WHEREAS, City Council now desires to act on the needed measures as referenced herein in accordance with said Fiscal Control Act, applicable provisions of the North Carolina General Statutes, and appropriate sections of the Shelby City Code;

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

Section 1. The following actions are hereby adopted and approved in support of the City's FY 2018-19 Budget and the continued financial operations of the City subsequent thereto:

- a) The number of full-time positions authorized for employment by the City is confirmed as set forth in the Personnel Summary for a total of 335 positions. See Attachment A.
- b) The City's fee schedule effective July 1, 2019 is attached.

Section 2. The City Manager (Budget Officer) and Finance Director of the City are hereby authorized and directed to cause the provisions of Section 1 of this ordinance to be properly implemented in accordance with applicable provisions of law and the policies of the City of Shelby. Further, the City Manager is authorized to delegate, as may be appropriate, the responsibility for logistical implementation and administration of the various components of this supplemental budget ordinance. All provisions of the Shelby City Code, the City of Shelby Fee Schedule, related City policies, and any other applicable documents of the City, revised or modified by the provisions of this ordinance, are hereby affirmed and authorized for revision and recording where needed or required.

Section 3. This ordinance shall become effective with its adoption and approval, while all applicable budgetary authorizations subject to fiscal year requirements set forth herein are to be effective on July 1, 2019.

May 20, 2019
Page 2

Adopted and approved this the 20th day of May 2019.

O. Stanhope Anthony III
Mayor

ATTEST:

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

APPROVED AS TO FORM:

Robert W. Yelton
City Attorney

Attachment A
Personnel Summary

**FY 2019-
2020**

General Fund

Mayor/Council	
Administration	4.00
Finance	5.00
Purchasing	3.00
Human Resources	3.00
Customer Service	10.00
Information Services	2.00
Meter Services	5.00
Garage	10.00
City Hall	
Police	88.00
Fire	54.00
Building/Zoning	3.00
Streets	10.00
Airport	1.00
Sanitation	16.00
GIS	3.00
Planning	6.00
Parks & Recreation	8.00
Park Maintenance	18.00

Total General Fund 249.00

Powell Bill 1.00

Housing 7.00

Utilities

Water	18.00
Sewer	22.00
Electric	16.00
Gas	19.00
Stormwater	3.00

Total Utilities 78.00

Total Personnel 335.00

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

E. 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: E-1

- 1) Approval of the Minutes of the Regular Meeting of April 15, 2019

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of April 15, 2019.

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

April 15, 2019
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Violet Arth Dukes, and Dicky Amaya; City Manager Rick Howell, ICMA-CM, City Clerk Bernadette A. Parduski, NC-CMC, IIMC-MMC, City Attorney Robert W. (Bob) Yelton, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Fire Chief William P. Hunt, MPA, EFO, Division Chief – Personnel and Emergency Services David Vanhoy, CFO, Director of Planning and Development Services Walter (Walt) Scharer, AICP; and Bill Harrelson of Cleveland Community College

Absent: Council Member Charles Webber

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 Mrs. Arth Dukes led the *Pledge of Allegiance*.

A. Approval of agenda:

1) Motion to adopt the proposed agenda

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

C. Public Comment: None

D. Public Hearings:

1) Consideration of a resolution confirming the City of Shelby's intent to offer an economic development incentive grant: Resolution No. 29-2019

Mr. Howell introduced Resolution No. 29-2019 and the proposed incentive agreement for Council's consideration.

Next, Mr. Howell summarized the scope of the project and outlined the commitments and provisions of the proposed agreement between the City of Shelby and the company code-named under "Project Choice".

The company agrees to the following:

- To invest \$59 million and to create 403 permanent, full-time jobs over the next five years within the Foothills Commerce Center
- The average wage of all jobs created is \$43,294

The City of Shelby agrees to the following:

- To donate Lots 5, 7, and 8 located in the Foothills Commerce Center
- To provide utility connections at no cost to the company
- To provide development and inspection services at no cost to the company
- To provide sidewalk connectivity between the company's facilities within the Foothills Commerce Center
- To consider the renaming of certain City streets within the Foothills Commerce Center
- To provide a one-time grant of \$150,000 specifically for site preparation

Mr. Howell noted if the company fails to perform, there are claw back provisions within the agreement that will allow the City to re-possess the donated lots and take back the one-time grant.

Mr. Howell further stated the company will not receive any tax incentive grant from the City. The annual property tax revenue based upon a \$59 million net new investment would generate an estimated \$300,000.

Mr. Howell added an economic development announcement event will be scheduled by Governor Roy Cooper's office and the company in the near future at which time the incentive agreement will be executed by all parties.

Lastly, Mr. Howell mentioned Cleveland County will consider an economic development incentive agreement with Project Choice at its meeting of April 16, 2019.

Mayor Anthony opened the public hearing at 6:07 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:08 p.m.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 29-2019 entitled, "A

RESOLUTION CONFIRMING THE CITY OF SHELBY'S INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT".

- 2) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina: Ordinance No. 27-2019

Mr. Scharer introduced this proposed zoning map amendment for the subject property located at 2215 Randolph Road. The 62.733 acre lot is currently undeveloped. Land uses in the area include single-family dwellings, industrial uses, and undeveloped lots. The owner/applicant, City of Shelby, is seeking to rezone approximately 30 acres of this tract to Light Industrial (LI) zoning district in preparation for future industrial recruitment for economic development purposes. The remainder of the site will remain Residential 20 (R20) Zoning District.

Mr. Scharer stated although this proposed zoning map amendment is inconsistent with the Shelby Comprehensive Land Use Plan, it is consistent with local development patterns in the area. The Planning and Zoning Board recommended approval of the proposed zoning map amendment for the property located at 2215 Randolph Road from Residential 20 (R20) zoning district to Light Industrial (LI) zoning district.

Mayor Anthony opened the public hearing at 6:10 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:11 p.m.

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted unanimously to approve and adopt Ordinance No. 27-2019 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA".

- 3) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina: Ordinance No. 28-2019

Mr. Scharer introduced this proposed zoning map amendment for the subject properties located along Wooten Street, Church Street, Pine Street, Textile Street, Ella Street, Shannonhouse Street, Washington Street, and Dekalb Street from Residential 8 (R8) zoning district to Residential 6 (R6) zoning district. The subject properties are currently a combination of undeveloped lots, single-family dwellings, and vacant single-family dwellings. These parcels are part of the Cambridge Commons Development Project proposed by Guilford Financial Services, LLC. Mr. Scharer stated the Shelby Comprehensive Land Use Plan for this area designates this area as

Neighborhood Revitalization. Neighborhood revitalization areas are older, declining neighborhoods that need stabilization and revitalization. He concluded by stating the proposed zoning map amendment is consistent with the Shelby Comprehensive Land Use Plan. The Planning and Zoning Board recommended this proposed zoning amendment.

Mayor Anthony opened the public hearing at 6:12 p.m. and invited comments from the public:

Don Wright who resides at 718 East Zion Church Road in Shelby, North Carolina spoke against the proposed zoning map amendment. Mr. Wright owns four rental properties near the proposed Cambridge Commons Development Project. The demolition of the Ella Mill, which he stated disturbed more than an acre, has created a water runoff and drainage issue on his properties during heavy rain events. He stated he contacted the City for assistance and the water issue has not been resolved to date.

Mr. Howell made Council aware the developer will have to meet the stormwater regulations within the City's code to address any drainage issues. City staff will contact and follow-up with Mr. Wright.

Mayor Anthony closed the public hearing at 6:14 p.m.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Ordinance No. 28-2019 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA".

- 4) Consideration of a resolution granting a Special Use Permit to Guilford Financial Services, LLC for 1000, 1004, 1008, 1010, 1014, 1018, 1020, and 1024 South Dekalb Street: Resolution No. 30-2019

Mayor Anthony opened the public hearing at 6:17 p.m. and sworn testimony was given as follows:

Mr. Scharer introduced Resolution No. 30-2019 and the proposed Special Use Permit request by the applicant, Maida Renson, and as the developer, Guilford Financial Services, LLC.

Utilizing both location and zoning maps of the area, Mr. Scharer pointed to the site on South Dekalb Street across from Shelby High School, which is approximately two acres in size. The subject properties are a combination of vacant lots, abandoned single-family dwellings, or single-family dwellings and are currently zoned Residential 6 (R6) zoning district. Mr. Scharer stated

the Shelby Comprehensive Land Use Plan designates these properties as Neighborhood Revitalization, which is consistent with the Land Use Plan.

The applicant is proposing a 36 unit multi-family development comprised of two-story townhouse-style apartments and/or duplexes as submitted on the site plan. Mr. Scharer stated for multi-family developments located within the Residential 6 (R6) zoning district with 25 or more units, a Special Use Permit is required. The applicant would have to develop the properties in accordance with the site plan.

Mayor Anthony closed the public hearing at 6:18 p.m.

Having heard all of the evidence and arguments presented at the hearing, Council finds and determines the application is complete. Council was presented with no evidence as to the following findings as read by Mayor Anthony:

- The development will not materially endanger the public health or safety
- The development will not substantially injure the value of adjoining or abutting property
- Will be in harmony with the area in which it is to be located
- Will be in general conformity with the Comprehensive Land Use Plan or other plans officially adopted by Council

ACTION TAKEN: Upon a motion made by Mr. Amaya approving a Special Use Permit on South Dekalb Street due to the fact this project will not materially endanger the public health or safety, will not substantially injure the value of adjoining or abutting properties, will be in harmony with the area in which it is to be located, and will be in general conformity with the Shelby Comprehensive Land Use Plan or other plans officially adopted by City Council, City Council voted unanimously to approve and adopt Resolution No. 30-2019 entitled, "A RESOLUTION GRANTING A SPECIAL USE PERMIT TO GUILFORD FINANCIAL SERVICES, LLC FOR 1000, 1004, 1008, 1010, 1014, 1018, 1020, AND 1024 SOUTH DEKALB STREET".

- 5) Consideration of a resolution granting a Special Use Permit to Guilford Financial Services, LLC for 1001, 1005, 1011, 1015, 1019, 1023, and 1027 South Washington Street; 200, 202, and 204 East Shannonhouse Street: Resolution No. 31-2019

Mayor Anthony opened the public hearing at 6:20 p.m. and sworn testimony was given as follows:

Mr. Scharer introduced Resolution No. 31-2019 and the proposed Special Use Permit request by the applicant, Maida Renson, and as the developer, Guilford Financial Services, LLC.

Utilizing both location and zoning maps of the area, Mr. Scharer pointed to the site on South Washington Street between Textile Street and the former Ella Mill site, which is approximately 3 acres in size. He stated the applicant is amending a previously approved Special Use Permit issued by City Council in 2018. The applicant is proposing a 36 unit multi-family development comprised of two-story townhouse-style apartments and/or duplexes as submitted and included on the site plan for Cambridge Commons Phase Two 2019. Mr. Scharer stated for multi-family developments located within the Residential 6 (R6) zoning district with 25 or more units, a Special Use Permit is required. The applicant would have to develop the properties in accordance with the site plan.

Mayor Anthony closed the public hearing at 6:21 p.m.

Having heard all of the evidence and arguments presented at the hearing, Council finds and determines the application is complete. Council was presented with no evidence as to the following findings as read by Mayor Anthony:

- The development will not materially endanger the public health or safety
- The development will not substantially injure the value of adjoining or abutting property
- Will be in harmony with the area in which it is to be located
- Will be in general conformity with the Comprehensive Land Use Plan or other plans officially adopted by Council

ACTION TAKEN: Upon a motion made by Mr. Amaya approving a Special Use Permit on South Washington Street due to the fact this project will not materially endanger the public health or safety, will not substantially injure the value of adjoining or abutting properties, will be in harmony with the area in which it is to be located, and will be in general conformity with the Shelby Comprehensive Land Use Plan or other plans officially adopted by City Council, , City Council voted unanimously to approve and adopt Resolution No. 31-2019 entitled, “A RESOLUTION GRANTING A SPECIAL USE PERMIT TO GUILFORD FINANCIAL SERVICES, LLC FOR 1001, 1005, 1011, 1015, 1019, 1023, and 1027 SOUTH WASHINGTON STREET; 200, 202, AND 204 EAST SHANNONHOUSE STREET”.

E. Consent Agenda:

ACTION TAKEN: Mayor Anthony presented the consent agenda. Mr. White 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 April 1, 2019
- 2) Approval of a resolution declaring April 14-20, 2019 as National Public Safety Telecommunicators Week and honor the men and women who serve as Public Safety Telecommunicators in our community: Resolution No. 32-2019
- 3) Approval of a resolution accepting and approving assignment of an aircraft hangar used by Richard Phillips to Robert E. Cabaniss: Resolution No. 33-2019
- 4) Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby Water Treatment Plant Electric Line Construction Project: Ordinance No. 29-2019
- 5) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 30-2019
- 6) Approval of a Notice of Special Meetings

END CONSENT AGENDA

F. Unfinished Business:

- 1) Consideration of appointments to City advisory boards and commissions:
 - a. Alcoholic Beverage Control (ABC) Board

Mrs. Parduski reported the terms of two incumbents, Carl Dockery, Jr. and Page Morgan, conclude April 2019. Both incumbents are seeking reappointment to this board.

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

- Darrell Gerald
- James (Jim) Martin
- Peter Potemkin
- James Phillip Reid
- Jeffrey Yates

Mr. Causby nominated Carl Dockery, Jr. and Page Morgan for reappointment.

ACTION TAKEN: Upon a motion by Mr. Causby, City Council voted unanimously to close the nominations and accept the nominees by acclamation.

G. New Business: None

H. City Manager's Report:

- 1) Mr. Howell provided a brief analysis of North Carolina General Assembly House Bill 91 entitled, "Alcoholic Beverage Control (ABC) Laws Modernization from the Program Evaluation Division (PED) Study" and Senate Bill 179 entitled, "Parity for First Responders".**
- 2) Mr. Howell reported the Water Treatment Plant Improvements Project on Grover Street is progressing with the pouring of concrete for the new tanks and laying the foundation for the new pump house anticipated within a month.**
- 3) Mr. Howell reported the Wastewater Treatment Plant Biosolids Improvement Project is progressing with the grading to begin within 30 to 60 days.**
- 4) Mr. Howell reported the Fallen Heroes Memorial Project is nearing completion, anticipated by the end of April 2019.**
- 5) Mr. Howell explained the City of Shelby receives natural gas through the Williams Transco interstate transmission pipeline system. The City pays a demand charge for capacity in the pipeline to the City's gate. This demand charge is a fixed cost and is passed through to the City's customers in the basic facilities charge for each customer class. At the appropriate time in the near future, the City will make the adjustment to pass through the demand charge increases to its customers.**
- 6) With regard to the Shelby Cleveland County Regional Airport T-Hangar Project, Mr. Howell reported the grading for the three buildings to house 10 units each has begun, anticipated to be completed by late summer 2019.**
- 7) Mr. Howell mentioned the North Carolina Department of Transportation's utility relocation construction work for intersection improvements at South Post Road and Joe's Lake Road has begun.**

8) Mr. Howell mentioned the North Carolina Department of Transportation's utility relocation construction work for intersection realignment at Cherryville Road and East Marion Street is continuing.

9) Mr. Howell reminded Council of the following:

- Holly Oak Park Playground and Old Center Renovation Ribbon Cutting – April 30, 2019 at 4:00 p.m., Holly Oak Park
- Special Meetings – Budget Sessions – April 24 and April 29, 2019 at 12:00 Noon, City Hall Council Chamber
- Foothills Merry-Go-Round Festival Honors Awards Reception and Presentations – April 26, 2019 at 6:00 p.m., Don Gibson Theatre
- Shelby Fire & Rescue Department Accreditation Site Visit Opening Conference and Peer Team Reception – April 28, 2019 at 6:00 p.m., Don Gibson Theatre

I. Council Announcements and Remarks:

- 1) Mayor Anthony also encouraged Council members to attend the Holly Oak Park Playground and Old Center Renovation Ribbon Cutting on April 30, 2019 and the Foothills Merry-Go-Round Festival Honors Awards Reception and Presentations on April 26, 2019.
- 2) Mayor Anthony reminded all to participate in the citywide clean-up event on Keep Shelby Beautiful Day scheduled for April 27, 2019 at 9:00 a.m. in Uptown Shelby, 200 South Lafayette Street.
- 3) Mayor Anthony announced the annual observance of the National Day of Prayer is May 2, 2019 and invited all citizens to attend and gather at City Hall Council Chamber at 12:00 Noon.
- 4) Mrs. Arth Dukes requested City staff address Mr. Wright's water runoff and drainage concerns with a report back to Council as to the outcome.

J. Closed Session:

- 1) To approve the Minutes and General Account of the Closed Session of April 1, 2019

- 2) To consult with the City Attorney in order to preserve the attorney-client privilege in the matter of Willie A. Green, Sr. versus the City of Shelby and Rick Howell pursuant to North Carolina General Statute 143-318.11 (a) (3)

ACTION TAKEN: Mr. White made a motion to enter into a closed session pursuant to the appropriate North Carolina General Statutes as cited. Mayor Anthony consulted with Mr. Yelton who advised the topic met the statutory requirements for a closed session. The Mayor invited all Council members present along with Mr. Howell and Mrs. Parduski to attend. The motion passed unanimously and Council moved into closed session at 6:35 p.m.

Council returned to the regular session at 7:36 p.m.

K. Adjournment:

- 1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted unanimously to adjourn the meeting at 7:37 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of April 15, 2019

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-2

2) Approval of the Minutes of the Special Meeting of April 24, 2019

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Special Meeting of April 24, 2019.

City Manager's Recommendation / Comments

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

MINUTES

Special Meeting
City Hall Council Chamber

April 24, 2019
Wednesday, 12:00 Noon

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Violet Arth Dukes, Charles Webber, and Dicky Amaya; City Manager Rick Howell, ICMA-CM, Assistant City Manager/ Director of Finance Justin S. Merritt, MPA, Assistant Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Engineering Services Benjamin (Ben) Yarboro, Fire Chief William P. Hunt, MPA, EFO, Director of Public Works Daniel C. (Danny) Darst, Jr., Director of Parks and Recreation Charlie Holtzclaw, and Director of Planning and Development Services Walter (Walt) Scharer, AICP

Mayor Anthony called the meeting to order at 12:05 p.m.

By consensus, Council agreed to cancel their regularly scheduled meeting of May 6, 2019 due to the lack of City business.

Mr. Howell began his presentation by stating this session would be limited to the review of the City's General Fund revenues and expenditures. The presentation and all handouts are hereby incorporated by reference and made a part of these Minutes.

Next Mr. Howell reviewed the City Manager's responsibilities in the budget process as well as the Local Government Budget and Fiscal Control Act, adding:

- North Carolina General Statute 159-9 designates the City Manager as the budget officer.
- North Carolina General Statute 159-11 requires submission of a balanced budget and budget message prior to June 1 each year, which does not have to occur at a formal Council meeting.
- The City Manager is obligated as the Chief Operating Officer to submit a responsible budget that provides for desired service levels and addresses Council's goals and priorities for the City.
- North Carolina General Statute 159-13(b) (14) directs and limits no appropriation may be made from a utility or public service enterprise fund

to any other fund than the appropriate debt service fund unless the total of all other appropriations in the fund equal or exceed the amount that will be required during the fiscal year, as shown by the budget ordinance, to meet operating expenses, capital outlay, and debt service on outstanding utility or enterprise bonds or notes.

Utilizing charts and graphs, Mr. Howell provided a summary, description, and explanation of revenue categories within the City's General Fund.

Mr. Howell provided the General Fund revenues comparison between the current Fiscal Year 2018-2019 and the proposed Fiscal Year 2019-2020, showing a 7.1 percent change for an overall increase of \$1.7 million. He noted property tax revenue is trending upward as expected due to industrial tax base growth. Sales tax revenue overall is also trending upward and will meet budget expectations. He stated the budget is out of balance by \$43,000.

- **Major General Fund Revenue Streams**

- **Ad valorem property tax (Includes two components: Tax Base (assessed valuation of all real and personal property as provided by the Cleveland County Tax Assessor) and Tax Rate (per \$100 of valuation set by City Council)**

The components of Tax Base include: Real property, personal property, State Board Value, and Registered motor vehicles (Tax and Tag collected by the State)

Tax Levy equals Tax Base valuation multiplied by the Tax Rate.

Mr. Howell presented the Property Tax Rate Comparison of Municipalities (county seats) with Comparable Populations graph chart as of July 1, 2018.

Mr. Howell also presented the Property Tax Rate Comparison of Neighboring Municipalities graph chart as of July 1, 2018.

- **Local Option Sales Taxes (Articles 39, 40, 42, and 44)**

Generates approximately \$3,200,000,000.00 annually statewide.

Cleveland County and the municipalities receive approximately \$26,000,000.00 annually.

The City of Shelby now receives approximately \$2,993,000.

The current method remains as ad valorem distribution.

The Local Option Sales Taxes historical distribution percentages and the City's share, currently at 12.58 percent. Next fiscal year the City will receive a minimum of 12.97 percent for 12 years as negotiated in the Economic Development Agreement between the City of Shelby and Cleveland County for the Clearwater Paper Corporation expansion.

- Utility Sales Taxes – The Department of Revenue quarterly distributes sales tax from four separate utilities – electricity, natural gas, telecommunications, and video programming.

The respective distribution formulas were passed as part of the tax reform legislation approved by the General Assembly in 2013. It went into effect for Fiscal Year 2014-2015.

Mr. Howell projected the amount of utility sales taxes as flat at \$2 million.

Mr. Howell reiterated the significant changes in the General Fund revenues as follows:

- No property tax rate increase from the current .5225 cents per \$100 valuation
- Reflects Local Option Sales Tax increase in distribution
- Steady revenue streams
- Transfers are maintained at current levels from previous year

He noted the overall increase in the General Fund budget is \$1,738,500, which includes the following increases:

Pay Plan Phase 2	\$900,000
Capital equipment	\$370,000
Operations	\$601,500
Subtotal	\$1,871,500
Debt service	- 133,000
TOTAL	\$1,738,500

GENERAL FUND EXPENDITURES

With regard to General Fund expenditures, Mr. Howell provided and summarized charts by category including personnel, operating, capital, and debt service costs and by department including personnel, operating, capital, and debt service.

Prior to his summary, he explained departments that provide service or support for utilities receive utility allocations.

Mr. Howell summarized the General Fund expenditures by detailing the significant changes in several departments:

- **Administration** – includes the addition of a new position, a Public Information Officer
- **Finance – Accounting Division** – operating cost is higher due to an increased fee by Cleveland County for City’s higher tax collection rate
- **Legal** – represents a portion of the City Attorney’s retainer; each department budgets their respective legal expenses
- **Human Resources** – the focus has moved to a referral program for the management of diabetes and will be expanded to include employees with cardiovascular disease
- **Public Works Garage** – service is provided to all City vehicles and equipment and to Cleveland County vehicles
- **Fire** – Capital increase to purchase self-contained breathing apparatus (SCBA) devices due to the end of their service life (2004) which has a life cycle of 15 years
- **Building Inspections** – Capital increase for additional demolitions
- **Streets** – Currently in Year 3 of a five-year plan to replace street signs
- **Solid Waste** – Capital purchase of an air curtain burner for wood waste disposal allowing for cost savings on tipping fees of approximately \$80,000 a year as a cost avoidance; permitted by North Carolina Department of Environmental Quality with a Title 5 permit
- **Recycling** – Contract with Republic Services expires December 2019; seeking an initial proposal and fee while reevaluating the program as a whole
- **GIS (Geographic Information System for Mapping Technology)** – Capital purchase of a mobile GPS (Global Positioning System) unit
- **Parks and Recreation – Maintenance, Grounds, and Cemeteries** – General discussion regarding maintenance at all City cemeteries and the perpetual fund, only in existence since 2005

Next, Mr. Howell reminded Council of one of their continuing goals is to deliver high quality services to our citizens and customers. The objective was to retain and recruit high quality City employees and included an action item, as funding is available, to increase employee wages to competitive market rates based

upon realistic and timely data.

In 2017, the City retained Springsted Incorporated to conduct a classification and compensation study for all City positions. Completion of the classification and compensation study included a review and update of position descriptions for all City jobs, ensuring the City's updated salary structure is competitive in the market place. Mr. Howell recommended a hybrid of Option 3 as follows:

Phased-in Option 3 – Years of Service

- Annual cost for Year 2 is approximately \$900,000 or 4.8 percent of the total General Fund salaries, wages, and benefits
- Adjustments in Year 2 equal a 2 percent market adjustment and an additional .167 percent per year of service to relieve compression between experienced employees and newly hired employees doing the same work; recognizes the value of employees' experience
- Reduces the opportunity for compression of salaries while addressing current compression issues

Mr. Howell reviewed the City of Shelby Annual Labor Force Stability Report for fulltime employees and reviewed the 10-year turnover percentages, noting Calendar Year 2018 prior to the implementation of the Classification and Compensation Plan at 10.21 percent and after the implementation of the Classification and Compensation Plan after July 1 at 4.81 percent.

He noted separations by department totaling 50 employees of the City's 333 budgeted employees. The main reason for 36 of the 50 separations was higher pay. The separations by length of service greater than three years or non-retired employees totaled 23 of the 50.

Mr. Howell stressed the importance of the implementation and funding of Year 2 of the Classification and Compensation Plan in order to ensure compensation for employees is equitable and competitive in the labor market, to ensure that salary compression issues are addressed, and to aid in reducing employee turnover.

Mr. Howell presented a chart depicting the distribution of General Fund employees by fund and department, totaling 249 or 75 percent of the City's workforce.

Lastly, Mr. Howell shared the 2018 proposed pay ranges as set forth in the new pay plan, reiterating the goal of offering a fair, competitive wage to City employees. He cited wage examples for a police officer and a Public Works equipment operator from the current hourly rate to the difference after 2019 pay

increase.

Mr. Howell mentioned the utility revenues from the new Clearwater Paper plant expansion have yet to be realized and budgeted.

Mr. Howell plans to present the balanced budget and his budget message in the very near future. He anticipates the public hearing on the proposed budget will be held at the Council meeting of May 20, 2019.

Adjournment:

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to adjourn the meeting at 1:55 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of April 24, 2019

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-3

3) Approval of the Minutes of the Special Meeting of April 29, 2019

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Special Meeting of April 29, 2019.

City Manager's Recommendation / Comments

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

MINUTES

**Special Meeting
City Hall Council Chamber
Noon**

**April 29, 2019
Monday, 12:00**

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Violet Arth Dukes, Charles Webber, Dicky Amaya; City Manager Rick Howell, ICMA-CM, City Clerk Bernadette A. Parduski, NCCMC, MMC, Assistant City Manager/Director of Finance Justin S. Merritt, MPA, Assistant Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Energy Services Julie R. McMurry, Business Manager Bryant Nodine, Director of Water Resources David W. Hux, and Director of Engineering Services Benjamin (Ben) Yarboro

Mayor Anthony called the meeting to order at 12:10 p.m.

Mr. Howell began his presentation by stating this session would be limited to the review of the City's Utility Funds: Sewer, Water, Stormwater, Natural Gas, and Electric revenues and expenditures. The presentation and all handouts are hereby incorporated by reference and made a part of these Minutes.

Mr. Howell stated the overview of the sewer, water, stormwater, natural gas, and electric funds will include a description and explanation of revenue sources, discussion of significant budget drivers, description and explanation of services provided, and breakdown by utility department and function. He further stated that all City utility funds are self-sustaining enterprise funds.

Next, Mr. Howell reviewed the City Manager's responsibilities in the budget process as well as the Local Government Budget and Fiscal Control Act, adding:

- North Carolina General Statute 159-9 designates the City Manager as the budget officer.**
- North Carolina General Statute 159-11 requires submission of a balanced budget and budget message prior to June 1 each year, which does not have to occur at a formal Council meeting.**
- The City Manager is obligated as the Chief Operating Officer to submit a responsible budget that provides for desired service levels and addresses Council's goals and priorities for the City.**

- North Carolina General Statute 159-13(b) (14) directs and limits no appropriation may be made from a utility or public service enterprise fund to any other fund than the appropriate debt service fund unless the total of all other appropriations in the fund equal or exceed the amount that will be required during the fiscal year, as shown by the budget ordinance, to meet operating expenses, capital outlay, and debt service on outstanding utility or enterprise bonds or notes.

SEWER FUND

Mr. Howell described and explained the Sewer Fund revenue sources, noting sewer charges account for 96 percent of the total revenue. He stated sewer service charge receipts have also declined and will over a two-year period due to the annexation of the Clearwater Paper plants as Clearwater will pay inside rates. Mr. Howell noted the Unrestricted Net Position is down due to the cost of sewer improvement projects which have not been reimbursed by grant funds but for which receipt is pending.

Mr. Howell reviewed expenditures including personnel, operating, capital, debt service which included significant projects, transfers which included the \$5,000 contribution to the economic development program, and allocations which are related to the costs of services provided by the General Fund. Mr. Howell discussed the details of significant budget drivers. He described and explained the services provided by division and function.

Mr. Howell noted and recommended the following:

- **REVENUE:**
 - No rate increase recommended for Fiscal Year 2019-2020.
 - Revenue from Clearwater Paper Site 2 (S2) is not budgeted at this time.
- **EXPENDITURES:**
 - Implementation of Phase 2 of the approved Compensation and Pay Plan. Employees will receive a 2 percent market adjustment and an additional .167 percent for each year of service to provide relief from compression.
 - Continue efforts to address infiltration and inflow in identified areas including Belvedere Avenue, West Shelby, Gidney Street, Market Street, and Dekalb Street as well as others as funding allows.

- Small reduction in debt service to reflect final payback of Clean Water Management Trust Fund loan.
- Focus on maintaining and cleaning the First Broad River main outfall line as well as possible and work downstream from Windsor Drive and Kings Road on Hickory Creek outfall.
- Repair and maintenance issues to be addressed as identified in the Asset Inventory and Assessment completed in 2018.

The Sewer Fund is not balanced at this time.

WATER FUND

Mr. Howell described and explained the Water Fund revenue sources, noting the revenue projections will be met this year and water charges account for 95 percent of the total revenue. He noted the Unrestricted Net Position is down due to the cost of water improvement projects which have not been reimbursed by grant funds but for which receipt is pending.

Mr. Howell reviewed expenditures including personnel, operating, capital, debt service, transfers, and allocations. Mr. Howell discussed the details of significant budget drivers. He described and explained the services provided by division and function.

Mr. Howell noted and recommended the following:

- **REVENUE:**
 - No rate increase recommended for Fiscal Year 2019-2020.
 - Revenue from Clearwater Paper Site 2 (S2) is not budgeted at this time.
- **EXPENDITURES:**
 - Implementation of Phase 2 of the approved Compensation and Pay Plan. Employees will receive a 2 percent market adjustment and an additional .167 percent for each year of service to provide relief from compression.
 - Galvanized 2-inch line replacements, multiple
 - Replacing older undersized lines as well as creating loops when possible

- Hydrant replacement and maintenance – flow testing and maintenance of hydrants to ensure adequate fire flow and protection and replace damaged/failing hydrants

Mr. Howell mentioned the Insurance Services Office (ISO) provides advisory services to insurance companies for underwriting risk and establishing insurance rates in communities. Through the Public Protection Classification Program, ISO evaluates municipal fire-protection efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data using the Fire Suppression Rating Schedule (FSRS) and assigns a Public Protection Classification from 1 to 10. Class 1 generally represents superior property fire protection and Class 10 indicates that the area's fire-suppression program does not meet ISO's minimum criteria. In North Carolina, the Office of the State Fire Marshal administers the program for ISO as the North Carolina Response Rating System in communities with populations less than 100,000 and is based on several factors including water system availability, the 911 communications system, and the fire department's level of staffing and equipment. A community's protection class rating is among the factors used to determine local residential and commercial insurance rates. The Shelby Fire and Rescue Department was last inspected in 2008 and received an ISO-4 rating. The department was inspected very recently and became an ISO-2 rated municipal agency, effective August 1, 2019.

- Meter testing – continue testing of larger (two-inch and larger) meters to ensure accurate metering and revenue collection on meters 10 years and older
- Clearance of water system cross country easements and rights-of-way that have been deferred for several years and are now obstructed. Areas include Warren Street, Gilliatt Street, Fullerton Street, and North Poston Street.

The Water Fund is not balanced at this time.

STORMWATER FUND

Mr. Howell described and explained the Stormwater Fund revenue sources, noting stormwater charges account for 100 percent of the total revenue. He reviewed fund revenues including stormwater plan review, charges, and proceeds from financing. Mr. Howell described and explained the services provided.

- **REVENUE:**

- No changes in Stormwater rate structure after Fiscal Year 2018-2019 restructuring.

- **EXPENDITURES:**

- Implementation of Phase 2 of the approved Compensation and Pay Plan. Employees will receive a 2 percent market adjustment and an additional .167 percent for each year of service to provide relief from compression.
- This fund was established for the first time in Fiscal Year 2014-2015 due to State-mandated stormwater rules that must be implemented by the City.
- A portion of the annual funding will be used to inspect, identify, and design repairs of the City's stormwater system.
- A significant portion of the annual funding will be used for stormwater system repairs and construction.
- Continuation of the Outside the Right-of-Way Grant Program to assist private property owners with drainage issues.
- Projects include replacing Osborne Street culvert, replacing Allen Street culvert, Johnsfield Road culvert linings, and Carolina Avenue area replacements and repairs in conjunction with construction at Mt. Calvary Baptist Church.

Mayor Anthony declared a recess at 12:58 p.m. and reconvened the meeting at 1:05 p.m.

NATURAL GAS FUND

Mr. Howell described and explained the Natural Gas Fund revenue sources, noting natural gas charges account for 99 percent of the total revenue. This enterprise fund is weather dependent. The unrestricted net position has been spent down due to the funding of certain worthwhile, Council-approved projects. He reminded Council the Cost of Service Natural Gas Rate Study included a recommendation setting the minimum net position at \$3.8 million going forward.

With regard to Natural Gas purchases, Mr. Howell explained the gross receipts

derived from sales of piped natural gas are subject to the 7 percent combined general rate of sales and use tax since July 1, 2014. These taxes are collected by the City and returned in full to the State. Mr. Howell reviewed expenditures including personnel, operating, transfers, capital, debt service, and allocations. He described and explained the services provided.

Mr. Howell noted and recommended the following:

- **REVENUE:**
 - No natural gas rate increase is proposed for the margin rate schedule.
- **EXPENDITURES:**
 - Implementation of Phase 2 of the approved Compensation and Pay Plan. Employees will receive a 2 percent market adjustment and an additional .167 percent for each year of service to provide relief from compression.
 - Continue replacing larger gas meters where system load has declined or meters are aging. Past examples include Shelby Elastics, Hurst Products, Sterling House, and Marshalls.
 - System growth to include areas of completing loops for redundancy or adequate flow and pressure or additional subdivision areas and customers where extensions are financially feasible.
 - Valve installation for flow control – continue installing additional valves particularly on older portions of the system where valves are not adequate to ensure reliability in the event of interruptions such as gas leaks, etc.

Mrs. McMurry explained an Excess Flow Valve (EFV) is a safety device that is designed to automatically stop the flow of natural gas when/if the flow of gas through the device exceeds a pre-determined rate due to a rupture or break in the downstream piping. The EFV is normally installed at or near the service line's connection to the gas distribution main in many cases, near the street, and protects against the dangers associated with an uncontrolled escape of natural gas. It should be noted that these devices generally do not protect against slow leaks such as those caused by corrosion, loose fittings, or leaks beyond the gas meter (house piping).

- Continue marketing efforts to potential customers on existing gas

mains throughout Cleveland County.

- Natural gas line replacement of 1955 system to include Hobbs Avenue, Piedmont Avenue, Atlantic Avenue, and Webb Road, including mains and all services.

The Natural Gas Fund is largely balanced at this time.

ELECTRIC FUND

Mr. Howell described and explained the Electric Fund revenue sources, noting electric charges account for 99 percent of the total revenue. This enterprise fund is weather dependent. He reminded Council the Cost of Service Electric Rate Study (2016) included a recommendation setting the minimum net position at \$3.5 million going forward.

Mr. Howell explained the North Carolina Municipal Power Agency Number 1 (NCMPA1) Rate Committee provides technical review and recommendations concerning wholesale rate levels and structure to the ElectriCities Board of Directors and NCMPA1 Board of Commissioners. After a number of successful years from an operating standpoint, the Power Agency has built cash, totaling \$150 million. The Power Agency's Board of Commissioners recommended to the ElectriCities Board of Directors to pay down \$75 million in debt service and to return \$75 million in cash to the 19 member cities, including Shelby, proportionately.

He reviewed expenditures including personnel, operating, capital, debt service, transfers, and allocations. Mr. Howell described and explained the services provided.

Mr. Howell noted and recommended the following:

- **REVENUE:**
 - Revenue overall is expected to remain relatively flat with growth not to exceed 1 percent.
- **EXPENDITURES:**
 - Implementation of Phase 2 of the approved Compensation and Pay Plan. Employees will receive a 2 percent market adjustment and an additional .167 percent for each year of service to provide relief from compression.

- No increase in the cost of wholesale power purchased for resale to customers from the North Carolina Municipal Power Agency 1 (NCMPA1) is anticipated.
- Continue systematic approach to street light upgrades to LED fixtures in areas of high crime, safety concerns, poor lighting, etc.
- System improvement funding to cover areas of electric system expansion and implementation of the Electric Asset Management Plan completed in 2017, including substation upgrades, fiber extension to Substation 10 and 11, upgrade of peak shave generator switch gear, ongoing pole inspection and replacement, etc.
- Underground cable replacement – continue replacing 30-plus year old underground cables with multiple power outages and failures. Most recent examples include Pinkney Street area, Post Office area, Shelby High School, Shelby’s Women’s Care, John Knox, Presbyterian Church, Cleveland County Schools Administration, Ford Street condominiums, Fire Station 2, White Oak Manor, West Gate subdivision (Woodhill Drive), and Hope Community Church.
- Continuing expenditures on re-conductoring projects to replace older copper wire portions of the system. Projects include Trade Street, Gidney Street, South Washington Street, and Lafayette Street.

The Electric Fund is largely balanced at this time.

Mr. Howell plans to present the balanced budget and his budget message prior to May 20, 2019. He also anticipates the public hearing on the proposed budget will be held at the Council meeting of May 20, 2019.

Adjournment:

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to adjourn the meeting at 1:49 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of April 29, 2019

DRAFT

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-4

- 4) Approval of a Special Event Permit Application:
- a. Host City Welcome, requested date: August 14, 2019

Consent Agenda Item: (Bernadette A. Parduski, City Clerk)

Summary of Available Information:

- Memorandum dated May 10, 2019 from Bernadette A. Parduski, City Clerk to Rick Howell, City Manager
- Memorandum from Bernadette A. Parduski, City Clerk to Police Chief Jeff Ledford, Fire Chief William Hunt, Fire Marshal Phil Lane, Parks and Recreation Director Charlie Holtzclaw, Public Works Director Danny Darst, Assistant Director Public Works Scott Black, Director of Water Resources David Hux, Director of Engineering Services Ben Yarboro, Director of Energy Services Julie McMurry, Electric Superintendent Jeff Freeman and Planning Director Walter Scharer
- Special Event Permit Application

City Manager's Recommendation / Comments

This event is in keeping with special event practices of the City. It is my recommendation that this item be approved by City Council at this time via the Consent Agenda.

Memo

To: Rick Howell, City Manager
From: Bernadette A. Parduski, City Clerk
Date: May 10, 2019
Re: Special Event Permit Application

BACKGROUND:

A Special Event Permit Application has been submitted for the following:

- ✓ Host City Welcome, requested date: August 14, 2019

REVIEW:

All responding City departments have received, reviewed, and approved the referenced application.

RECOMMENDATION:

Please place the attached Special Event Permit Application on the Consent Agenda of May 20, 2019 for Council's review and approval.

ATTACHMENT:

- A. Special Event Permit Application packet received April 9, 2019

Memo

To: Police Chief Jeff Ledford, Fire Chief William Hunt, Fire Marshal Phil Lane, Parks & Recreation Director Charlie Holtzclaw, Public Works Director Danny Darst, Assistant Director of Public Works Scott Black, Director of Engineering Services Ben Yarboro, Director of Water Resources David Hux, Director of Energy Services Julie McMurry, Electric Superintendent Jeff Freeman, and Planning and Development Services Director Walt Scharer

From: Bernadette A. Parduski, City Clerk

CC: Rick Howell, City Manager

Date: April 9, 2019

Re: Special Event Permit Application

All:

Attached you will find a Special Event Permit Application submitted by Kim Davis of Dragonfly Marketing as follows:

- ✓ Host City Welcome, requested date: August 14, 2019

Please carefully review the details of this application as it pertains to your department, and let me know of any anticipated problems/objections that you would like to bring to the attention of the City Council. If there are none, please let me know that as well. The event will be considered by City Council at the May 6, 2019 meeting and recommended for approval unless you advise otherwise. If I do not hear from you by April 29, 2019, it will be assumed that you are in agreement with the application as presented.

As always, thanks for your attention and consideration.

Attachment

**CITY OF SHELBY
SPECIAL EVENT PERMIT APPLICATION**



Each question must be legible and answered clearly and completely. Applications must be filed with the City Clerk not less than three (3) weeks before the date on which event is to take place. A fee of \$20.00 will be due upon submission of the application form.

1. **EVENT NAME:** Host City Welcome

2. PURPOSE AND BRIEF DESCRIPTION OF EVENT:

The event is to welcome all the teams to Cleveland County. The event is no charge and open to the public. The players will eat, play corn hole and see a concert .

3. **LOCATION OF EVENT (ATTACH MAP):** City Pavilion, Parking Lot beside pavilion and Marion St from Morgan to Lafayette St. See attached map for specific road closures.

4. PLEASE INDICATE:

Approximately how many people will attend the event: 3000- 5000

Approximately how many vehicles will be present: No vehicles will be permitted (unless on display for the event) on the streets closed for the event

Approximately how many animals will be present: only those brought in by attendees

If the event is a parade, please indicate the amount of street that will be needed:

Single lane _____

All lanes in travel direction All lanes in the travel direction _____

Whole street _____

5. PLEASE LIST THE FOLLOWING PARTY (IES) RESPONSIBLE FOR THE EVENT:

Name: Dragonfly Marketing (Kim Davis)

Address: 5 E. Marion St. Suite 2, Shelby NC 28150

Phones: 704-600-6599 (Daytime) 704-473-8248(Evening)

Email Address: Kim@dragonflymarketing.cc

Name: ALWS

Address: 117-A W. Warren St., Shelby NC 28150

Phones: 704-466-3103 (Daytime)

Email Address: Robby@bcgroupinc.com

6. PLEASE LIST THE FOLLOWING:

Requested day(s) and date(s): August 14th for event

Alternate day(s) and date(s): _____

Requested hours of operation, from 5:00 pm to 9:00 PM

Parking lot will be closed beginning on 8-13-19 at Noon to set up tent and seating in the pavilion

Roads in the event area will be closed at 12:01 am on 8-14-19 to allow for stage and vendor set up. The Pavilion and parking lot will be cleared by midnight on the 14th .

Marion St from Trade St to Morgan St will reopen as soon as the stage is removed.

7. SANITATION: Below stats the “Plan for Clean-Up.” Please check Application Instruction sheet for details.

Use the permanent trash cans in the event area. Request additional trash cans to be delivered the day before the event. Event staff will do final cleanup of area.

8. AVAILABILITY OF FOOD, BEVERAGES, AND/OR ENTERTAINMENT;

If there will be music, sound amplification, or any other noise impact, please describe on attached sheet, including the intended hours of the music, sound, or noise.

Music from 5:00 pm to 9:00 pm

Will alcoholic beverages be served? No

If yes, attach to the application a copy of your permit from the Cleveland County Alcoholic beverage Control Board. Alcohol may not be served without a permit!!!

Will food and/or non-alcoholic beverages be served? Yes, all food vendors will supply their health department permits.

If yes, attach to the application a copy of your permit from the Cleveland County Department of Health Services.

9. SECURITY AND SAFETY PROCEDURES:

Attach to this application a copy of your building permit(s) if you are installing any electrical wiring on a temporary or permanent basis and/or if you are building any temporary or permanent structures such as bleachers, scaffolding, a grandstand, viewing stands, stages, or platforms. Attach a copy of your Shelby Fire Department Permit or permits to this application if you will use parade floats; an open flame; fireworks; or pyrotechnics; vehicle fuel; cooking facilities; enclosures (and tables within those enclosures); tents; air supported structures; and/or any fabric shelter.

Give name, address, and phone numbers of the agency or agencies, which will provide first aid staff and equipment. Attach additional sheets if necessary.

Dragonfly Marketing will meet with Cleveland County EMS and they will have assigned responders to come in from around the festival areas to ensure quick access for services and if needed set up a command center within the festival area to provide on-site first responder services.

Name: Cleveland County EMS
Address: 100 Justice Place, Shelby, NC 28150
Phones: 704-484-4984

Indicate medical services that will be provided for the event.

AMBULANCE: _____
DOCTOR (S): _____
PARAMEDICS: _____

10. CITY SERVICES/EQUIPMENT REQUESTED FOR THIS EVENT: Police Department (security) & Electrical Department (electricity to be turned at the pavilion by City Utilities Department) Street Department for street closures and additional trash receptacles.

11. ANY ADDITIONAL COMMENTS:

Dragonfly Marketing will meet with Chief Jeff Ledford and designated officer to discuss Law Enforcement for the event.

Dragonfly Marketing will meet with Scott Black – City of Shelby Street Supervisor. Mr. Black will provide the necessary set up and blockage of streets as needed. Dragonfly Marketing will continue to meet with City of Shelby Departments to ensure knowledge of all events the day of Host City Welcome.

Dragonfly Marketing will provide road closure information to all Emergency Response Centers that serve the event area. Additionally, the information will be provided to local media and on social media sites prior to the event.

THE CITY OF SHELBY IS NOT A COSPONSOR OF THE EVENT.



It is understood and agreed that any permit issued pursuant to this application is issued on the condition that the answers herein given are true and correct to the best of the knowledge, information, and belief of the applicant.

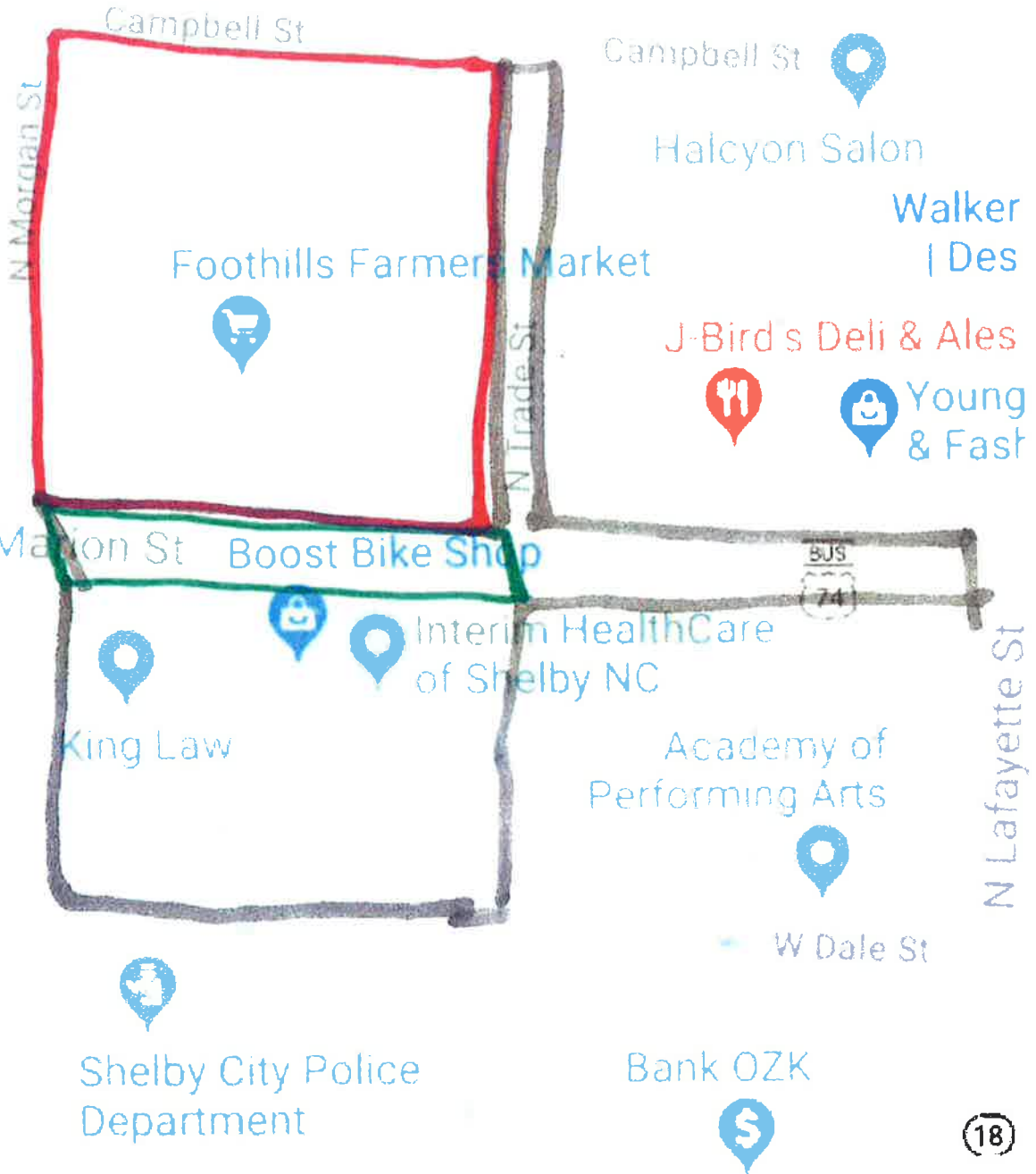
Kimberly S. Davis _____
(SIGNATURE)

ALWS _____ 704-600-6599
(APPLICANT) (PHONE)


201 S. Washington St, Suite 200, Shelby, NC 28150 _____
(ADDRESS)
4-9-19 Revised _____ (DATE)

 Closes at Noon 8-13-19


Phyllis Sweet Shop  N.T.
North Carolina License Plate Agency  PNC Bank F
Churc



Campbell St
N Morgan St
Foothills Farmers Market
W Marion St
Boost Bike Shop
King Law
Shelby City Police Department
Interim HealthCare of Shelby NC
Academy of Performing Arts
W Dale St
Bank OZK
N Trade St
N Lafayette St
Campbell St
Halcyon Salon
Walker | Des
J-Bird's Deli & Ales
Young & Fast
BJS 74


Closes
at 12:01
pm
8-14-19

Google

 Will reopen as soon as stage is down.
Re-open the area will happen by midnight 8-14-19

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-5

- 5) Approval of a reimbursement resolution with regard to installment financings for Fiscal Year 2019-2020: Resolution No. 34-2019

Consent Agenda Item: (Justin Merritt, Finance Director)

Summary of Available Information:

- Resolution No. 34-2019
- Attachment “A”, 2019-20 City of Shelby Proposed Installment Contract Equipment List

City Manager’s Recommendation / Comments

Resolution No. 34-2019 is presented for City Council consideration at this time via the Consent Agenda. As noted in Mr. Merritt’s memo referenced above this resolution would allow the City to reimburse itself from financing proceeds obtained to purchase capital equipment during the upcoming fiscal year. As you all know the City finances its annual rolling stock (police cars, fire trucks, utility trucks, backhoes, etc.) by borrowing money short term at tax exempt interest rates over a 59 month period. This allows the City to maintain cash liquidity and manage its fleet in an effective manner. Financing for capital purchases this year will again be bid out to interested financial institutions to achieve the most competitive rate.

It is my recommendation Resolution No. 34-2019 be adopted and approved by City Council at this time via the Consent Agenda.

Attachment A
2020 City of Shelby
Proposed Installment Contract Equipment List

Dept.	Description	Cost Center	Estimated Cost
Information Services	Firewall and AP's	110421-51000	11,871.00
Meter Services	Nissan Frontier 4x4	110421-54000	28,450.00
	Ford Explorer	110421-54000	31,550.00
Fire Department	SCBA System	110434-51000	382,000.00
Sanitation	Air Burner S327	110471-51000	170,000.00
	Leaf Vacuum Truck	110471-54000	200,000.00
GIS	Mobile GPS Unit	110491-51000	8,000.00
	60" ZTR Mower	110613-51000	14,000.00
Parks and Recreation	RD ZTR Mower	110613-51000	12,000.00
	ADA Chair Lift	110613-51000	8,000.00
	1/2 Ton Pickup 4x2	110613-54000	25,000.00
Powell Bill	Service Truck	112452-54000	55,000.00
Water Fund	Utility ATV	610714-51000	12,000.00
Sewer Fund	Composite Sampler	620724-51000	6,800.00
	Utility ATV	620724-51000	12,000.00
	Utility ATV	620724-51001	12,000.00
	LS Scada Upgrade	620724-51000	28,000.00
Gas Fund	Hybrid Car	640741-54000	26,000.00
	Mid-Size Pickup	640741-54000	29,000.00
	1/2 Ton 4x4 Truck	640743-54000	32,000.00
Total:			1,103,671.00

RESOLUTION NO. 34-2019

CITY OF SHELBY
A REIMBURSEMENT RESOLUTION WITH REGARD TO
INSTALLMENT FINANCINGS FOR FISCAL YEAR 2019-2020

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have published regulations that govern when a political subdivision such as the City of Shelby, North Carolina (the City), can issue or execute tax-exempt obligations to reimburse itself or any agency or division thereof for expenditures on purchases prior to the issuance of tax-exempt obligations for such projects; and

WHEREAS, the regulations require that the governing body of the political subdivision adopt a resolution reciting certain facts and intentions prior to the incurrence of the expenditures; and

WHEREAS, the City anticipates incurring certain expenditures for fiscal year 2019-2020 in an approximate amount not exceeding \$1,103,671 (the "Expenditures") with respect to purchase of motorized and other equipment prior to the issuance by the City of tax-exempt obligations in the form of an installment purchase contract for such purpose in an amount not to exceed \$1,103,671 expenditures for fiscal year 2019-2020.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Shelby as follows:

Section 1. The City Council hereby declares a reasonable "official intent" pursuant to Regulation 1.103-18 to the Internal Revenue Code of 1986, as amended, to reimburse the City from the proceeds of tax exempt obligations in the form of an installment purchase contract of the City executed under the authority of North Carolina General Statute 160A-20, as amended for such Expenditures. Such Expenditures must be incurred not later than two years from the date hereof in order to be eligible for reimbursement from the proceeds of the installment purchase contract or such other date as may be applicable in the regulations. The City anticipates incurring Expenditures in an approximate amount of not exceeding \$1,103,671 for fiscal year 2019-2020.

Section 2. To be eligible for reimbursement of the Expenditures, the installment purchase contract will be executed on or before the later of the date one year after the Expenditure was paid or the date one year after the equipment was placed in service, or such later date as may be applicable in the regulations as amended.

Section 3. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one year.

Section 4. The source of funds for the General Fund Expenditures will be general funds derived primarily from ad valorem taxes of the City and other City general funds and for the Enterprise Funds Expenditures will be charges for enterprise services.

Resolution No. 34-2019
May 20, 2019
Page 2

Adopted and approved this the 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-6

- 6) Approval of a resolution revising the Purchasing Manual of the City of Shelby to provide for an updated purchasing policy and procedures manual: Resolution No. 35-2019

Consent Agenda Item: (Justin Merritt, Finance Director)

Summary of Available Information:

- Resolution No. 35-2019

City Manager's Recommendation / Comments

Resolution No. 35-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this resolution would revise the Purchasing Manual to increase accountability, clarify the purchase procedures and to bring it up to date with current purchasing standards established by State laws. City staff routinely reviews policies to reflect up to date purchasing practices as well as compliance with state and federal laws.

It is my recommendation Resolution No. 35-2019 be adopted and approved by City Council at this time via the Consent Agenda.

RESOLUTION NO. 35-2019

A RESOLUTION REVISING THE PURCHASING MANUAL OF THE CITY OF SHELBY
TO PROVIDE FOR AN UPDATED PURCHASING POLICY
AND PROCEDURES MANUAL

WHEREAS, the Purchasing Manual is intended for use as a guide to the City of Shelby's purchasing methods and practices; and,

WHEREAS, the proposed revised Purchasing Manual developed by City staff is additionally intended to increase accountability and clarify the purchase procedures; and,

WHEREAS, the Purchasing Manual was revised, in part, to bring it up to date with current purchasing standards established by State laws; and,

WHEREAS, the City Council of the City of Shelby now desires to institute the revised Purchasing Manual.

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

SECTION 1. The City's Purchasing Manual dated July 1, 2018 be adopted and made a part of this Resolution.

SECTION 2. The City Manager is hereby authorized and directed to implement and administer the policies and procedures of the Purchasing Manual set forth in Section 1 of this Resolution.

SECTION 3. This Resolution shall become effective upon its adoption and approval.

Adopted and approved this the 20th day of May 2019.

O. Stanhope Anthony III

ATTEST:

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

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-7

- 7) Adoption of Fiscal Year 2018-2019 Budget Ordinance Amendment No. 8: Ordinance No. 33-2019

Consent Agenda Item: (Justin Merritt, Finance Director)

Summary of Available Information:

- Memorandum dated May 9, 2019 from Assistant City Manager/Finance Director to Rick Howell, City Manager
- Resolution No. 4-2013 with Incentive Agreement and Amendment to Incentive Agreement
- Resolution No. 10-2016 with Incentive Agreement
- Grant payment spreadsheet and schedule
- Letter dated March 29, 2019 from KSM Castings Group to City of Shelby
- Ordinance No. 33-2019

City Manager's Recommendation / Comments

Ordinance No. 33-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this amendment would formally appropriate the incentive grant for Tax Year 2018-19. KSM Castings has now met the requirements for year five of the original grant incentive in the amount of \$160,483.70 and for year one of the new grant incentive in the amount of \$74,862.21. These grants are tied to the initial 2013 investment by KSM Castings where it was expected to invest \$45,000,000 and the 2017 expansion investment where it was expected to invest an additional \$60,000,000. The ultimate taxable investment by the company today totals \$53,810,173 before accounting for depreciation with additional investment expected to come. If approved this ordinance would approve the budget amendment so that the requested grant distributions to KSM Castings can be made.

It is my recommendation Ordinance No. 33-2019 be adopted and approved by City Council at this time via the Consent Agenda.



To: Rick Howell, City Manager
From: Justin Merritt, Assistant City Manager/Director of Finance
Date: May 9, 2019
Subject: KSM Castings NC, Inc. Incentive Grant Distribution

Background:

As you are aware, the City of Shelby entered into agreements with KSM Castings NC Incorporated to provide Industrial Incentive Grants upon completion of certain grant requirements. The agreements are attached and detail the guidelines of the grant program.

KSM Castings NC Incorporated has now met the requirements for year five of the 2013 grant agreement and for year 1 of the 2016 agreement and has asked for the grant distribution to be made.

Recommendation:

The recommendation from staff is to approve the attached budget amendment so that the requested grant distributions can be made.

RESOLUTION NO. 4-2013

A RESOLUTION CONFIRMING THE CITY OF SHELBY'S
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 X-Cel" (the "Project") with an total expected investment valued at \$45 Million of net new investment which shall be eligible for incentives through the policy; and,

WHEREAS, the City Council believes that Project X-Cel 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:

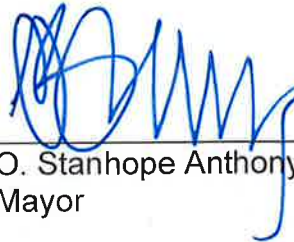
Section 1. In accordance with the City's economic development incentive practices, the City Council extends to the Project by agreement the offer to provide annual grants with an amount equal to an estimated \$1.35 Million paid over a period of 20 years along with an upfront, one-time cash grant in the amount of \$250,000. Additionally, the City Council approves the City's construction of water and sewer infrastructure improvements at an expected cost to the City of \$455,000 and natural gas infrastructure improvements onto said property located at 641 Plato Lee Road, Shelby, North Carolina at an expected cost to the City of \$125,000. 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.

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


Resolution No. 4-2013
January 29, 2013
Page 3

Adopted and approved this the 29th day of January 2013.

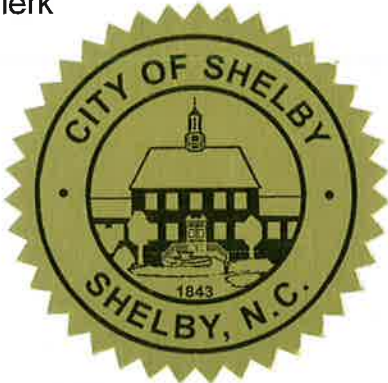


O. Stanhope Anthony III
Mayor

ATTEST:



Bernadette A. Parduski, NCCMC, MMC
City Clerk



INCENTIVE AGREEMENT

This **Incentive Agreement** (the "Agreement") is made and entered into as of the 1st day of February, 2013 (the "Effective Date"), by and between **CITY OF SHELBY, NORTH CAROLINA**, a Municipal Corporation of the State of North Carolina (the "City") and **KSM CASTINGS NC INC.**, a corporation of the State of North Carolina (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 and improvement of utility services to industrial properties, and the provision of various incentives including the payment of certain incentive grants, as determined in accordance with the provisions of the Program; and,

WHEREAS, the Company contemplates the construction and equipping of building on approximately sixty (60) acres of land now owned by Cleveland County, North Carolina (the "Project") near the town of Shelby, North Carolina; and,

WHEREAS, the Company's resulting location of the Project at the approximately sixty (60) acres of land now owned by Cleveland County, North Carolina located at 641 Plato Lee Road, near the town of Shelby, North Carolina ("Property") will stimulate the local economy and will promote business in the City; and,

WHEREAS, the Company intends to create approximately 189 new, permanent full-time jobs during the first six (6) years of this Agreement at the Project, which the Company will pay an average wage at or above the average wage for Cleveland County as determined pursuant to N.C.G.S. 158-7.1(d2)(1) and said jobs shall remain in Cleveland County throughout the Grant Term of this Agreement; and,

WHEREAS, the entire Project will include site improvements, buildings and the installation of machinery and equipment with a total investment expected of approximately Forty Five Million Dollars (\$45,000,000.00) in Cleveland County; and,

WHEREAS, The Company will become a significant customer of the City's sewer, water and natural gas utilities; and,

WHEREAS, the Council has determined following a public hearing on January 29, 2013 and having made all findings and determinations required by law, 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 locate 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 Cleveland County.

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

- 1.1 Water and Sewer Services. Water and sewer services will be provided to the Project for the Company by the City satisfactory to the Company's needs and specifications. The City will ensure that, at no cost to the Company, water and sewer infrastructure is delivered to locations on the Property within the public right of way and in accordance with the Company's schedules and requirements (including, without limitation those set forth on **Exhibit A**). Without limiting the foregoing, the City will provide temporary water access (a fire hydrant that can be connected to and metered to) at the beginning of rough grading of the Property (expected to be March 1, 2013). The City anticipates that it will secure a grant fund of no less than Four Hundred Fifty Thousand Dollars (\$450,000.00) for the purpose of extending water and sewer infrastructure to the Project. The City will ensure that the Company incurs no connection or tap-on fees or charges for water and sewer services in connection with the construction of the Project. If the Company elects to have the Property annexed by the City, the City agrees to provide the best available water and sewer rates to the Company.
- 1.2 Company's Equipment. All piping, backflow protection devices, fittings, etc., and any necessary sewer flow metering apparatus and connections located past the metering points shall be at the Company's sole expense.
- 1.3 Easement. A twenty five (25) foot water line and sanitary sewer easement (12.5' each side of centerline), at a mutually agreeable location, shall be reserved and/or granted for or to the City at no cost to the Company.

Incentive Number Two

- 2.1 Natural Gas Service. At no cost to the Company, the City will construct, and deliver to a designated location in the Property, by no later than October 1, 2013, an adequately sized natural gas line to the Project for the Company satisfactory to the Company's needs and specifications (including, without limitation, those set forth on Exhibit A, and the gas line must be capable of delivering pressure after the metering point of at least four (4) psi). The metering device(s) shall be placed at a mutually agreed upon place, typically next to the building. The City shall at all times have the right of access for servicing, maintaining and reading said meter. The City will also be responsible for any required fittings or regulator apparatus on the City owned portion of the gas line leading to the meter. The City will ensure that the Company incurs no connection fees or charges related to the extension of the natural gas services in connection with the construction of the Project. So long as the City provides adequate natural gas service to the Property, the Company agrees not to use an alternative fuel source to natural gas at the Property for the Project that would substantially impact the Company's use of natural gas at the Property for a period of twenty (20) years. The previous sentence is not intended to restrict the Company's ability to use propane, acetylene, oxygen bottles and similar fuels for use in maintenance and repair up to minimal levels which is permitted. If the Company elects to have the Property annexed by the City, the City agrees to provide the best available natural gas rates to the Company. The Company further agrees that if it has not received a Certificate of Occupancy for the Project within three (3) years after the closing date of the Property (subject to a 12-month extension if an extension would be allowed under Section 6.1), then the Company shall pay to the City an amount equal to fifty per cent (50%) of the out-of-pocket costs the City incurred in providing the natural gas infrastructure to the Property for up to One Hundred Twenty Five Thousand Dollars (\$125,000.00) in such costs incurred by the City.
- 2.2 Company's Equipment. Any regulators required past the metering point for specialized equipment shall be at the Company's sole expense.
- 2.3 Easement. A twenty five (25) foot natural gas line easement (12.5' each side of centerline), at a mutually agreeable location, shall be reserved and/or granted for or to the City at no cost to the Company.
- 2.4. Billing for Services. The City will bill the Company monthly for water, sewer and natural gas services utilized by the facilities associated with the Project according to the City's regular water, sewer and natural gas service published public rate schedules as established from time to time by the Council and subject to Section 1.1 and 2.1.

Incentive Number Three

- 3.1 Permitting. The City agrees to expedite the processing of all applications for construction, zoning and other permits, approvals and consents required by the City for the development of the Project.
- 3.2 Fees. The City will ensure that the Company incurs no fees for permitting, inspection, development, or other fees normally charged by the City for development and/or industrial projects.
- 3.3 Lighting for Access Road. Cleveland County is working with the North Carolina Department of Transportation to provide an industrial entrance ("Access Road") into the Project site, which may include a turning lane. If the Company elects to have the Property annexed by the City, then (a) at no cost to the Company, the City will install adequate lighting along the Access Road no later than October 1, 2013 and it will be done in a manner that does not disrupt Company's construction of the Project, and (b) the City will own, operate and maintain the Access Road and the associated lighting in accordance with the City's rules, regulations and policies for the maintenance of road and lighting infrastructure and, upon notification by the Company, will provide expedited attention to matters relating to maintenance, repair and operation of the Access Road and the associated lighting. The proposed location of the Access Road is set forth on **Exhibit B** attached hereto.

The Company's Obligations.

- 4.1 Customer of the City. The Company agrees to become a regular customer of the City's water, sewer and natural gas systems, subject to the city's policies and ordinances regulating the discharge of wastewater, use of water and natural gas, and to the City's schedule of rates and fees, subject to Section 1.1 and 1.2.
- 4.2 Preparation of Easements. The City will prepare and provide to the Company without cost, and the Company will execute at no cost to the City, the necessary temporary and permanent construction and maintenance easements for the installation and maintenance of the gravity collection sewer lines, water distribution lines, and natural gas lines, as set forth herein, including future easements for the possible extensions or revisions of the sewer, water and natural gas systems as the City may deem necessary or appropriate.
- 4.3 Company's Ownership. The Company will exclusively own, operate and maintain all sewer flow metering devices, pretreatment facilities, water service lines past the point of metering, and all natural gas service lines and piping past the point of metering connecting each facility and/or building at the Company's premises.

5. Application for Service. The Company will make application for service at the appropriate time providing appropriate financial guarantees as required by current City Utility Service policy.
6. Contingent Incentives. If within sixty (60) days of the date of this Agreement, the Company petitions the City for Voluntary Annexation to the City of the Property, and the Property is actually Annexed into the City, the City will make the following Incentive Grants to the Company:
 - 6.1 Upfront Grant. The City will pay to the Company a cash grant of Two Hundred Fifty Thousand Dollars (\$250,000.00) to help offset grading costs the Company would incur for the Project on the Property. The Two Hundred Fifty Thousand Dollars (\$250,000.00) will be paid to the Company within twenty (20) days after the Company closes on the Property and the formal Annexation of the Property and recordation by the City is complete. In the event the Company has not received a Certificate of Occupancy for the Project within three (3) years of the closing date of the Property, then, within thirty (30) days of said three (3) year date, the Company shall repay to the City the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00). Notwithstanding the 3-year period described above, if the Company has not received a Certificate of Occupancy for the Project within three (3) years of the closing date of the Property due to an event beyond the reasonable control of Company (such as acts of God, terrorism, fires, natural calamities, floods, and earthquakes) then the Company shall have an additional 12-month period to secure the Certificate of Occupancy for the Project prior to being required to repay the \$250,000.00.
 - 6.2 Grant Criteria. The Company shall comply with the following conditions (the "Grant Criteria") in order to qualify for Incentive Grants (defined in Section 6.4(b)) pursuant to this Agreement.
 - a. The Company shall received a Certificate of Occupancy for the Project within thirty six (36) months after the closing date of the Property (subject to a 12-month extension if any extension would be allowed under Section 6.1).
 - b. The Company shall maintain its investment (subject to normal depreciation) in the City for the duration of the Grant Term (hereinafter defined in Section 6.4(a)).
 - c. The Company shall operate the Project substantially in compliance with all applicable 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 construction of the Project except the water, sewer and natural gas utilities as described herein.
 - e. The Company shall be current in the payment of all ad valorem taxes, utility charges and fees imposed on the Company by Cleveland County and any municipality within the County, including the City.

- 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.

6.3 Certification of Grant Criteria by the Company.

- a. In each year of the Grant Term (commencing on July 1 and ending June 30), 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 that 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 for the subject 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 (subject to Cleveland County's standard challenging policy); and (iii) paid all applicable local taxes on the Assessed Value of the Project. If for 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 performance letter certification from the Company, the Cleveland County Tax Assessor shall determine, as of January 1st for each year of the Grant Term, the total 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 City by providing such reasonable information and access (upon advance written notice and during normal business hours) 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 ninety (90) 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 ninety (90) 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, promptly 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).

6.4 Grant Term and Payment of Incentive Grants.

- a. Grant Term. The term "Grant Term" refers to the consecutive twenty (20) year period beginning as set forth in this Section 6.4(a) and during which the Company is entitled to receive Incentive Grants as set forth in this Agreement. Subject to the provisions below, the Grant Term (A) will begin upon verification that the Company has (i) satisfied all Grant Criteria, (ii) agreed to the Assessed Value of the Project as determined by the County's Tax Assessor (subject to Cleveland County's standard challenging policy), and (iii) paid all applicable local taxes on the Assessed Value and (B) will continue for twenty (20) years (ending on June 30 of the twentieth year) following initial verification as long as the Grant Criteria remain satisfied. Notwithstanding the foregoing, unless the Company directs otherwise in writing to the City Manager, the first year of the Grant Term shall not commence any earlier than July 1, 2014 (with assessed valuation on January 1, 2014, a corresponding bill being sent to the Company in approximately July 2014, payment for such bill being due by January 6, 2015, and the first Incentive Grant payment occurring between January 1st and March 31st 2015 subject to the City's verification as set forth in this Section 6.4(a)) in order to provide the Company with sufficient time to acquire and install a substantial part of the Taxable Investment and, accordingly, receive a full twenty (20) consecutive years of Incentive Grants. The Company can elect a later date for the twenty (20) year Grant Term to begin by providing notice in writing to the City Manager.
- b. Between January 1st and March 31st of each year of the twenty (20) year Grant Term, the City shall make an incentive grant payment to the Company in an annual amount equal to eighty per cent (80%) of the total ad valorem taxes paid by the Company to the City during the preceding calendar year of the Grant Term, as long as the Company remains compliant with this Agreement ("Incentive Grant").

- 6.5 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 on the Assessed Value of the Project when due, then the City shall provide written notice to the Company stating that the ad valorem taxes are delinquent. If the taxes have not been paid within a ninety (90) day period of the Company's receipt of that notice, then the City may terminate this Agreement and have no further obligation to the Company for the payment of any Incentive Grant.
7. Utilities Suppliers. In addition to those commitments made forth above and not in limitation of any of the above obligations, the City will use its best efforts to encourage all suppliers of utilities to comply with their commitments to the Company.
8. Zoning/Land Use; Future Annexation. The City represents and warrants that the Property is zoned for the Company's intended present and contemplated future uses which include distribution, manufacturing, research and testing, warehousing, headquarters and office uses associated with casting and machining operations, all of which are permitted uses of the Property according to the applicable Zoning Ordinance for the City. The City further represents that no other zoning, covenants, land use or other site Project requirements or authority are known to exist which limit, prevent or prohibit the Project or the Property as proposed by the Company.
9. Grant and/or Loan Applications. The Company agrees to work cooperatively with the City in the submission of applications (if any) for grants and/or loans for the Project or infrastructure improvements for which the City may be eligible; provided, however, the Company would not incur, nor shall any application require that the Company incur, any obligation to repay any such grants and/or loans eventually obtained (if any) in the event the City fails to fulfill any other of its obligations under such grants or loans. However, the Company will cooperate with the grant funding agencies and the City in complying with the grant guidelines.
10. 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
 300 South Washington Street
 Shelby, NC 28150
 ATTN: City Manager

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:

KSM Castings NC Inc.
Dr. Frank Boshoff, President
c/o Kloth-Senking Metallgießerei
Cheruskerring 38
31137 Hildesheim
Germany

With copy that shall not constitute notice to:

Kevin W. Chapman
Parker Poe Adams & Bernstein LLP
401 South Tryon Street, Suite 3000
3 Wells Fargo Center
Charlotte, NC 28202

11. Parties. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, and their successors in interest.
12. 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 Agreement. 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.
13. Amendments to Agreement. This Agreement may only be modified, altered or amended by mutual written consent of the Parties.
14. Termination. Except as otherwise provided herein, this Agreement shall terminate on June 30 of the last year of the Grant Term; provided, that it will not terminate before the Incentive Grant associated with the last year of the twenty (20) year Grant Term has been paid.
15. 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, provided the Company has the right, at its sole discretion, to assign some or all of its rights hereunder to a subsidiary. 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.
16. 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 (unless a longer period is provided for herein) 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.
17. 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. The City represents and warrants to the Company that the City has made all findings and determinations required by law and has taken all action necessary to authorize the approval of the incentives described herein and the execution, delivery and performance of this Agreement, and that this Agreement is a valid, legal and binding obligation of the City, enforceable against it in accordance with its terms. 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. If any incentives provided hereunder, including the Incentive Grants, or any portion thereof, are deemed by a court of competent jurisdiction to be ultra vires or not authorized by the laws or Constitution of the State of North Carolina, then the City will use reasonable efforts to provide to the Company equivalent incentives (support having a similar financial net present value to the Company) as allowed by law. 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 (a) the City shall exercise its best efforts to defend against any such lawsuit, including appealing any adverse judgment to the appropriate court, and (b) the City will promptly notify the Company in writing and allow the Company to participate in the defense of any challenge, at the Company's expense and with counsel of the Company's choosing. 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.

18. 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.
19. 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.

Signature Pages to Follow

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

Attest:

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

By: O. Stanhope Anthony, III
O. Stanhope Anthony, III,
Mayor

This Incentive Agreement has been pre-audited to the extent, and in the manner, required by the **Local Government Budget and Fiscal Control Act**.

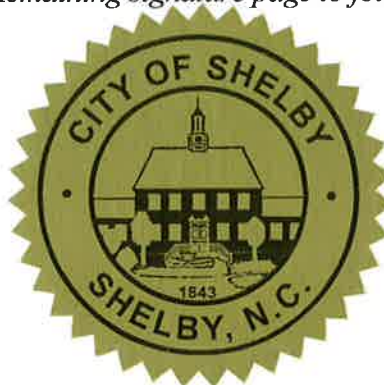
[Signature]
City of Shelby Finance Officer, on behalf
of the City

[Signature]
City of Shelby Attorney


The City Council of the City of Shelby approved this Agreement at its meeting held the 29th day of January, 2013.

[Signature]
O. Stanhope Anthony, III,
Mayor

[Remaining signature page to follow.]




ATTEST:



Stefan Tyman, Secretary

KSM Castings NC Inc.



Dr. Frank Boshoff, President

Exhibit A

Water and Sewer and Natural Gas Requirements

Water & Sewer

8" line* (with an upgrade to a 12" line at no cost to the Company if the Company deems it necessary) extended onto the site at tie in points in the public right of way identified by the Company at each of the structures located at the Project site. *The City has stated that a 8" line has the capacity to meet the anticipated demands submitted by the Company.

Natural Gas

4" line extended onto the site at tie in points identified by the Company at each of the structures located at the Project site. *The City has stated that a 4" line has the capacity to meet the anticipated demands submitted by the Company.

Project X-CEL

Project Specifications for Site Selection

Preliminary project specifications (3)

Utilities required to accommodate manufacturing plant

		Phase 1	<i>Full expansion (future option)</i>
Electric power	Usage per month	1,100,000 KWh	<i>4,400,000 KWh</i>
	Connected load	3 MW	<i>12 MW</i>
	Peak load	2.5 MW	<i>10 MW</i>
	Load factor	~0.6	<i>~0.6</i>
	Plant Primary Distribution	380V or 400V or 20kV with a transformer on site	
Natural gas	Heating	approx. 1,000,000 m ³ /year	<i>approx. 4,000,000 m³/year</i>
Water	Potable water use	6,000,000 gallons/year	<i>24,000,000 gallons/year</i>
	Grey water use	-	-
	Fire water	3,500 gpm at 70 psi	
	2 independent water sources required depending on local conditions, e.g. availability of an inexhaustible water source		
Sewer	Total discharge	3,000,000 gallons/year + rain	12,000,000 gallons/year + rain

SSOE Group

Preliminary project specifications (4)**Phase 1***Full expansion (future option)***Environmental:**

Solid waste Recycled where economically feasible, or sent to Class 1 waste management facility

Air emissions maybe minor air permit required

Hazardous material halogen-free emulsions, oil cut machines and tools, oil residues, waste oil

Transportation:Truck access: up to 15 trucks per day *up to 60 trucks per day*

Rail access: Optional, advantage for expansion phases

Port access: Not required

Water access: should be easy accessible from a port location, as heavy production equipment will be shipped in and has to be taken by trucks to the site, access roads should be capable of very heavy truck loads

Airport access: Within (100 miles) 60 minutes of a commercial airport offering multiple daily flights to at least one international major hub

City Site should be accessible from a larger City, offering schools, residential homes etc.

SSOE Group

6

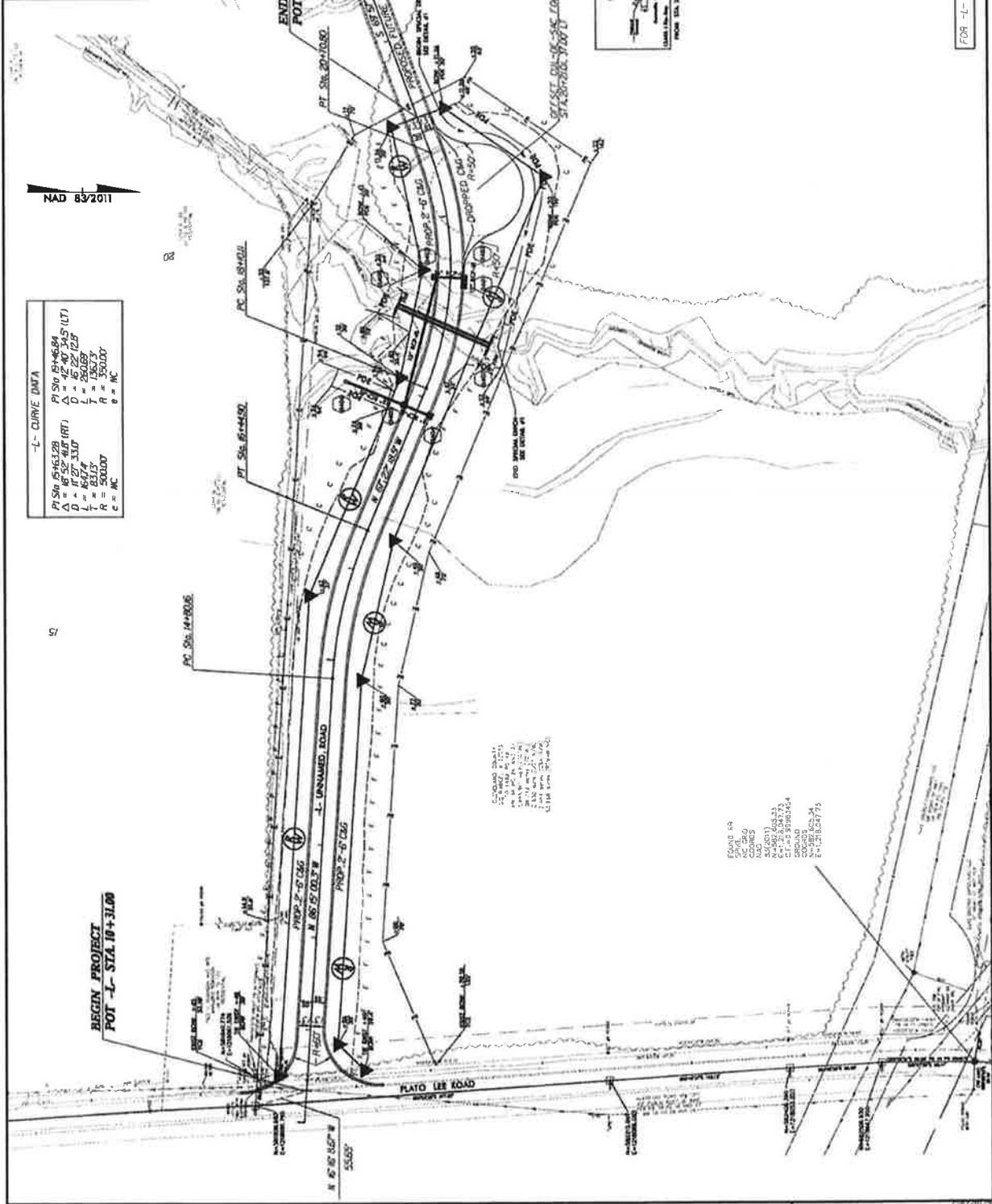
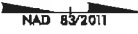
Exhibit B

See attached Access Road proposed location

PROJECT REFERENCE NO.	RES-43-756	SHEET NO.	4
APPROVED DESIGN	DATE	SCALE	
INCOMPLETE PLANS FOR POST CONSTRUCTION ADMINISTRATION			
PRELIMINARY PLANS FOR POST CONSTRUCTION			

L-CURVE DATA

PI STA	25+63.29	RT	PI STA	15+66.84
D	16.27	33.0	D	16.27
L	85.73		L	250.69
R	850.00		R	185.73
C	MC		C	850.00



FOR L-PROFILE SEE SHEET 5

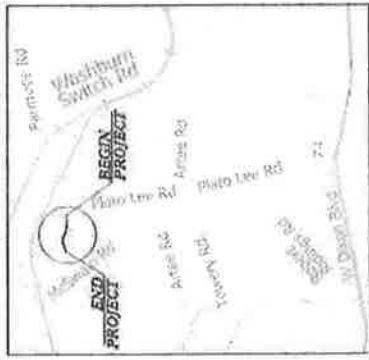
52

52

SHORLARI

PROJECT: WBS 43-798

See Sheet 1-A-7 for Plans of Station
See Sheet 1-B for Plan Conventions Symbols



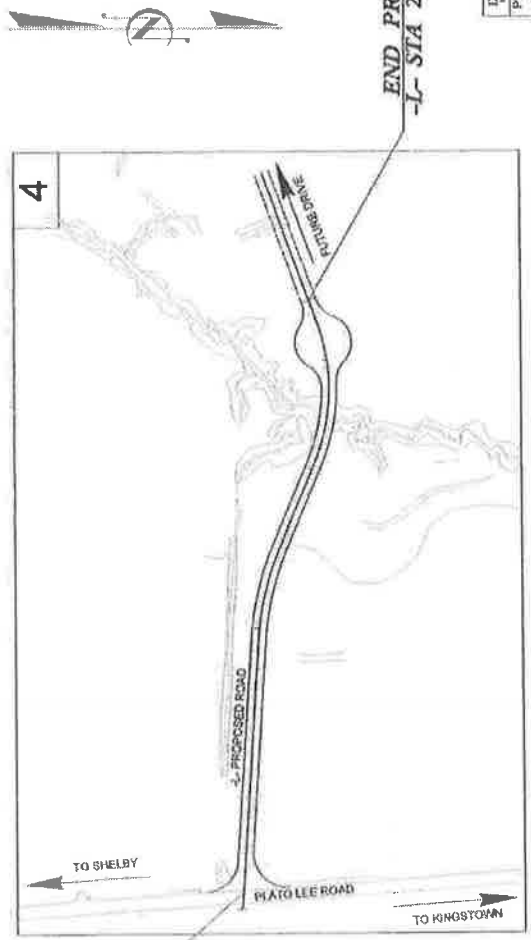
VICINITY MAP

CLEVELAND COUNTY

**LOCATION: PROPOSED ROAD AT PLATO LEE ROAD
BETWEEN WASHBURN SWITCH RD AND MCSWAIN RD**

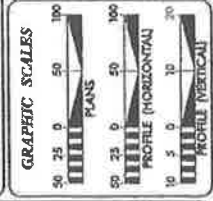
TYPE OF WORK: GRADING, PAVING, AND DRAINAGE

DATE	BY	REVISION
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1
11/13/13	WBS 43-798	1



CLEARING ON THIS PROJECT SHALL BE TO THE LIMITS ESTABLISHED BY METHOD II. THIS PROJECT IS NOT WITHIN ANY MUNICIPAL BOUNDARIES. THERE IS NO CONTROL OF ACCESS ON THIS PROJECT.

**INCOMPLETE PLANS
DO NOT USE FOR CONSTRUCTION
PLANS FOR PLANS**



DESIGN DATA

ADT 2014	= 900
DIV	= NA %
D	= NA %
T	= 30 %
V	= 30 MPH

PROJECT LENGTH

LENGTH ROADWAY PROJECT	= 4.26 MILES
LENGTH STRUCTURE PROJECT	= 4.00 MILES
TOTAL LENGTH PROJECT	= 8.26 MILES

DRMP
DESIGN ROADWAY PROJECT
CLEVELAND COUNTY

PLANS PREPARED BY:
JAMES E. BECK, P.E.
PROJECT MANAGER
MIKE MACE, E.I.
PROJECT DESIGNER
DAVID DEAR
CAPITAL DESIGN

LETTING DATE:
OCTOBER 18, 2013

HYDRAULICS ENGINEER	_____
ROADWAY DESIGN ENGINEER	_____

AMENDMENT TO INCENTIVE AGREEMENT

This Amendment to Incentive Agreement (the "Amendment") is made and entered into as of the first day of April, 2013, by and between **CITY OF SHELBY, NORTH CAROLINA**, a Municipal Corporation of the State of North Carolina (the "City") and **KSM CASTINGS NC INC.**, a corporation of the State of North Carolina (the "Company").

WITNESSETH:

WHEREAS, the parties hereto entered into an Incentive Agreement dated February 1, 2013, wherein certain incentives were offered to the Company by the City; and,

WHEREAS, Paragraph 1.1 of said Incentive Agreement states in part as follows: "The City will insure that, at no cost to the Company, water and sewer infrastructure is delivered to locations on the property within the public right-of-way in accordance with the Company's schedules and requirements." Paragraph 1.1 also states in part as follows: "The City anticipates that it will secure a grant fund of no less than Four Hundred Fifty Thousand (\$450,000.00) for the purpose of extending water and sewer infrastructure to the project."; and,

WHEREAS, the grant which the City anticipates receiving has a provision that if the Company does not achieve the number of new employees anticipated in the grant application, then the Company would be required to repay some of the grant funds; and,

WHEREAS, the City has agreed to indemnify and save harmless the Company against the repayment of any grant funds;

NOW, THEREFORE, the parties hereto amend the Incentive Agreement dated February 1, 2013, by adding Paragraph 1.4 to said Agreement as follows:

1.4 Indemnification of Company. In the event the Company is required by the State of North Carolina or any of its agencies to repay any part of a grant received by the City of Shelby for the construction of water and sewer infrastructure, then, and in that event, the City will indemnify and save harmless the company from the repayment of said grant funds.

Except as herein amended, all of the terms of the Incentive Agreement dated February 1, 2013, shall remain in full force and effect.

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


CITY OF SHELBY

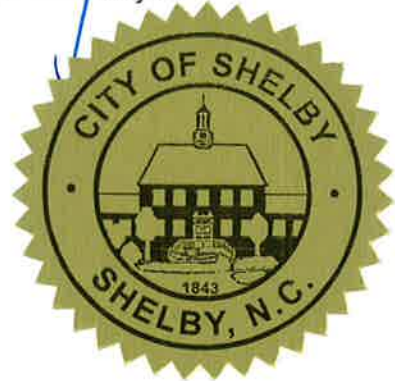
BY: _____


O. Stanhope Anthony III
Mayor

ATTEST:


BY: _____


Bernadette A. Parduski, NCCMC, MMC
City Clerk




KSM CASTINGS NC INC.

BY: _____


Dr. Frank Boshoff
President

ATTEST:

BY: _____


Stefan Tyman
Secretary



RESOLUTION NO. 10-2016

A RESOLUTION CONFIRMING THE CITY OF SHELBY'S
INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT

WHEREAS, 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 City Manager in conjunction with the Cleveland County Economic Development Partnership has presented a qualifying economic development project named "Project Goldknuckle" (the "Project") with an total expected investment valued at approximately \$80 Million of net new investment which shall be eligible for incentives through the policy; and,

WHEREAS, the City Council believes that Project Goldknuckle 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 customer of the City for water and sewer services and natural gas service, and will result in the creation of 80 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 95% percent of the taxes paid to the City on the

net new taxable investment of the project over a period of 5 years and 35% over the remaining 10 year period. As part of the City of Shelby's incentive package there is a one-time cash grant in the amount of \$250,000 specifically intended to assist with site preparation contingent upon the Project becoming a substantial natural gas customer of the City. 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 are 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.

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

Adopted and approved this the 10th day of March 2016.

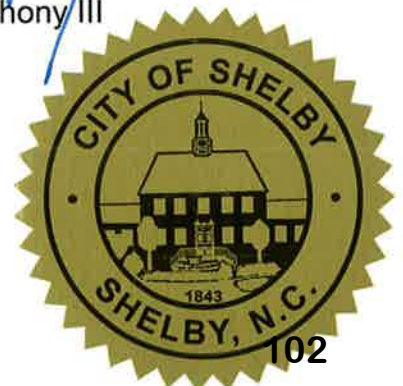


O. Stanhope Anthony III
Mayor

ATTEST:



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



INCENTIVE AGREEMENT

This **Incentive Agreement** (the "Agreement") is made and entered into as of the 10th day of March, 2016 (the "Effective Date"), by and between **CITY OF SHELBY, NORTH CAROLINA**, a Municipal Corporation of the State of North Carolina (the "City") and **KSM CASTINGS USA INC.**, a corporation of the State of North Carolina (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 as determined in accordance with the provisions of the Program; and,

WHEREAS, the Company contemplates the expansion of its operations through the construction and equipping of additional building(s) on approximately sixty (60) acres of land now owned by the Company (the "Expansion Project") near the City of Shelby, North Carolina; and,

WHEREAS, the Company intends to create approximately eighty (80) new, permanent full-time jobs during the first seven (7) years of this Agreement at the Expansion Project, which the Company will pay an average wage at or above the average wage for Cleveland County as determined pursuant to N.C.G.S. 158-7.1(d2)(1) and said jobs shall remain in the City throughout the Grant Term of this Agreement; and,

WHEREAS, the entire Expansion Project will include site improvements, buildings and the installation of machinery and equipment with a total investment of up to Eighty Million Dollars (\$80,000,000.00) during the first five (5) years of this Agreement; and,

WHEREAS, the Company is a significant customer of the City's sewer, water and natural gas utilities; and,

WHEREAS, the Council has determined following a public hearing on March 10, 2016, that the Company meets the criteria for participation in the Program due to the planned construction and operation of the Expansion Project, which will increase the population, taxable property base and business prospects of the City, and that certain incentives for the Expansion 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 Expansion Project in Cleveland County;

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

- 1.1 The City will provide a site preparation grant equal to a total of Two Hundred Fifty Thousand Dollars (\$250,000.00).
- 1.2 This site preparation grant is specifically tied to the proposed calendar year minimum natural gas consumption as follows: 2018 = 68,260 ccf; 2019 = 341,300 ccf; 2020 = 409,560 ccf; 2021 = 460,755 ccf; and 2022 = 597,275 ccf. The City will require, and the Company agrees to repay, the sum of Fifty Thousand Dollars (\$50,000.00) of this grant for each calendar year in which the Company fails to reach the minimum natural gas consumption volumes set forth herein. If the Company is entitled to a grant under Incentive Number Four, the said sum of Fifty Thousand Dollars (\$50,000.00) shall be deducted by the City from said grant. If the Company is not entitled to a grant under Incentive Number Four, the Company agrees to pay to the City the said sum of Fifty Thousand Dollars (\$50,000.00) within sixty (60) days of the end of the calendar year in which the Company failed to reach the minimum natural gas consumption volume.
- 1.3 Fifty percent (50%) of the amount of this grant will be paid to the Company upon the issuance of the City's site plan approval and building permit. The remaining fifty percent (50%) will be paid to the Company upon the issuance of the initial certificate of occupancy by the City.

Incentive Number Two

2. The City agrees that building inspection and permitting fees will only be applicable to the first Ten Million Dollars (\$10,000,000.00) in net new investment made by the Company at the Expansion Project, and in no case shall said fees exceed Forty Thousand Dollars (\$40,000.00).

Incentive Number Three

3. The City agrees to allow the Company to have a temporary construction easement over City owned property for a construction period to be determined. The City will require proper advance notice of the commencement of construction and may require precautions to be taken by the Company to protect the City's utility assets.

Incentive Number Four

4.1 Grant Criteria. The Company shall comply with the following conditions (the "Grant Criteria") with respect to the Expansion Project in order to qualify for Incentive Number Four (the "Incentive Grant") pursuant to this Agreement.

- a. The Company shall begin its investment in the Expansion Project within 18 months of the execution of this Agreement.
- b. The Company shall maintain its investment (subject to normal depreciation) in the Expansion Project in the City for the duration of the Grant Term (hereinafter defined).
- c. The Company shall operate the Expansion Project substantially in compliance with all applicable 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 construction of the Expansion Project.
- e. The Company shall be current in the payment of all ad valorem taxes, utility charges and fees imposed on the Company by the City.
- f. The Company shall conduct operations at the Expansion Project in such manner as to be in material compliance with applicable Federal, State and local environmental regulations.

4.2 Certification of Grant Criteria by the Company.

- a. In each year of the Grant Term (commencing on July 1 and ending June 30), 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 that 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 for the subject year, the Company (i) satisfied all of the Grant Criteria, (ii) agreed to the Assessed Value (hereinafter defined) of the Expansion Project as determined by the Cleveland County Tax Assessor (subject to Cleveland County's standard challenging policy); and (iii) paid all applicable local taxes on the Assessed Value of the Expansion Project ("Performance Certification"). If for 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. The Cleveland County Tax Assessor shall determine, as of January 1st for each year of the Grant Term, the total property invested in the Expansion 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 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).

4.3 Grant Term and Payment of Incentive Grants.

Grant Term. Subject to the provisions below, the Grant Term (A) will shall commence on July 1, 2017, unless the Company directs otherwise in writing to the City Manager as set forth herein, and (B) will continue for fifteen (15) years (ending on June 30 of the fifteenth year) as long as the Grant Criteria remain satisfied. The Company may elect to delay the commencement of the Grant Term by a period of one year by providing written notice to the City Manager at least ninety (90) days prior to July 1, 2017. Between January 1st and March 31st of each year of the Grant Term in which the City approves the Company's Performance Certification,, the City shall make an Incentive Grant payment to the Company in an

annual amount as set forth below, as long as the Company remains compliant with this Agreement:

- (a) ninety-five percent (95%) of the total ad valorem taxes paid by the Company to the City for the Expansion Project for years one (1) through five (5) of the Grant Term; and
- (b) thirty-five percent (35%) of the total ad valorem taxes paid by the Company to the City for the Expansion Project for years six (6) through fifteen (15) of the Grant Term.

The below table illustrates the implementation of the Incentive Grant based on the Company's anticipated investment schedule.

Grant Year	Net New Investment	Actual City Levy @ 43.5	Grant Incentive	Grant Back Incentive
1	\$ 10,000,000	\$43,500	\$41,325	95%
2	\$ 30,000,000	\$130,500	\$123,975	95%
3	\$ 45,000,000	\$195,750	\$185,963	95%
4	\$60,000,000	\$261,000	\$247,950	95%
5	\$80,000,000	\$348,000	\$330,600	95%
6	\$80,000,000	\$348,000	\$121,800	35%
7	\$80,000,000	\$348,000	\$121,800	35%
8	\$80,000,000	\$348,000	\$121,800	35%
9	\$80,000,000	\$348,000	\$121,800	35%
10	\$80,000,000	\$348,000	\$121,800	35%
11	\$80,000,000	\$348,000	\$121,800	35%
12	\$80,000,000	\$348,000	\$121,800	35%
13	\$80,000,000	\$348,000	\$121,800	35%
14	\$80,000,000	\$348,000	\$121,800	35%
15	\$80,000,000	\$348,000	\$121,800	35%

Totals	\$4,458,750	\$2,147,813
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4.4 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 on the Assessed Value of the Expansion Project 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.

5. 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
 300 South Washington Street
 Shelby, NC 28150
 ATTN: City Manager

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:

Jan-Christoph Schwarck, President
 KSM Castings NC Inc.
 120 Blue Brook Drive
 Shelby, NC 28150

With copy that shall not constitute notice to:

Sam Moses
 Parker Poe Adams & Bernstein LLP
 1201 Main Street, Suite 1450
 Columbia, South Carolina 29201

6. Parties. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, and their successors in interest.

7. 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 Agreement concerning the Expansion Project. 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.

8. Amendments to Agreement. This Agreement may only be modified, altered or amended by mutual written consent of the Parties.

9. Termination. Except as otherwise provided herein, this Agreement shall terminate on June 30 of the last year of the Grant Term.
10. 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, provided the Company has the right, at its sole discretion, to assign some or all of its rights hereunder to a subsidiary. 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.
11. 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 (unless a longer period is provided for herein) 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.
12. 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.

13. 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.
14. 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.

Signature Pages to Follow

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

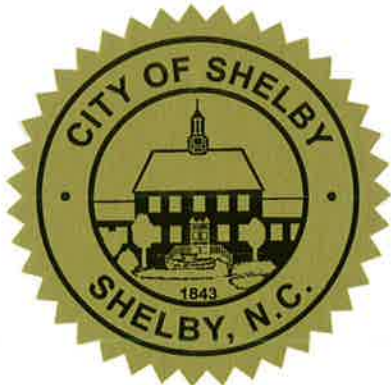
Attest:

By: 

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

By: 

O. Stanhope Anthony, III,
Mayor



[Remaining signature page to follow.]


ATTEST:

KSM CASTINGS USA INC.

By:


FRANZ-FRIEDRICH BUTZ
CEO KSM CASTINGS GROUP

By:


Jan-Christoph Schwarck
President

* 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 2014-15	Column3 2015-16	Column4 2016-17	Column5 2017-18	Column6 2018-19	Column610 2019-20	Column611 2020-21	Column612 2021-22
% authorized	1 80%	2 80%	3 80%	4 80%	5 80%	6 80%	7 80%	8 80%
Estimated net new investment	12,452,750	32,440,075	33,440,050	33,396,575	31,616,525	\$ 29,358,425	\$ 26,941,625	\$ 24,671,525
Current City Tax Rate per \$100	0.00435	0.00435	0.004972	0.004972	0.005225	0.004972	0.004972	0.004972
Estimated City Tax Levy	\$54,169	\$141,114	\$166,264	\$166,048	\$165,196	\$145,970	\$133,954	\$122,667
Calculated Grant Incentive Payment	43,336	112,891	133,011	132,838	132,157	116,776	107,163	98,133
Actual net new investment#	\$ 3,544,497	\$ 22,464,080	\$ 38,312,963	\$ 44,176,954	\$ 38,393,229			
Current City Tax Rate per \$100	0.00435	0.00435	0.004972	0.004972	0.005225	0.004972	0.004972	0.004972
Actual City Tax Levy#	\$ 15,419	\$ 97,719	\$ 190,492.05	\$ 219,648	\$ 200,605	\$ -	\$ -	\$ -
Actual Grant Incentive Payment	\$ 12,335	\$ 78,175.00	\$ 152,394	\$ 175,718	\$ 160,484	\$ -	\$ -	\$ -
Difference (Levy Less Incentive Pmt.)	\$3,084	\$19,544	\$38,098	\$43,930	\$40,121	\$0	\$0	\$0

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

City - Up front €

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)

KSM Castings Expansion Project City Incentive Grant Payment Schedule

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

	Column1	Column2	Column3	Column4	Column5	Column6	Column610
Tax Year (Fiscal Yr.)	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
	1	2	3	4	5	6	
% authorized	95%	95%	95%	95%	95%	95%	35%
Estimated net new investment	10,000,000	30,000,000	45,000,000	60,000,000	80,000,000	80,000,000	80,000,000
Current City Tax Rate per \$100	0.005225	0.005225	0.005225	0.005225	0.005225	0.005225	0.005225
Estimated City Tax Levy	\$52,250	\$156,750	\$235,125	\$313,500	\$418,000	\$418,000	\$418,000
Calculated Grant Incentive Payment	49,638	148,913	223,369	297,825	397,100	146,300	
Actual net new investment#	\$ 15,081,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current City Tax Rate per \$100	0.005225	0.005225	0.005225	0.005225	0.005225	0.005225	0.005225
Actual City Tax Levy#	\$ 78,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Grant Incentive Payment	\$ 74,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference (Levy less Incentive Pmt.)	\$3,940	\$0	\$0	\$0	\$0	\$0	\$0

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.

KSM Castings Group

KSM Castings USA Inc.



March 29, 2019

City of Shelby
Shelby City Hall
300 South Washington Street
Shelby, NC 28150

Attn: Mr. Rick Howell, City Manager

Subject: 2018 tax Incentive Agreement Payment Request and Performance Letter Certification

Dear Mr. Howell:

I draw your attention to the incentive agreement made between KSM Castings NC Inc. and the City of Shelby, dated February 01, 2013. For the year ended December 31, 2018, this is to serve as performance certification that we have met the conditions required to receive payment, as required by the agreement. Hereto, KSM Castings USA Inc. has met these requirements:

1. All 2018 local property taxes , on the Assessed Value, have been paid,
2. All Grant Criteria have been satisfied,
3. Assessed Value of the Project by the County Tax Assessor has been accepted and not disputed,

These 2018 tax payments (excluding water district) have been made to the City:

- Real property-parcel #62354, bill # 3817984: \$ 319.97
 - Real property-parcel #32573, bill # 3817983: \$ 45,466.38 **note
 - Real property-parcel #62669, bill # 3817985: \$ 33.54
 - Business personal property, bill # 3825939: \$ 235,338.25 **note
- Total payment: \$ 281,158.14

**note: parcel 32573 includes improvements that are part of the 2nd incentive agreement, signed on March 10, 2016, for our expansion, which are for 95%. Business personal property included additions of \$1,219,039 cost basis, that 2018 taxes were paid on, as well.

How can this be handled, so that KSM receives the correct incentive payments?

Sincerely,

A handwritten signature in black ink, appearing to read 'John Rollins', is written over a horizontal line.

John Rollins
Director of Finance ,Secretary/Treasurer
KSM Castings USA Inc.
704-751-0559

KSM Castings USA Inc.
120 Blue Brook Drive
(formerly: 641 Plato Lee Road)
Shelby, NC 28150

Internet: www.ksmcastings.com
E-Mail: info@ksmcastings.com
Telephone: 704-313-0422

ORDINANCE NO. 33-2019

CITY OF SHELBY
FISCAL YEAR 2018-2019 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 2018-2019; 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. 31-2019, the City’s FY 2018-2019 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 8 for the year:

(A) The City of Shelby, via resolutions 04-2013 and 10-2016, approved incentive agreements and awarded Industrial Incentive Grants to KSM Castings USA, Inc. KSM Castings USA, Inc. has now met the requirements for distribution of grant funds for the fifth and first years, respectively, of their incentive agreements. 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 \$235,346
- (b) Increase 110495-49230 Transferred to Economic Development Fund \$235,346

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

- (a) Increase 23009000-39000 Transferred from Other Funds \$235,346
- (b) Increase 230590-42006 Economic Development \$235,346

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	\$ 24,366,889	\$ 24,602,235
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	735,600	735,600
Economic Dev. Fund	769,633	1,004,979
Housing Fund	1,483,418	1,483,418
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,429,800	5,429,800
Utilities-Sewer Fund	5,576,500	5,576,500
Utilities-Electric Fund	21,942,000	21,942,000
Utilities-Gas Fund	15,714,600	15,714,600
Utilities – Stormwater Fund	803,600	803,600
FY 2018-2019 Budget Total	<u>\$ 76,959,040</u>	<u>\$ 77,429,732</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 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-8

- 8) Approval of a resolution awarding the bid for relocation of electric lines at Marion Street/Peach Street/Cherryville Road intersection: Resolution No. 36-2019

Consent Agenda Item: (Julie McMurry, Energy Services Director)

Summary of Available Information:

- Memorandum dated May 9, 2019 from Julie McMurry, Energy Services Director to Rick Howell, City Manager
- Letter dated May 1, 2019 from Progressive Engineering Consultants, Inc.
- Bid sheet
- Resolution No. 36-2019

City Manager's Recommendation / Comments

Resolution No. 36-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this ordinance would award this bid in the amount of \$28,126 to Carolina Power and Signalization of Fayetteville, NC for relocating the overhead electric lines in the Cherryville Road, Marion Street, and Peach Street intersection in conjunction with NCDOT Project U5775. This project realigns the intersection of Marion Street (US 74 Business), Cherryville Road (NC Hwy 150) and Peach Street (city owned). Utility relocations of both public and private utilities must be relocated prior to the roadwork beginning. As a reminder the City must bear the full cost of this relocation because these electric lines lie within the NCDOT right of way. Cost sharing of utility relocations only affects water and sewer infrastructure. Funding for this project was approved by Council at your March 3, 2019 meeting via Ordinance No. 22-2019.

It is my recommendation Resolution No. 36-2019 be adopted and approved by City Council at this time via the Consent Agenda.

Memorandum

To: Rick Howell, City Manager
Justin Merritt, Finance Director

From: Julie McMurry, Energy Services Director *JM*

RE: Electric – Relocation of Overhead Electric Lines at Cherryville Rd, Marion St, Peach St intersection Project Award

Date: May 9, 2019

Executive Summary of issue -Background:

On February 18, 2019 Council approved the project budget ordinance (Ordinance 15-2019) to proceed with design for relocating the overhead electric lines in the Cherryville Rd, Marion St, and Peach St intersection due to the realignment project by NC DOT.

Progressive Engineering Consultants, Inc. provided estimates for this project and completed the design and bidding process. The project was advertised and bids were accepted on Tuesday, April 30, 2019 at 2:00 PM. Three bids were received, they were as follows:

Carolina Power & Signalization	\$28,126.00
Williams Electric Company	\$29,713.00
Volt Power	\$146,750.00

Review and comments:

Bids have been reviewed by Progressive Engineering Consultants, Inc. and we have received their recommendation to award to the lowest bidder, Carolina Power & Signalization. The letter of recommendation and bid tabulation is attached.

Tie in to current policy and/or adopted planning documents:

This project is initiated by the NCDOT project to create better alignment for this intersection. Working with NCDOT with their project is in conjunction with Strategic Growth Plan Policy 8.1 – Cooperative intergovernmental planning.

Recommendation:

Staff recommends that City Council authorize the award of this bid to Carolina Power & Signalization for relocating the overhead electric lines in the Cherryville Rd, Marion St, and Peach St intersection.

Please let me know if additional information is required.

Attachments

Progressive Engineering Consultants, Inc.

P.O. Box 690638, Charlotte, NC 28227-7011

Telephone : (704) 545-7327

Fax : (704) 545-2315

progress@pecinc.net

May 1, 2019

City of Shelby
P.O. Box 207
Shelby, NC 28151-0207
Attn: Ms. Julie McMurry

Re: Award Recommendation
U-5775 Peach Street Overhead Distribution Line Relocation

Gentlemen:

Sealed bids were received, publicly opened and read on Tuesday, April 30, 2019 for the U-5775 Peach Street Overhead Distribution Line Relocation Project for the City of Shelby. As shown by the attached tabulation, of the three (3) bids received, Carolina Power & Signalization, Inc. of Fayetteville, North Carolina submitted the most attractive proposal in the amount of \$28,126.00. We have reviewed the proposal and recommend the City accept this proposal as submitted.

Please notify us of your decision in order that we may prepare the necessary contract documents for execution. If you have any questions or comments, please feel free to call.

Best regards,

PROGRESSIVE ENGINEERING CONSULTANTS, INC.



Rocky A. Martin
Field Engineer

Enclosed

c: Jeff Freeman

City of Shelby, North Carolina

U-5775 Peach Street
Overhead Distribution Line Relocation

Tuesday, April 30, 2019 @ 2p

BIDDER	Carolina Power & Signalization	Williams Electric Company	Volt Power
BID BOND	5%	5%	5%
<i>Installation Units</i>			
Pole Units	\$ 4,450.00	\$ 2,605.00	\$ 15,580.00
Pole Top Units	\$ 1,800.00	\$ 2,490.00	\$ 6,875.00
Conductor Units	\$ 5,040.00	\$ 5,880.00	\$ 5,040.00
Transformer Units	\$ 325.00	\$ 500.00	\$ 2,235.00
Miscellaneous Units	\$ 3,350.00	\$ 3,720.00	\$ 15,820.00
TOTAL INSTALLATION UNITS	\$ 14,965.00	\$ 15,195.00	\$ 45,550.00
<i>Removal Units</i>			
Pole Units	\$ 3,350.00	\$ 3,350.00	\$ 11,925.00
Conductor Units	\$ 3,486.00	\$ 4,648.00	\$ 4,980.00
Miscellaneous Units	\$ 6,325.00	\$ 6,520.00	\$ 84,295.00
TOTAL REMOVAL UNITS	\$ 13,161.00	\$ 14,518.00	\$ 101,200.00
TOTAL UNITS	\$ 28,126.00	\$ 29,713.00	\$ 146,750.00
Completion Time	30	45	20
Experience Rate Modifier	0.84	0.89	0.72

RESOLUTION NO. 36 -2019

A RESOLUTION AWARDDING THE BID FOR RELOCATION
OF ELECTRIC LINES AT MARION STREET/PEACH
STREET/CHERRYVILLE ROAD INTERSECTION

WHEREAS, in accordance with applicable provisions of GS 143-129, as amended, the City of Shelby has accepted formal bids for labor and equipment for the relocation of the overhead electrical distribution line at the intersection of Marion St, Peach St and Cherryville Rd; and,

WHEREAS, bids for this proposed work have been tabulated by Progressive Engineering Consultants, Inc. and contract award recommendation made to City staff for this project; and,

WHEREAS, City Council now desires to proceed with award of contract as recommended by staff and with the improvements anticipated by this action.

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

Section 1. The contract for labor and equipment for the relocation of the overhead electrical distribution line at the intersection of Marion St, Peach St and Cherryville Rd as required in the bid specifications for this offering, are hereby awarded to Carolina Power & Signalization, Inc. of Fayetteville, NC for a bid price of \$28,126.00 as stated in their official proposal for this bidding, and in accordance with the City's official bid specifications for this project.

Section 2. The City Manager of the City of Shelby or his designee are hereby authorized and directed to execute the applicable contract as specified in Section 1 of this resolution.

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

Adopted and approved this the 20th day of May 2019.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-9

- 9) Approval of a resolution awarding the bid for re-conductoring of electric lines in Circuit 10-4 along Trade Street: Resolution No. 37-2019

Consent Agenda Item: (Staff Resource, Julie McMurry, Energy Services Director)

Summary of Available Information:

- Memorandum dated May 9, 2019 from Julie McMurry, Energy Services Director to Rick Howell, City Manager and Justin Merritt, Assistant City Manager
- Letter dated May 1, 2019 from Progressive Engineering Consultants, Inc.
- Bid sheet
- Resolution No. 37-2019

City Manager's Recommendation / Comments

Resolution No. 37-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this ordinance would award this bid in the amount of \$59,321.00 to Carolina Power and Signalization for the re-conductoring of a section of circuit 10 along Trade Street from West Graham Street to West Marion Street. This project replaces older 3 phase copper lines as recommended in the 2016 Electric System Asset Management Plan.

It is my recommendation Resolution No. 37-2019 be adopted and approved by City Council at this time via the Consent Agenda.

Memorandum

To: Rick Howell, City Manager
 Justin Merritt, Finance Director

From: Julie McMurry, Energy Services Director *JM*

RE: Electric – Circuit 10-4 (Trade St) Reconductoring Project Award

Date: May 9, 2019

Executive Summary of issue -Background:

On March 3, 2019 Council approved the project budget ordinance (Ordinance 22-2019) to proceed with design and construction of reconductoring a section of circuit 10-4 along Trade St.

Progressive Engineering Consultants, Inc. provided estimates for this project and completed the design and bidding process. The project was advertised and bids were accepted on Tuesday, May 7, 2019 at 2:00 PM. Three bids were received, they were as follows:

Carolina Power & Signalization	\$59,321.00
Williams Electric Company	\$68,901.00
Volt Power	\$164,055.00

Review and comments:

Bids have been reviewed by Progressive Engineering Consultants, Inc. and we have received their recommendation to award to the lowest bidder, Carolina Power & Signalization. The letter of recommendation and bid tabulation is attached.

Tie in to current policy and/or adopted planning documents:

In 2016 Progressive Engineering Consultants, Inc completed an Electrical Distribution System Planning Study that was presented and approved by Council. The results of the study were recommendations to be completed over the next several years. Replacing the 3 phase copper lines in our system is one of the recommendations from the study. The total has been broken into a manageable amount for the next several years.

Recommendation:

Staff recommends that City Council authorize the award of this bid to Carolina Power & Signalization for the reconductoring of a section of circuit 10 along Trade St.

Please let me know if additional information is required.

Attachments

Progressive Engineering Consultants, Inc.

P.O. Box 690638, Charlotte, NC 28227-7011

Telephone : (704) 545-7327

Fax : (704) 545-2315

progress@pecinc.net

May 8, 2019

City of Shelby
P.O. Box 207
Shelby, NC 28151-0207
Attn: Ms. Julie McMurry

Re: Award Recommendation
S. Trade Street (Circuit 10-4) - 7.2 / 12.47 kV Electric Distribution Line Upgrade

Gentlemen:

Sealed bids were received, publicly opened and read on Tuesday, May 7, 2019 for the City of Shelby's S. Trade Street (Circuit 10-4) - 7.2 / 12.47 kV Electric Distribution Line Upgrade Project. As shown by the attached bid tabulation, of the three (3) bids received, Carolina Power & Signalization, Inc. of Fayetteville, North Carolina submitted the most attractive proposal in the amount of \$59,321.00. We have reviewed the proposal and recommend the City accept this proposal as submitted.

Please notify us of your decision in order that we may prepare the necessary contract documents for execution. If you have any questions or comments, please feel free to call.

Best regards,

PROGRESSIVE ENGINEERING CONSULTANTS, INC.

Rocky A. Martin

Rocky A. Martin
Field Engineer

Enclosed

c: Jeff Freeman

City of Shelby, North Carolina

S. Trade Street

7.2/12.47 kV Electric Distribution Line Upgrade

Tuesday, May 7, 2019 @ 2p

BIDDER	Carolina Power & Signalization	Williams Electric Company	Volt Power
BID BOND	5%	5%	5%
Installation Units			
<i>Pole Units</i>	\$ -	\$ -	\$ -
<i>Pole Top Units</i>	\$ 8,005.00	\$ 12,290.00	\$ 16,775.00
<i>Conductor Units</i>	\$ 13,724.00	\$ 20,440.00	\$ 14,600.00
<i>Miscellaneous Units</i>	\$ 7,350.00	\$ 3,550.00	\$ 25,300.00
TOTAL INSTALLATION UNITS	\$ 29,079.00	\$ 36,280.00	\$ 56,675.00
Removal Units			
<i>Pole Units</i>	\$ -	\$ -	\$ -
<i>Conductor Units</i>	\$ 13,912.00	\$ 21,056.00	\$ 11,280.00
<i>Miscellaneous Units</i>	\$ 16,330.00	\$ 11,565.00	\$ 96,100.00
TOTAL REMOVAL UNITS	\$ 30,242.00	\$ 32,621.00	\$ 107,380.00
TOTAL UNITS	\$ 59,321.00	\$ 68,901.00	\$ 164,055.00
Completion Time	45 Calendar Days	60 Calendar Days	30 Calendar Days
Experience Rate Modifier	0.86	0.89	0.73

RESOLUTION NO. 37-2019

A RESOLUTION AWARDING THE BID FOR RECONDUCTOR OF
ELECTRIC LINES IN CIRCUIT 10-4 ALONG TRADE STREET

WHEREAS, in accordance with applicable provisions of GS 143-129, as amended, the City of Shelby has accepted formal bids for labor and equipment for the reconductoring of electric lines in Circuit 10-4 along Trade St; and,

WHEREAS, bids for this proposed work have been tabulated by Progressive Engineering Consultants, Inc. and contract award recommendation made to City staff for this project; and,

WHEREAS, City Council now desires to proceed with award of contract as recommended by staff and with the improvements anticipated by this action.

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

Section 1. The contract for labor and equipment for the reconductoring of electric lines in Circuit 10-4 along Trade St as required in the bid specifications for this offering, are hereby awarded to Carolina Power & Signalization, Inc. of Fayetteville, NC for a bid price of \$59,321.00 as stated in their official proposal for this bidding, and in accordance with the City's official bid specifications for this project.

Section 2. The City Manager of the City of Shelby or his designee are hereby authorized and directed to execute the applicable contract as specified in Section 1 of this resolution.

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

Adopted and approved this the 20th day of May 2019.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-10

- 10) Adoption of a budget ordinance amendment for the City of Shelby's Marion Street, Peach Street, and Cherryville Road Natural Gas Line Relocation Project:
Ordinance No. 34-2019

Consent Agenda Item: (Staff Resource, Julie McMurry, Energy Services Director)

Summary of Available Information:

- Memorandum dated May 9, 2019 from Julie McMurry, Energy Services Director to Rick Howell, City Manager and Justin Merritt, Assistant City Manager
- Ordinance No. 34-2019

City Manager's Recommendation / Comments

Ordinance No. 34-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this ordinance would establish a project budget ordinance for the labor, materials, and engineering to relocate the natural gas lines at Cherryville Road, Peach Street and E. Marion Street intersection for the NCDOT project U5775. I again remind Council that the relocation of City natural gas lines that are currently in the NCDOT right of way are the full responsibility of the City. The full relocation costs are paid by the City. The engineers preliminary estimate for this project is \$437,024.00.

It is my recommendation Ordinance No. 34-2019 be adopted and approved by City Council at this time via the Consent Agenda.



Post Office Box 207 · Shelby, NC 28151-0207

Memorandum

To: Rick Howell, City Manager

Cc: Justin Merritt, Assistant City Manager

From: Julie McMurry, Energy Services Director *JEM*

RE: **Cherryville Rd/Peach St/Marion St Gas Relocation Construction PBO Request**

Date: May 9, 2019

Executive Summary of Issue – Background

The City of Shelby utilities department received information from the NCDOT in 2018 of their intent to proceed with their project at the intersection of Marion Street, Peach Street and Cherryville Road. This project involves relocation of natural gas lines in the intersection and adjacent streets.

On December 3, 2018 Council approved (Ordinance 69-2018) for the natural gas department to work with Heath and Associates, Inc. to recommend ROW, and complete design, material and labor estimates for the project.

Heath & Associates, Inc. has completed their design and project estimates.

Review and comments

City staff has reviewed the design completed and received the attached project estimate. The project estimate includes materials and labor. To relocate the natural gas lines in the intersection of Marion Street, Peach St and Cherryville Road and the adjacent streets

The estimate for labor and materials is: \$437,024.00.

I have attached documentation of the estimate.

Tie in to current policy and/or adopted planning documents

This project is initiated by the NCDOT project to create better alignment for this intersection, however the natural gas lines that are being relocated were installed in 1955 and 1967, relocation of them allows us to phase out old utility system components and phase in new ones which is part of the City's Strategic Growth plan (Policy 7.4) that was adopted in 2005.

Recommendation

I would like to request a project budget ordinance for the construction portion of this project to relocate the natural gas lines in the intersection of Marion Street, Peach Street, Cherryville Road and the adjacent streets.

City of Shelby Natural Gas Department PEACH STREET RELOCATION PN 21809			5/9/2019	ENGINEER'S ESTIMATE	
		UNITS	NUM OF	UNIT PRICE	TOTAL PRICE
1.1	6" STL PIPE, X-42, 250 WALL POWERCRETE & FBE COATED	FT	700	\$ 76.00	\$ 53,200.00
1.2	6" STL PIPE, X-42, 250 WALL FBE COATED	FT	300	\$ 66.90	\$ 20,070.00
1.3	4" STL PIPE, X-42, 237 WALL	FT	320	\$ 39.00	\$ 12,480.00
1.4	3" STL PIPE, X-42, 216 WALL	FT	360	\$ 35.00	\$ 12,600.00
1.5	2" STL PIPE, X-42, 154 WALL	FT	30	\$ 32.00	\$ 960.00
1.6	3/4" STL PIPE	FT	20	\$ 22.00	\$ 440.00
2.1	4" PE PIPE, SDR 11	FT	920	\$ 16.50	\$ 15,180.00
2.2	2" PE PIPE, SDR 11	FT	480	\$ 12.10	\$ 5,808.00
2.3	3/4" PE PIPE	FT	480	\$ 10.50	\$ 5,040.00
3.1	6" HDD BORE 01 - STA 20+60 -Y-	LUMP SUM	1	\$ 65,175.00	\$ 65,175.00
3.2	6" HDD BORE 02 - STA 26+07 -L-	LUMP SUM	1	\$ 21,300.00	\$ 21,300.00
4.1	3" & 4" UNDERBORE	FT	280	\$ 25.00	\$ 7,000.00
4.2	2" & SMALLER UNDERBORE	FT	300	\$ 15.00	\$ 4,500.00
5.1	6" STL WxW VALVE w/ VALVE BOX (Kerotest)	EA	2	\$ 3,755.00	\$ 7,510.00
5.2	4" STL WxW VALVE w/ VALVE BOX (Kerotest)	EA	1	\$ 2,315.00	\$ 2,315.00
5.3	3" STL WxW VALVE w/ VALVE BOX (Kerotest)	EA	1	\$ 1,396.00	\$ 1,396.00
5.4	2" STL WxW VALVE w/ VALVE BOX (Kerotest)	EA	1	\$ 1,078.00	\$ 1,078.00
6.1	4" PE VALVE w/ VALVE BOX	EA	2	\$ 585.00	\$ 1,170.00
6.2	2" PE VALVE w/ VALVE BOX	EA	3	\$ 340.00	\$ 1,020.00
7.1	6" CLASS 150 MUELLER BOF H-17280	EA	2	\$ 8,410.00	\$ 16,820.00
7.2	4" CLASS 150 MUELLER BOF H-17260	EA	1	\$ 5,850.00	\$ 5,850.00
7.3	3" CLASS 150 MUELLER STOPPER H-17255	EA	2	\$ 5,650.00	\$ 11,300.00
7.4	2" CLASS 150 MUELLER BOF H-17160	EA	1	\$ 5,650.00	\$ 5,650.00
8.1	4" STL/PE TRANSITION FITTING	EA	1	\$ 510.00	\$ 510.00
8.2	3/4" STL/PE TRANSITION FITTING	EA	6	\$ 125.00	\$ 750.00
8.3	6" WELDEND INSULATOR	EA	1	\$ 2,200.00	\$ 2,200.00
9.1	3/4" STL TAPPING TEE	EA	6	\$ 260.00	\$ 1,560.00
9.2	3/4" PE TAPPING TEE	EA	2	\$ 210.00	\$ 420.00
9.3	3/4" PE EFV	EA	8	\$ 77.00	\$ 616.00
9.4	3/4" ANODELESS RISER	EA	2	\$ 103.00	\$ 206.00
10.1	ABANDONMENT OF ALL AREAS	LUMP SUM	1	\$ 25,000.00	\$ 25,000.00
11	CLEARING & GRUBBING - ALL	LUMP SUM	1	\$ 2,000.00	\$ 2,000.00
12	ASPHALT CUT	FT	200	\$ 50.00	\$ 10,000.00
13	CONCRETE CUT	FT	220	\$ 60.00	\$ 13,200.00
14	ROCK	YD ³	10	\$ 125.00	\$ 1,250.00
15	GRAVEL	TN	60	\$ 40.00	\$ 2,400.00
16	RIP RAP	TN	20	\$ 60.00	\$ 1,200.00
17	WEIGHTED FILTER TUBES	FT	96	\$ 50.00	\$ 4,800.00
18	EC BLANKET	SQ. YD	500	\$ 6.00	\$ 3,000.00
19	COARSE AGGREGATE	TN	45	\$ 40.00	\$ 1,800.00
20	GEOTEXTILE FABRIC	SQ. YD	150	\$ 5.00	\$ 750.00
				Contingency:	\$ 87,500.00
	TOTAL:				\$ 437,024.00

ORDINANCE NO. 34-2019

A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S
MARION STREET, PEACH STREET, AND CHERRYVILLE ROAD
NATURAL GAS LINE RELOCATION 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 Marion Street, Peach Street and Cherryville Road Natural Gas Line Relocation 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. 69-2018, the City's Marion Street, Peach Street and Cherryville Road Natural Gas Line Relocation Project, is hereby amended as follows to provide for Budget Amendment No. 1 for said project:

Marion Street, Peach Street and Cherryville Road Natural Gas Line Relocation Project

(1) Appropriating Fund Balance:

Fund Balance Appropriated	64006000-39900	\$437,024
Transfer to Gas Capital Projects	640741-49641	\$437,024

(2) The following Natural Gas Fund Cap. Project Revenues are amended by the City:

Transferred from Gas Fund	64106000-39640-64886	\$437,024
---------------------------	----------------------	-----------

(3) The following Gas Fund Cap. Project Expenditures are amended by the City:

Construction	641746-53000-64886	\$437,024
--------------	--------------------	-----------

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. 1</u>
<u>Joe's Lake Road Gas Line Relocation Project</u>		
Revenues		
Transferred from Gas Fund	\$ 46,000	\$ 483,024
Expenditures		
Engineering	\$ 46,000	\$ 46,000
Construction	\$ -0-	\$ 437,024

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 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-11

- 11) Adoption of an ordinance authorizing demolition of a dwelling at 413 North Washington Street: Ordinance No. 35-2019

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

Summary of Available Information:

- Memorandum dated May 13, 2019 from Walter Scherer, Planning Director to Rick Howell, City Manager
- Photo of property
- Location Map of 413 N. Washington Street
- Property Card
- Ordinance No. 35-2019

City Manager's Recommendation / Comments

Please note that the Building Inspector has duly conducted enforcement of the minimum housing code in accordance with the NC General Statutes and City Code. I do want to emphasize that it is the common practice of the City to err on the side of the property owner in most all cases giving them the benefit of the doubt when action is initiated. A thorough and fair due process is followed in all cases. Demolition of these homes is always the last resort after efforts to persuade a property owner to make these minimum standards have failed. As you all know once this ordinance is passed the City is empowered to enter onto the property to demolish the building. All associated demolition costs and administrative costs are then filed by the City Attorney as a lien against the property. This lien is normally only satisfied to the City's benefit upon the sale of the property.

Excerpt from Strategic Growth Plan

4. Community Appearance & Image

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

It is my recommendation Ordinance No. 35-2019 be adopted and approved by City Council at this time via the Consent Agenda.



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning & Development Director
Date: May 13, 2019
Subject: Demolition of Structure at 413 North Washington Street

Executive Summary of issue – Background

The dwelling associated with this proposed demolition action is in a dilapidated condition and should be removed for the safety of the citizens of Shelby. Also property fails to properly drain storm water due to inadequate drainage ditching. Initial complaints came from residents, the Shelby Police Department and City Code Enforcement. The property owner has been given due process and has failed to comply with the City's Minimum Housing Code.

Review and Comments

Due to dilapidation this dwelling is unfit for human habitation and has the potential of increasing the hazards of fire, accident, and other calamities; it is dangerous and detrimental to the health, safety, and welfare of the citizens of the City of Shelby. The estimated cost of demolition and removal is approximately \$5,000.00. Budgeted minimum housing funds will be used for this demotion.

Removal of this structure and drainage repair is in compliance with the City of Shelby Minimum Housing Code pursuant to N.C.G.S. 160A-441.

Removal of this structure is supported by the following Strategic Growth Plan Policies and Actions:

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

POLICY 9.2: Consistent, reliable enforcement of well written housing and nuisance abatement codes shall be employed to eliminate instances of unlawful activity and urban blight within the planning area of Shelby.

Recommendation

Please place this item on the consent agenda for the next City Council meeting on May 20, 2019. Staff recommends this minimum housing action.

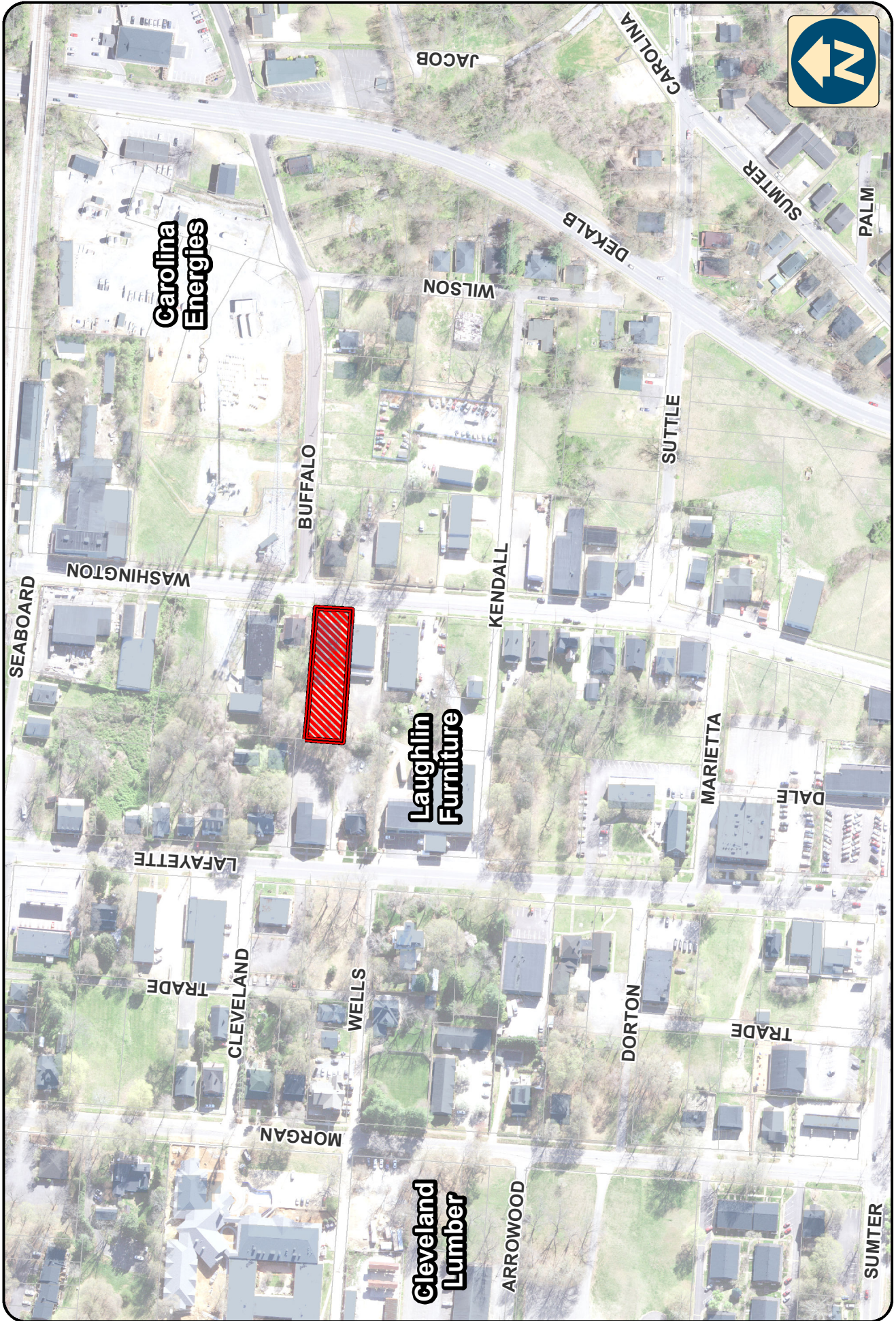
Attachments: Photo of Structure, Location Map, Tax Card and Ordinance





Location Map 413 North Washington Street

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



Scale 1:3,000 1 inch = 250 feet



Date: 1/31/2019

Cleveland County NC Property Card

USER ALAN FOR YEAR 2018

QUEEN GARY LEE PARCEL ID.. 17525 PIN... S 6 3 9
 WILSON BETTY ANN LOCATION... 413 N WASHINGTON ST SHELBY
 ADDITIONAL NAMES DEED YEAR/BOOK/PAGE.. 2004 04E 361 ASSESSMENT RECY
 2055 CRANE CREEK MT RD PLAT BOOK/PAGE.. OWNER ID.. 1214080
 LEGAL DESC:413 N WASH ST DISTRICT.. 6 CITY OF SHELBY

TOWNSHIP... 6 SHELBY NBRHOOD... 266 S MAPS #06
 BOSTIC NC 28018- COMMERCIAL

MAINTAINED.. 5/17/2017 BY MAYES VALUED.. 9/14/2016 BY MAYES
 VISITED..... 5/01/1998 BY ROUTING#..
 PARCEL STATUS... ACTIVE CATEGORY... Real & Personal

SALES HISTORY						
DEED BK/PAGE	SALE DATE	SALES INSTRUMENT	DISQUALIFIED	SALE AMOUNT	STAMP AMOUNT	DEED NAME
04E 361	4/09/2004	WILL	NO STAMPS ON DE			QUEEN GARY LEE & BETTY ANN WIL
16X 356	1/01/1979	SALE	QUALIFIED		10.00	

LAND SEGMENTS												
LND #	ZONE	STRAT CODE	LAND TYPE/CODE	LAND QTY	LAND RATE	DPT%	SHP%	LOC%	SIZ%	OTH%	TOT ADJ	CURRENT FMV
1		04	FF F	70.000	500.00	114.00	.00	100.00	.00	.00	114.00	39,900
			DPH..	250				OTHER ADJ..	.00	.00		
TOTAL ACRES..				.000							TOTAL LAND FMV..	39,900

IMPROVEMENT # 1 MAJOR IMPR-M
 MAIN FIN AREA.. 1,573.00 ACT/EFF YR/AGE.. 1920 1977 39 VISITED.. BY
 STRAT..... 04 DESCRIPT... SINGLE FAMILY DWELLING-WF MAINTAINED.. 5/17/2017 BY MAYES
 MAIN PERIM..... 194.00 MAIN GROUND SF.... 1,573.000
 LOCATION #..... WASHINGTON ST N 413

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CMPL
AC 05	CARPORT	100	180.00	8.93				106.00				1,703
AC 06	COVERED PORCH	100	130.00	13.19				113.00				1,937
AC 06	COVERED PORCH	100	171.00	13.19				107.00				2,413
AC 20	MASONRY STOOP	100	99.00	7.29				109.00				786
MA 37W	SINGLE FAMILY DWELLI	100	1573.00	62.11	1.00			98.00		100		95,743
EW 06	WOOD SIDING	100	194.00	.00								0
- FD 04	PERIMETER FOOTING	100	1573.00	.00								0
- HC 07	PACKAGED HEAT/COOL	100	1573.00	1.79								2,815
- PL R	RES PLUMB-EXTRA FIXT	100	5.00	717.00								0

RCN... PCT COMPLETE 100 x 105,398
 QUAL.. QG D3 D+- 85.00 x 89,588
 DEPR.. D4 39 YEARS OLD 58.00 - 51,960
 ECON.. EOD ECONOMIC OB DEP 35.00 - 13,169 65,129 T
 --FMV... 24,459

DATE 5/25/18 CLEVELAND COUNTY PAGE 2
 TIME 9:16:24 PROPERTY CARD PROG# AS2006
 USER ALAN FOR YEAR 2018

QUEEN GARY LEE PARCEL ID.. 17525 PIN... S 6 3 9

IMPROVEMENT # 1 MAJOR IMPR-M

```

+-16--+
 3 :
 0 :
+-13: :
 1 B :
114--+ :
 0 6 :
+1 6 :
 1 :
 3 :
 1 :
 3 :
 3 +10+ :
 E :
+D---30---+ 1 :
 9 C 9 8 :
+119--19--A10 :
    
```

-----		AC 05	CARPORT				----- TRAVERSE -----					
M R	30.00	M D	9.00	D R	10.00	D U	18.00	D L	10.00	D D	18.00	
-----		AC 06	COVERED PORCH				----- TRAVERSE -----					
M U	13.00	M L	1.00	M U	13.00	M R	1.00	M U	10.00	M R	14.00	
D U	10.00	D L	13.00	D D	10.00	D R	13.00					
-----		AC 06	COVERED PORCH				----- TRAVERSE -----					
M R	11.00	D D	9.00	D R	19.00	D U	9.00	D L	19.00			
-----		AC 20	MASONRY STOOP				----- TRAVERSE -----					
D R	11.00	D D	9.00	D L	11.00	D U	9.00					
-----		MA 37W	SINGLE FAMILY DWELLI FLOOR: 1.00				----- TRAVERSE -----					
D U	13.00	D L	1.00	D U	13.00	D R	1.00	D U	10.00	D R	14.00	
D U	30.00	D R	16.00	D D	66.00	D L	30.00					

TOTAL PARCEL VALUES----	LAND / OVR	IMPROVEMENTS / OVR	TOTAL LAND/IMPROVE	2017 VALUE
FMV.....	39,900	24,459	64,359	64,359
APV.....	39,900	24,459	64,359	64,359

----- COMMENTS -----

ORDINANCE NO. 35-2019

AN ORDINANCE AUTHORIZING DEMOLITION OF A DWELLING

WHEREAS, pursuant to the provisions of Chapter 160A, Article 19, Part 6, of the North Carolina General Statutes, the single family dwelling located at **413 N. WASHINGTON ST.**, Shelby, North Carolina, has been inspected and found to be unfit for human habitation and to otherwise constitute a danger to persons and a threat to the health and welfare of the citizens within the City; and,

WHEREAS, according to the procedure provided by law, the owner(s) of said property, **GARY QUEEN & BETTY WILSON** has or have been given notice of the aforesaid inspection, determination, and orders to bring said property into compliance with the housing standards of the City of Shelby by appropriate repair or removal of said dwelling; and,

WHEREAS, no action of any kind has been taken or initiated by the owner(s), or any party on behalf of said owner(s), to achieve compliance with said ordinances within the periods allowed by law; and,

WHEREAS, the said dwellings remain at this time unfit for human habitation, dilapidated, and a danger to the health and safety of the citizens of the City of Shelby, and should be removed by demolition in order to prevent and alleviate such continuing danger and dilapidated conditions.

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

Section 1. The dwellings on the property known as **413 N. WASHINGTON ST.**, Shelby, and described in the Cleveland County records as Tax Parcel No. **17525** be demolished forthwith, the remnants thereof disposed, and a lien for the costs of such demolition and removal, less any credits due the owner(s), be filed against the property and collected pursuant to the provisions of North Carolina General Statutes § 160A-443, et seq.; and,

Section 2. Said lien bear interest until paid, as allowed in Article 10 of Chapter 160A of the N.C. General Statutes, at the rate of eight percent (8.0%) per annum.

Adopted and approved this 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-12

- 12) Adoption of an ordinance authorizing demolition of a dwelling at 113 Maple Street:
Ordinance No. 36-2019

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

Summary of Available Information:

- Memorandum dated May 2, 2019 from Walter Scherer, Planning Director to Rick Howell, City Manager
- Photo of property
- Location Map of 113 Maple Street
- Property Card
- Ordinance No. 36-2019

City Manager's Recommendation / Comments

Please note that the Building Inspector has duly conducted enforcement of the minimum housing code in accordance with the NC General Statutes and City Code. I do want to emphasize that it is the common practice of the City to err on the side of the property owner in most all cases giving them the benefit of the doubt when action is initiated. A thorough and fair due process is followed in all cases. Demolition of these homes is always the last resort after efforts to persuade a property owner to make these minimum standards have failed. As you all know once this ordinance is passed the City is empowered to enter onto the property to demolish the building. All associated demolition costs and administrative costs are then filed by the City Attorney as a lien against the property. This lien is normally only satisfied to the City's benefit upon the sale of the property.

Excerpt from Strategic Growth Plan

4. Community Appearance & Image

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

It is my recommendation Ordinance No. 36-2019 be adopted and approved by City Council at this time via the Consent Agenda.



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning & Development Director
Date: May 2, 2019
Subject: **Demolition of Structure at 113 MAPLE ST.**

Executive Summary of issue – Background

The dwelling associated with this proposed demolition action is in a dilapidated condition and should be removed for the safety of the citizens of Shelby. Initial complaints came from residents, the Shelby Police Department and City Code Enforcement. The property owner has been given due process and has failed to comply with the City's Minimum Housing Code.

Review and Comments

Due to dilapidation this dwelling is unfit for human habitation and has the potential of increasing the hazards of fire, accident, and other calamities; it is dangerous and detrimental to the health, safety, and welfare of the citizens of the City of Shelby. The estimated cost of demolition and removal is approximately \$5,000.00. Budgeted minimum housing funds will be used for this demotion.

Removal of this structure is in compliance with the City of Shelby Minimum Housing Code pursuant to N.C.G.S. 160A-441.

Removal of this structure is supported by the following Strategic Growth Plan Policies and Actions:

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

POLICY 9.2: Consistent, reliable enforcement of well written housing and nuisance abatement codes shall be employed to eliminate instances of unlawful activity and urban blight within the planning area of Shelby.

Recommendation

Please place this item on the consent agenda for the next City Council meeting on **MAY 20, 2019**. Staff recommends this minimum housing action.

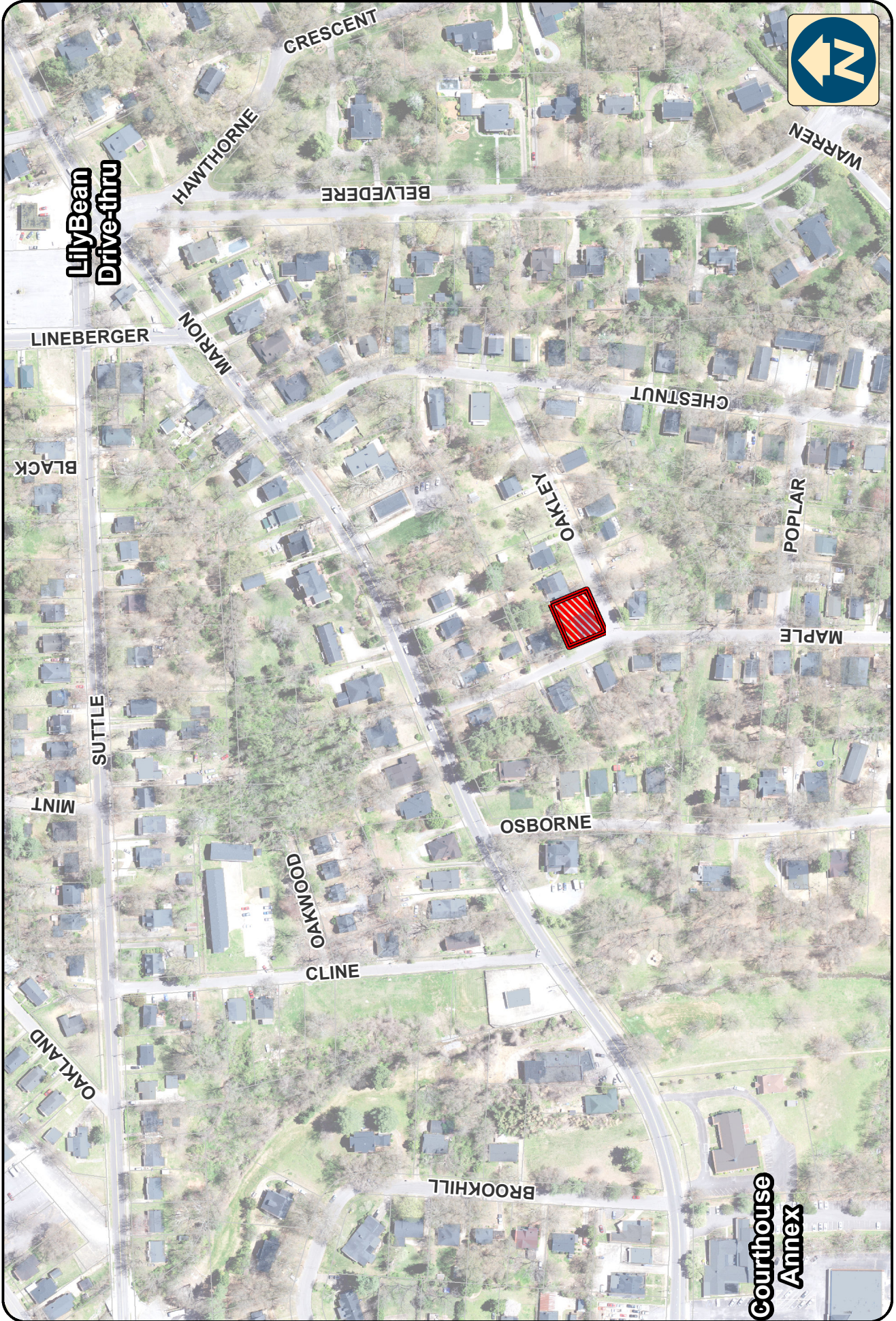
Attachments: Photo of Structure, Location Map, Tax Card and Ordinance





Location Map 113 Maple Street

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



Date: 4/30/2019



Scale 1:3,000 1 inch = 250 feet

USER ALAN

FOR YEAR 2018

OWENS ELBERT

PARCEL ID.. 18626
 LOCATION... 113 MAPLE ST
 DEED YEAR/BOOK/PAGE.. 2015 1693 0486
 PLAT BOOK/PAGE..
 LEGAL DESC:113 MAPLE

PIN... S14 3 17
 SHELBY
 ASSESSMENT NONE
 OWNER ID.. 1307041
 DISTRICT.. 6 CITY OF SHELBY

109 MAPLE ST

PT#25&26 PB55-617
 TOWNSHIP... 6 SHELBY
 NC 28150- FAIRVIEW

NBRHOOD... 249 S14 #06
 RESIDENTIAL

SHELBY
 DESCRIPTION

MAINTAINED.. 5/17/2017 BY MAYES
 VISITED..... 3/24/2008 BY JP
 PARCEL STATUS... ACTIVE

VALUED.. 9/14/2016 BY MAYES

ROUTING#..
 CATEGORY.. Real & Personal

SALES HISTORY

DEED BK/PAGE	SALE DATE	SALES INSTRUMENT	DISQUALIFIED	SALE AMOUNT	STAMP AMOUNT	DEED NAME
1693 0486	3/04/2015	DEED	QUALIFIED	65,000	130.00	OWENS ELBERT
10E 804	1/02/2011	WILL	FAMILY TRANSACT			TONYAN KIMBERLY J
DEATH STATE: NC COUNTY: CATAW DATE OF DEATH: 9/22/2010 DEATH CERTIFICATE#:						
1193 2032	11/12/1998	DEED	NO STAMPS ON DE			SAIN MARY M
14Q 554	1/01/1973	SALE	QUALIFIED		6.00	

LAND SEGMENTS

LND #	ZONE	STRAT CODE	LAND TYPE/CODE	LAND QTY	LAND RATE	DPT%	SHP%	LOC%	SIZ%	OTH%	TOP%	TOT ADJ	CURRENT FMV
1		02	FF F	75.000	45.00	78.00	.00	100.00	.00	.00	.00	78.00	2,632
			DPTH..	90			OTHER ADJ...	.00	.00	.00	.00		
TOTAL ACRES..				.000								TOTAL LAND FMV..	2,632

IMPROVEMENT # 1 MAJOR IMPR-M

MAIN FIN AREA.. 1,008.00 ACT/EFF YR/AGE.. 1930 1962 54 VISITED.. 3/24/2008 BY JP
 STRAT..... 02 DESCRIPT.... SINGLE FAMILY DWELLING-WF MAINTAINED.. 5/17/2017 BY MAYES
 MAIN PERIM..... 128.00 MAIN GROUND SF.... 1,008.00
 LOCATION #..... 8832 113 MAPLE ST

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CMPL
AC 06	COVERED PORCH	100	216.00	13.19			100.00					2,849
AC 08	ENCLOSED FRAME PORCH	100	35.00	19.66			214.00					1,472
AC 08	ENCLOSED FRAME PORCH	100	60.00	19.66			176.00					2,076
AC 19	HALE SCREEN PORCH	100	85.00	17.53			152.00					2,264
MA 37W	SINGLE FAMILY DWELLI	100	1008.00	62.11	1.00		100.00			100		62,606
EW 06	WOOD SIDING	100	128.00	.00								0
- FD 04	PERIMETER FOOTING	100	1008.00	.00								0
- HC 05	FORCED HOT AIR	100	1008.00	.00								0
- PL R	RES PLUMB-EXTRA FIXT	100	5.00	717.00								0

RCN... PCT COMPLETE 100 x 71,267
 QUAL.. QG D3 D+- 85.00 x 60,576
 DEPR.. D8 54 YEARS OLD 99.00 - 59,971 59,971 T
 --EMV... 605

DATE 5/25/18
 TIME 9:16:24
 USER ALAN

CLEVELAND COUNTY
 PROPERTY CARD
 FOR YEAR 2018

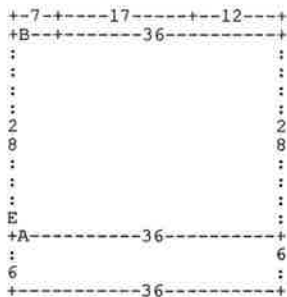
PAGE 2
 PROG# AS2006

OWENS ELBERT

PARCEL ID.. 18626

PIN... S14 3 17

----- IMPROVEMENT # 1 MAJOR IMPR-M -----



	AC	Description	Floor	Area	Dimensions
-----	AC 06	COVERED PORCH			----- TRAVERSE -----
D R	36.00	D D	6.00	D L	36.00
D U					6.00
-----	AC 08	ENCLOSED FRAME PORCH			----- TRAVERSE -----
M U	28.00	D R	7.00	D U	5.00
D L					7.00
D D					5.00
-----	AC 08	ENCLOSED FRAME PORCH			----- TRAVERSE -----
M U	28.00	M R	24.00	D U	5.00
D R					12.00
D D					5.00
D L					12.00
-----	AC 19	HALF SCREEN PORCH			----- TRAVERSE -----
M U	28.00	M R	7.00	D U	5.00
D R					17.00
D D					5.00
D L					17.00
-----	MA 37W	SINGLE FAMILY DWELLI	FLOOR: 1.00		----- TRAVERSE -----
D U	28.00	D R	36.00	D D	28.00
D L					36.00

TOTAL PARCEL VALUES----	LAND / OVR	IMPROVEMENTS / OVR	TOTAL LAND/IMPROVE	2017 VALUE
EMV.....	2,632	605	3,237	3,237
APV.....	2,632	605	3,237	3,237

----- COMMENTS - -----

ORDINANCE NO. 36-2019

AN ORDINANCE AUTHORIZING DEMOLITION OF A DWELLING

WHEREAS, pursuant to the provisions of Chapter 160A, Article 19, Part 6, of the North Carolina General Statutes, the single family dwelling located at **113 MAPLE ST.**, Shelby, North Carolina, has been inspected and found to be unfit for human habitation and to otherwise constitute a danger to persons and a threat to the health and welfare of the citizens within the City; and,

WHEREAS, according to the procedure provided by law, the owner(s) of said property, **ELBERT OWENS** has or have been given notice of the aforesaid inspection, determination, and orders to bring said property into compliance with the housing standards of the City of Shelby by appropriate repair or removal of said dwelling; and,

WHEREAS, no action of any kind has been taken or initiated by the owner(s), or any party on behalf of said owner(s), to achieve compliance with said ordinances within the periods allowed by law; and,

WHEREAS, the said dwellings remain at this time unfit for human habitation, dilapidated, and a danger to the health and safety of the citizens of the City of Shelby, and should be removed by demolition in order to prevent and alleviate such continuing danger and dilapidated conditions.

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

Section 1. The dwellings on the property known as **113 MAPLE ST** Shelby, and described in the Cleveland County records as Tax Parcel No. **18626** be demolished forthwith, the remnants thereof disposed, and a lien for the costs of such demolition and removal, less any credits due the owner(s), be filed against the property and collected pursuant to the provisions of North Carolina General Statutes § 160A-443, et seq.; and,

Section 2. Said lien bear interest until paid, as allowed in Article 10 of Chapter 160A of the N.C. General Statutes, at the rate of eight percent (8.0%) per annum.

Adopted and approved this 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-13

- 13) Adoption of an ordinance authorizing demolition of a dwelling at 229 Chestnut Street: Ordinance No. 37-2019

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

Summary of Available Information:

- Memorandum dated May 6, 2019 from Walter Scherer, Planning Director to Rick Howell, City Manager
- Photo of property
- Location Map of 229 Chestnut Street (Chestnut Street Apartments)
- Property Card
- Ordinance No. 37-2019

City Manager's Recommendation / Comments

Please note that the Building Inspector has duly conducted enforcement of the minimum housing code in accordance with the NC General Statutes and City Code. I do want to emphasize that it is the common practice of the City to err on the side of the property owner in most all cases giving them the benefit of the doubt when action is initiated. A thorough and fair due process is followed in all cases. Demolition of these homes is always the last resort after efforts to persuade a property owner to make these minimum standards have failed. As you all know once this ordinance is passed the City is empowered to enter onto the property to demolish the building. All associated demolition costs and administrative costs are then filed by the City Attorney as a lien against the property. This lien is normally only satisfied to the City's benefit upon the sale of the property.

Excerpt from Strategic Growth Plan

4. Community Appearance & Image

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

It is my recommendation Ordinance No. 37-2019 be adopted and approved by City Council at this time via the Consent Agenda.



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning & Development Director
Date: May 6, 2019
Subject: **Demolition of Structure at 229 CHESTNUT ST.**

Executive Summary of issue – Background

The dwelling associated with this proposed demolition action is in a dilapidated condition and should be removed for the safety of the citizens of Shelby. Initial complaints came from residents, the Shelby Police Department and City Code Enforcement. The property owner has been given due process and has failed to comply with the City's Minimum Housing Code.

Review and Comments

Due to dilapidation this dwelling is unfit for human habitation and has the potential of increasing the hazards of fire, accident, and other calamities; it is dangerous and detrimental to the health, safety, and welfare of the citizens of the City of Shelby. The estimated cost of demolition and removal is approximately \$35,000. Budgeted minimum housing funds will be used for this demotion.

Removal of this structure is in compliance with the City of Shelby Minimum Housing Code pursuant to N.C.G.S. 160A-441.

Removal of this structure is supported by the following Strategic Growth Plan Policies and Actions:

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

POLICY 9.2: Consistent, reliable enforcement of well written housing and nuisance abatement codes shall be employed to eliminate instances of unlawful activity and urban blight within the planning area of Shelby.

Recommendation

Please place this item on the consent agenda for the next City Council meeting on May 20, 2019. Staff recommends this minimum housing action.

Attachments: Photo of Structure, Location Map, Tax Card and Ordinance

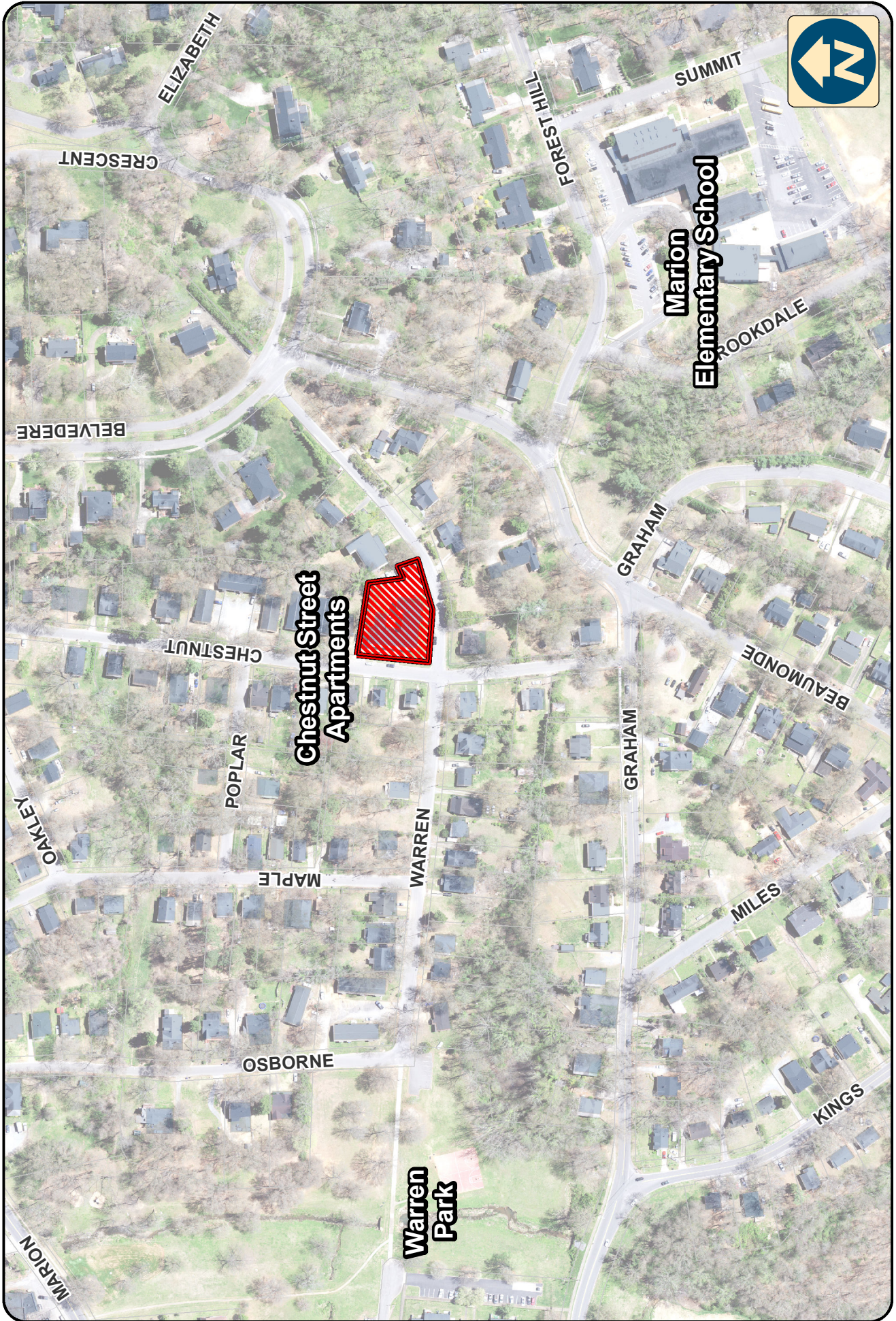




Location Map

229 Chestnut Street

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



Scale 1:3,000 1 inch = 250 feet



Date: 1/18/2019

Cleveland County NC Property Card
USER MAYES

FOR YEAR 2019

NEW PATHWAY INVESTMENTS LLC PARCEL ID.. 18675 PIN... S14
6 36
SHELBY LOCATION... 229 CHESTNUT ST
DEED YEAR/BOOK/PAGE.. 2018 1763 2164 ASSESSMENT
RECY
2259 INDIAN TRAIL RD PLAT BOOK/PAGE.. PB2 35 OWNER ID..
1319686 LEGAL DESC:CHESTNUT APTS PB2-35 DISTRICT..
6 CITY OF SHELBY

TOWNSHIP... 6 SHELBY
ROCK HILL SC 29370- NBRHOOD...
249 S14 #06
DESCRIPTION RESIDENTIAL

MAINTAINED.. 8/15/2018 BY BKEENER VALUED.. 7/10/2018 BY MAYES
VISITED..... 4/06/2004 BY JP ROUTING#..
PARCEL STATUS... ACTIVE CATEGORY..
Real & Personal

----- SALES HISTORY -----

DEED BK/PAGE	SALE DATE	SALES INSTRUMENT	DISQUALIFIED	SALE AMOUNT	STAMP AMOUNT
DEED NAME					
" 1763 2164 3/26/2018 DEED			QUALIFIED	135,000	
270.00 NEW PATHWAY INVESTMENTS LLC A"					
1472 1780 12/14/2005 DEED			ADDITION PARCEL		
ALLEN JERRY L					
" 1212 2280 12/31/1997 DEED			QUALIFIED	75,000	
150.00 ALLEN JERRY LEE & W/STEPHANIE"					
0984 0629 1/01/1987 SALE			QUALIFIED		

----- LAND SEGMENTS -----

LND TOT #	STRAT CURRENT ZONE	LAND CODE	LAND TYPE/CODE	LAND QTY	LAND RATE	DPT%	SHP%	LOC%	SIZ%
" 1	02	FF F	124.000	45.00	100.00	.00	100.00	.00	
.00	.00	.00	5,580"						
			DPH..	148			OTHER ADJ...	.00	
.00	.00	.00							
2	02	FF F	25.000	45.00	48.00	.00	100.00	.00	
.00	.00	48.00	540						
			DPH..	40			OTHER ADJ...	.00	
.00	.00	.00							
"	TOTAL ACRES..			.000					
TOTAL LAND FMV..	6,120"								

----- IMPROVEMENT # 1 MAJOR IMPR-M -----

" MAIN FIN AREA.. 11,698.95 ACT/EFF YR/AGE.. 1951 1968 48
VISITED.. 4/06/2004 BY JP"
STRAT..... 02 DESCRIPT.... APARTMENT- WOOD FRAME
MAINTAINED.. 7/17/2018 BY MAYES
" MAIN PERIM..... 436.00 MAIN GROUND SF.... 6,324.000"

LOCATION #..... CHESTNUT ST

PER%	CDS%	COMPONENT TYPE/CODE/DESC COST	PCT %CMPL	UNITS	RATE	STR#	STR%	SIZ%	HGT%
		"AC 04 CANOPY	100	330.00	5.73			88.00	
		1,663"							
		AC 06 COVERED PORCH	100	50.00	13.19			135.00	
		890							
		AC 06 COVERED PORCH	100	50.00	13.19			135.00	
		890							
		AC 06 COVERED PORCH	100	50.00	13.19			135.00	
		890							
		AC 06 COVERED PORCH	100	50.00	13.19			135.00	
		890							
		"AC 20 MASONRY STOOP	100	260.00	7.29			90.00	
		1,705"							
		"CB F01W APARTMENT-WOOD FRAME	19	1201.56	25.33			100.00	
		100 30,435"							
		"CB U01W APARTMENT-WOOD FRAME	31	1960.44	13.52			100.00	
		100 26,505"							
		"MA 01W APARTMENT-WOOD FRAME	100	6324.00	43.48	2.00		100.00	
		100 274,967"							
		"MA 01W (UPPER FLOORS)	100	5374.95	43.48	2.00		100.00	
		100 233,702"							
		" EW 01 BRICK	100	436.00	26.20				
		11,423"							
		"- HC 54 RADIANT/WATER	100	11699.00	2.68				
		31,353"							
		"- PL C COMMER PLUMB-EXTRA F100		65.00	748.00				
		48,620"							

"		RCN...		PCT COMPLETE				100	x
663,934"									
"		QUAL.. QG D3		D+-				85.00	x
564,343"									
"		DEPR.. D8		48 YEARS OLD				99.00	-
558,700"									
"		ECON.. EOD		ECONOMIC OB DEP				10.00	-
564	559,264	T"							
"		--FMV...							
5,079"									

DATE 1/22/19 CLEVELAND COUNTY
 PAGE 2
 TIME 16:44:09 PROPERTY CARD
 PROG# AS2006
 USER MAYES FOR YEAR 2019

NEW PATHWAY INVESTMENTS LLC PARCEL ID.. 18675 PIN... S14
 6 36

----- IMPROVEMENT # 1 MAJOR IMPR-M -----

+----40----+
 2 14+
 1 :A
 +-14+ :F

```

      :      :1
+-20--+   :   :
0:      251  3   :
C2      3 0   9   7
B3      :DE   :   7
+7      +---34-----+ :
:      :
3:00
0:00
I      :
+-----91-----+

```

```

----- AC 04 CANOPY ----- TRAVERSE --
-----

```

```

M R      91.00  M U      72.00  D R      6.00  D D      10.00  D L
6.00  D U      10.00

```

```

----- AC 06 COVERED PORCH ----- TRAVERSE --
-----

```

```

M U      30.00  M R      7.00  M U      10.00  D L      5.00  D U
10.00  D R      5.00
D D      10.00

```

```

----- AC 06 COVERED PORCH ----- TRAVERSE --
-----

```

```

M U      30.00  M R      7.00  M U      10.00  D L      5.00  D U
10.00  D R      5.00
D D      10.00

```

```

----- AC 06 COVERED PORCH ----- TRAVERSE --
-----

```

```

M U      30.00  M R      7.00  M U      23.00  M R      20.00  M D
15.00  D R      5.00
D U      10.00  D L      5.00  D D      10.00

```

```

----- AC 06 COVERED PORCH ----- TRAVERSE --
-----

```

```

M U      30.00  M R      7.00  M U      23.00  M R      20.00  M D
15.00  D R      5.00
D U      10.00  D L      5.00  D D      10.00

```

```

----- AC 20 MASONRY STOOP ----- TRAVERSE --
-----

```

```

M R      91.00  M U      72.00  D R      6.00  D D      10.00  D L
6.00  D U      10.00

```

```

----- MA 01W APARTMENT-WOOD FRAME FLOOR: 1.00 ----- TRAVERSE --
-----

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```

D U      30.00  D R      7.00  D U      23.00  D R      20.00  D D
23.00  D R      34.00
D U      39.00  D L      14.00  D U      21.00  D R      40.00  D D
13.00  D R      4.00
D D      77.00  D L      91.00

```

```

----- IMPROVEMENT # 2 MISC IMPR-Y -----
-----

```

MAIN FIN AREA.. ACT/EFF YR/AGE.. 1984 1998 18
 VISITED.. BY
 STRAT..... 02 DESCRIPT.... CONC
 MAINTAINED.. 7/17/2018 BY MAYES
 LOCATION #..... CHESTNUT ST

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%
PER%	CDS%	COST	%CMPL					
MS 06	CONCRETE PAVING		1.00					
0		QUAL.. QG	100	MISC IMPR QUALITY 10			100.00	x
0		DEPR.. 25		18 YRS OLD			72.00	-
0	0 T			PCT COMPLETE			100	
0		--FMV...						
-----				IMPROVEMENT #	3	MISC IMPR-Y	-----	

MAIN FIN AREA.. ACT/EFF YR/AGE.. 1984 1998 18
 VISITED.. BY
 STRAT..... 02 DESCRIPT.... MTL/NV
 MAINTAINED.. 7/17/2018 BY MAYES
 LOCATION #..... CHESTNUT ST

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%
PER%	CDS%	COST	%CMPL					
-----				DATE	1/22/19			
CLEVELAND COUNTY				PAGE	3			
TIME 16:44:09				PROPERTY CARD				
PROG# AS2006				FOR YEAR	2019			
USER MAYES								
NEW PATHWAY INVESTMENTS LLC			PARCEL ID..	18675		PIN... S14		
6 36								
-----				IMPROVEMENT #	3	MISC IMPR-Y	-----	

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%
PER%	CDS%	COST	%CMPL					
MS 23	SHED		1.00					
0		QUAL.. QG	100	MISC IMPR QUALITY 10			100.00	x
0		DEPR.. 25		18 YRS OLD			72.00	-
0	0 T			PCT COMPLETE			100	
0		--FMV...						

TOTAL PARCEL VALUES----	LAND /	OVR	IMPROVEMENTS /	OVR	TOTAL
LAND/IMPROVE	2018 VALUE				
"	FMV.....	6,120	5,079		
11,199	11,199"				
"	APV.....	6,120	5,079		
11,199	11,199"				

DATE 1/22/19 CLEVELAND COUNTY
 PAGE 1

ORDINANCE NO. 37-2019

AN ORDINANCE AUTHORIZING DEMOLITION OF A DWELLING

WHEREAS, pursuant to the provisions of Chapter 160A, Article 19, Part 6, of the North Carolina General Statutes, the single family dwelling located at 229 CHESTNUT ST., Shelby, North Carolina, has been inspected and found to be unfit for human habitation and to otherwise constitute a danger to persons and a threat to the health and welfare of the citizens within the City; and,

WHEREAS, according to the procedure provided by law, the owner(s) of said property, NEW PATHWAY INVESTMENTS LLC has or have been given notice of the aforesaid inspection, determination, and orders to bring said property into compliance with the housing standards of the City of Shelby by appropriate repair or removal of said dwelling; and,

WHEREAS, no action of any kind has been taken or initiated by the owner(s), or any party on behalf of said owner(s), to achieve compliance with said ordinances within the periods allowed by law; and,

WHEREAS, the said dwellings remain at this time unfit for human habitation, dilapidated, and a danger to the health and safety of the citizens of the City of Shelby, and should be removed by demolition in order to prevent and alleviate such continuing danger and dilapidated conditions.

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

Section 1. The dwellings on the property known as 229 CHESTNUT ST., Shelby, and described in the Cleveland County records as Tax Parcel No. 18675 be demolished forthwith, the remnants thereof disposed, and a lien for the costs of such demolition and removal, less any credits due the owner(s), be filed against the property and collected pursuant to the provisions of North Carolina General Statutes § 160A-443, et seq.; and,

Section 2. Said lien bear interest until paid, as allowed in Article 10 of Chapter 160A of the N.C. General Statutes, at the rate of eight percent (8.0%) per annum.

Adopted and approved this 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-14

- 14) Adoption of an ordinance authorizing demolition of a dwelling at 229 Shannonhouse Street: Ordinance No. 38-2019

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

Summary of Available Information:

- Memorandum dated May 2, 2019 from Walter Scherer, Planning Director to Rick Howell, City Manager
- Photo of property
- Location Map of 229 Shannonhouse Street
- Property Card
- Ordinance No. 38-2019

City Manager's Recommendation / Comments

Please note that the Building Inspector has duly conducted enforcement of the minimum housing code in accordance with the NC General Statutes and City Code. I do want to emphasize that it is the common practice of the City to err on the side of the property owner in most all cases giving them the benefit of the doubt when action is initiated. A thorough and fair due process is followed in all cases. Demolition of these homes is always the last resort after efforts to persuade a property owner to make these minimum standards have failed. As you all know once this ordinance is passed the City is empowered to enter onto the property to demolish the building. All associated demolition costs and administrative costs are then filed by the City Attorney as a lien against the property. This lien is normally only satisfied to the City's benefit upon the sale of the property.

Excerpt from Strategic Growth Plan

4. Community Appearance & Image

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

It is my recommendation Ordinance No. 38-2019 be adopted and approved by City Council at this time via the Consent Agenda.



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning & Development Director
Date: May 2, 2019
Subject: **Demolition of Structure at 229 Shannonhouse St.**

Executive Summary of issue – Background

The dwelling associated with this proposed demolition action is in a dilapidated condition that has been vacant and abandoned since September 7, 2007. Initial complaints came from residents, the Shelby Police Department and City Code Enforcement. The property owner has been given due process and has failed to comply with the City's Minimum Housing Code.

Review and Comments

Due to dilapidation this dwelling is unfit for human habitation and has the potential of increasing the hazards of fire, accident, and other calamities; it is dangerous and detrimental to the health, safety, and welfare of the citizens of the City of Shelby. The estimated cost of demolition and removal is approximately \$5,000.00. Budgeted minimum housing funds will be used for this demotion.

Removal of this structure complies with the City of Shelby Minimum Housing Code pursuant to N.C.G.S. 160A-441.

The following Strategic Growth Plan Policies and Actions support removal of this structure.

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

POLICY 9.2: Consistent, reliable enforcement of well written housing and nuisance abatement codes shall be employed to eliminate instances of unlawful activity and urban blight within the planning area of Shelby.

Recommendation

Please place this item on the consent agenda for the next City Council meeting on **May 20, 2019**. Staff recommends this minimum housing action.

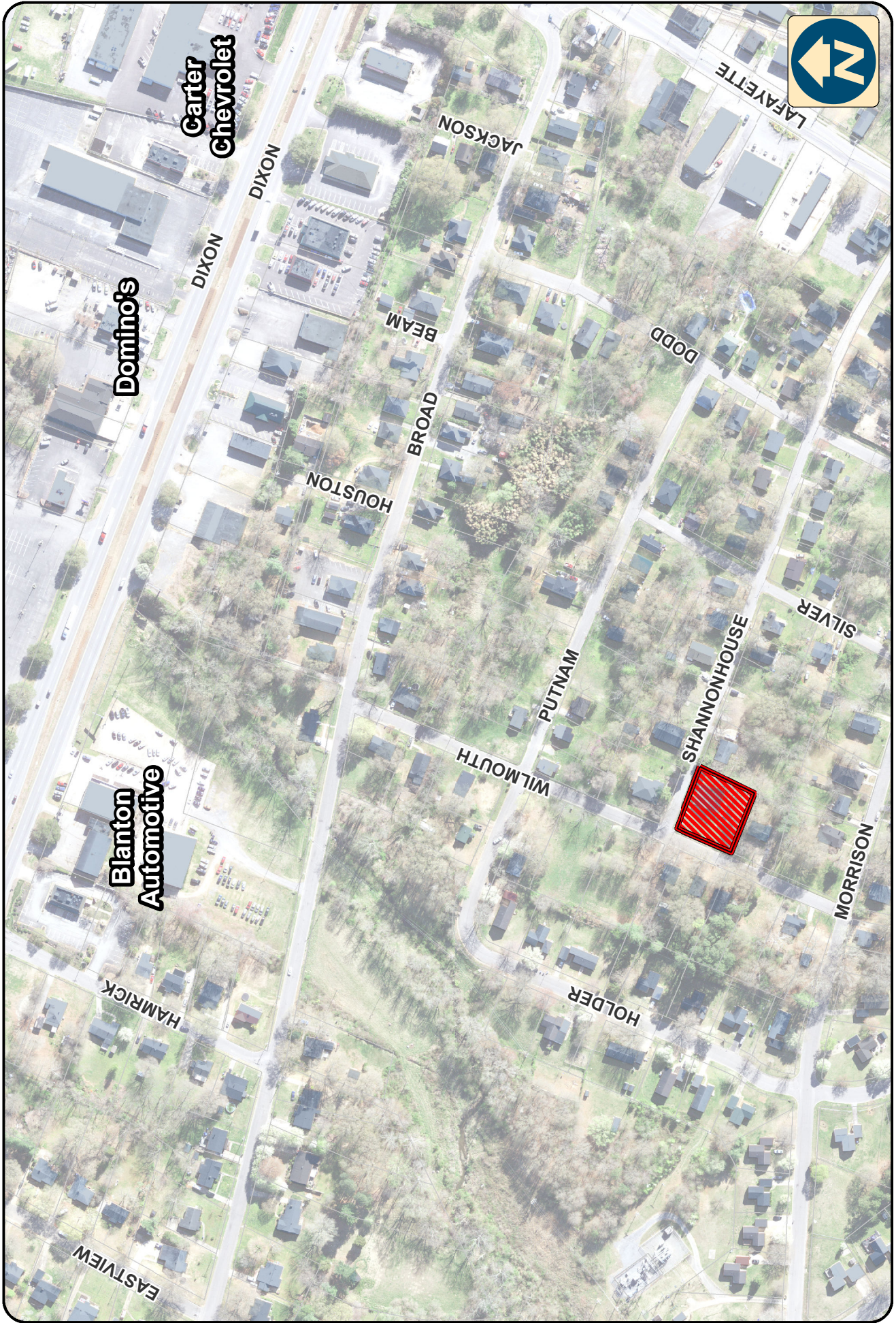
Attachments: Photo of Structure, Location Map, Tax Card and Ordinance





Location Map 229 Shannonhouse Street

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



Scale 1:3,000 1 inch = 250 feet



Date: 3/14/2019

USER ALAN

FOR YEAR 2018

HAMMOND LEDGE SOUTH LLC
 ATTN: GEORGE DALLAS
 1445 33RD AVE NE

PARCEL ID.. 20625
 LOCATION... 229 SHANNONHOUSE ST
 DEED YEAR/BOOK/PAGE.. 2011 1613 1368A
 PLAT BOOK/PAGE...
 LEGAL DESC:229 SHANNONHOUSE ST

PIN... S46 11 1
 SHELBY
 ASSESSMENT RECY
 OWNER ID.. 1266299
 DISTRICT.. 6 CITY OF SHELBY

HICKORY
 DESCRIPTION

TOWNSHIP... 6 SHELBY
 NC 28601-

NBRHOOD... 223 S MAPS 06
 RESIDENTIAL

MAINTAINED.. 5/17/2017 BY MAYES VALUED.. 9/14/2016 BY MAYES
 VISITED..... 5/01/1998 BY
 PARCEL STATUS... ACTIVE

ROUTING#..
 CATEGORY... Real & Personal

SALES HISTORY							
DEED BK/PAGE	SALE DATE	SALES INSTRUMENT	DISQUALIFIED	SALE AMOUNT	STAMP AMOUNT	DEED NAME	
1613 1368A	3/31/2011	DEED	QUALIFIED	12,500	25.00	HAMMOND LEDGE SOUTH LLC	
1516 0639	3/26/2007	DEED	QUALIFIED	13,000	26.00	MORALES JOSE	
1507 0231	12/15/2006	TRUSTEES DEED	LENDOR, GOVERNME	14,000	28.00	CITIFINANCIAL SERVICES INC	
14Q 657	1/01/1973	SALE	QUALIFIED		6.00		

LAND SEGMENTS													
LND #	ZONE	STRAT CODE	LAND TYPE/CODE	LAND QTY	LAND RATE	DPT%	SHP%	LOC%	SIZ%	OTH%	TOP%	TOT ADJ	CURRENT FMV
1		02	FF F	108.000	56.00	90.00	.00	100.00	.00	.00	.00	90.00	5,443
			DPH..	115				OTHER ADJ...	.00	.00		.00	
TOTAL ACRES..				.000								TOTAL LAND FMV..	5,443

IMPROVEMENT # 1 MAJOR IMPR-M
 MAIN FIN AREA.. 1,380.00 ACT/EFF YR/AGE.. 1922 1971 45 VISITED.. BY
 STRAT..... 02 DESCRPT... SINGLE FAMILY DWELLING-WF MAINTAINED.. 5/17/2017 BY MAYES
 MAIN PERIM..... 152.00 MAIN GROUND SF.... 1,380.00
 LOCATION #..... SHANNONHOUSE ST 229

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CMLP
AC 05	CARPORT	100	128.00	8.93			108.00				1,234	
MA 37W	SINGLE FAMILY DWELLI	100	1380.00	62.11	1.00		100.00			100	85,711	
EW 01	BRICK	100	152.00	26.20							3,982	
- FD 04	PERIMETER FOOTING	100	1380.00	.00							0	
- HC 06	UNIT HEATERS	100	1380.00	1.00-							1,380-	
- PL R	RES PLUMB-EXTRA FIXT100		5.00	717.00							0	

RCN... PCT COMPLETE 100 x 89,548
 QUAL.. QG D3 D+- 85.00 x 76,115
 DEPR.. D7 45 YEARS OLD 86.00 - 65,459
 LOCA.. LOD LOCATIONAL OBS DEP 25.00 - 2,664 68,123 T
 --FMV... MA 223 223 MARKET ADJ 90.00 x 7,192

ORDINANCE NO. 38-2019

AN ORDINANCE AUTHORIZING DEMOLITION OF A DWELLING

WHEREAS, pursuant to the provisions of Chapter 160A, Article 19, Part 6, of the North Carolina General Statutes, the single family dwelling located at 229 SHANNONHOUSE STREET Shelby, North Carolina, has been inspected and found to be unfit for human habitation and to otherwise constitute a danger to persons and a threat to the health and welfare of the citizens within the City; and,

WHEREAS, according to the procedure provided by law, the owner(s) of said property, HAMMOND LEDGE SOUTH LLC has or have been given notice of the aforesaid inspection, determination, and orders to bring said property into compliance with the housing standards of the City of Shelby by appropriate repair or removal of said dwelling; and,

WHEREAS, no action of any kind has been taken or initiated by the owner(s), or any party on behalf of said owner(s), to achieve compliance with said ordinances within the periods allowed by law; and,

WHEREAS, the said dwellings remain at this time unfit for human habitation, dilapidated, and a danger to the health and safety of the citizens of the City of Shelby, and should be removed by demolition in order to prevent and alleviate such continuing danger and dilapidated conditions.

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

Section 1. The dwellings on the property known as 229 SHANNONHOUSE STREET Shelby, and described in the Cleveland County records as Tax Parcel No. 20625 be demolished forthwith, the remnants thereof disposed, and a lien for the costs of such demolition and removal, less any credits due the owner(s), be filed against the property and collected pursuant to the provisions of North Carolina General Statutes § 160A-443, et seq.; and,

Section 2. Said lien bear interest until paid, as allowed in Article 10 of Chapter 160A of the N.C. General Statutes, at the rate of eight percent (8.0%) per annum.

Adopted and approved this 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-15

15) Adoption of an ordinance of the City of Shelby, amending Section 30-5 of Article I of Chapter 30: Ordinance No. 39-2019

Consent Agenda Item: (Staff Resource, Rick Howell, City Manager)

Summary of Available Information:

- Ordinance No. 39-2019

City Manager's Recommendation / Comments

Ordinance No. 39-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved Ordinance No. 39-2019 would amend the current code to extend the allowable area for the sale and consumption of alcohol beverages on Washington Street south to the area between East Graham Street and E Warren Street only at times when there are activities that have received a Special Event Permit issued by City Council. This request was initiated at the request of the Uptown Shelby Association.

Ordinance No. 39-2019 is presented for consideration at this time and can be acted upon after Council discussion and deliberation. This request seems reasonable especially given that Special Event Permits approved by City Council would be required if the sale and consumption of alcoholic beverages are to be allowed. It is my recommendation Ordinance No. 39-2019 be adopted and approved by City Council at this time via the Consent Agenda.

ORDINANCE NO. 39-2019

**AN ORDINANCE OF THE CITY OF SHELBY, AMENDING
SECTION 30-5 OF ARTICLE I OF CHAPTER 30**

**IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY
THAT THE SHELBY, NORTH CAROLINA CODE OF ORDINANCES IS AMENDED
AS FOLLOWS:**

Section 30-5 of Article I of Chapter 30 shall be amended to read as follows:

Sec. 30-5. Sale, use of alcoholic beverages on city property.

It shall be unlawful for any person to drink or to consume, or to offer, give, sell or barter any beer, malt liquor, ale or wine on or in any premises or property owned or used by the city. This section does not apply to the following situations:

- (a) To sidewalk cafes as described in Chapter 10 Article III of this Code of Ordinances.
- (b) To that portion of Washington Street and its adjoining sidewalks located between East Marion Street and East Graham Street when a Special Event Permit for the use of said area has been approved by City Council.
- (c) To the tract of land located in the northeast intersection of West Marion Street and North Morgan Street and known as Cleveland County Tax Parcel No. 17834 when a Special Event Permit for the use of said area has been approved by City Council.
- (d) To the tract of land on which is located the “Don Gibson Theatre.”

State law references: Regulation of alcoholic beverages, G.S. Ch. 18B.

This Ordinance shall become effective upon its adoption.

Adopted on this the 20th day of May 2019.

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
May 20, 2019
City Hall Council Chamber

Agenda Item: E-16

16) Approval of a resolution approving the North Carolina Division of Aviation Letter of Agreement for Airport Safety/Maintenance Projects for the Shelby-Cleveland County Regional Airport: Resolution No. 38-2019

Consent Agenda Item: (Staff Resource, Ben Yarboro, Engineering Services Director)

Summary of Available Information:

- Memorandum dated May 14, 2019 from Ben Yarboro, Engineering Services Director to Rick Howell, City Manager
- Letter dated October 12, 2018 from NC DOT with Agreement
- Resolution No. 38-2019

City Manager's Recommendation / Comments


Resolution No. 38-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this resolution would authorize the City to enter into an agreement with the NC Division of Aviation for maintenance and safety improvements at the airport. This agreement is required for participation in this program and the cost is born entirely by NC DOA. This program ensures a consistent and high level of maintenance at the airport and will help the City avoid larger and more costly repairs in the future.

It is my recommendation Resolution No. 38-2019 be adopted and approved by City Council at this time via the Consent Agenda.



Memorandum

To: Rick Howell, City Manager

From: Ben Yarboro, Engineering Services Director 

RE: Shelby-Cleveland County Regional Airport
NCDOA Airport Safety/Maintenance Program Agreement

Date: May 14, 2019

Background

The North Carolina Division of Aviation (NCDOA) created the Safety, Preservation, and Maintenance (SPAM) Program to assist publicly owned and operated airports with airfield safety and maintenance related improvements. These improvements are completed at airports across North Carolina at 100% state funding with no local matches required. These projects have historically been related to asphalt maintenance/repairs.

The NCDOA sent the City of Shelby a Letter of Agreement for Airport Safety/Maintenance Projects (attached for reference). This agreement must be approved and executed by the City prior to NCDOA performing any maintenance activities related to this program.

With the large quantity of asphalt at the Shelby-Cleveland County Regional Airport, it is important that we utilize all available resources to ensure that our facilities are consistently maintained at a high level. Through regular maintenance activities, the NCDOA and City are able to avoid larger and more costly repairs in the future.

Recommendation

City Staff recommends that the Shelby City Council approve the resolution authorizing execution of the "Letter of Agreement for Airport Safety/Maintenance Project" that has been provided by the NC Division of Aviation.

Please advise if you have any questions or need additional information.

Attachments



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

JAMES H. TROGDON, III
SECRETARY

October 12, 2018

Re: NCDOT - Division of Aviation Airport Safety/Maintenance Program Agreement

Dear Airport Sponsor:

The Safety, Preservation, and Maintenance (SPAM) Program was created by the Division of Aviation to assist publicly owned and operated airports with airfield safety and maintenance related improvements at 100% state funding. This program has been a great success and has been well received by many airports across our state. To date, the SPAM Program has completed \$12,600,000 worth of projects at 69 airports. It is now time to renew the Program Agreement.

In order for the Division of Aviation to continue to fund projects at your airport under the program, we request that you review, complete, and return the enclosed "Agreement for Airport Safety/Maintenance Projects." Please scan and email completed electronic copies to Randy Finger at afinger@ncdot.gov by December 31, 2018. The new agreement will supersede previous agreements and will ensure all airports are under the same agreement and same expiration date moving forward. Having this agreement executed does not commit the Division to a particular project, but allows us to expeditiously complete a project once a project has been identified and selected for completion.

Thank you for your cooperation in this process and please contact me or your Airport Project Manager if you have any questions or comments regarding the SPAM Program.

Sincerely,

Jonathan Arnold, P.E.
Deputy Director/Airport Development Manager

cc: Bobby Walston, P.E., Director
Randy Finger, P.E., Statewide Programs Manager
DOA – Airport Project Managers

Mailing Address:
NC DEPARTMENT OF TRANSPORTATION
DIVISION OF AVIATION
1560 MAIL SERVICE CENTER
RALEIGH, NC 27699-1560

Telephone: (919) 814-0550
Fax: (919) 840-0645
Customer Service: 1-877-368-4968

Website: www.ncdot.gov

Location:
1050 MERIDIAN DRIVE
MORRISVILLE, NC 27560

**LETTER OF AGREEMENT FOR
AIRPORT SAFETY/MAINTENANCE PROJECTS**

THIS AGREEMENT is made, this _____ day of _____, 20____ by the
(Airport Owner) _____
as owner and operator (hereinafter referred to as “Sponsor”) of the
(Official Airport Name) _____
(hereinafter referred to as “Airport,”) and the North Carolina Department of Transportation (Division
of Aviation), an agency of the State of North Carolina (hereinafter referred to as “Department”), for
the purposes of future and as-yet unspecified safety or maintenance services to be performed by said
Department in accordance with the terms, conditions and provisions hereof.

WITNESSETH

WHEREAS, the Sponsor is primarily responsible for maintaining the facilities of the Airport to
protect and preserve the safety of flight operations at, from and to the Airport; and

WHEREAS, and the Department shares the interest of the Sponsor in the prompt and adequate
maintenance and repair of the paved surfaces of the Airport which support aircraft movements on the
Airport; and

WHEREAS, the Sponsor and the Department may, from time to time, mutually determine that
certain paved surfaces and adjacent areas on the airport have aged and deteriorated and/or that other
infrastructure is in need of maintenance or repair, and that the Sponsor could benefit from the
assistance of the Department in accomplishing such maintenance and repair; and

WHEREAS, pursuant to Article 7 of North Carolina General Statute 63, the Department is
authorized to undertake safety improvements of aircraft movement areas, on publicly owned and
operated airports in North Carolina; and

WHEREAS, the Sponsor and the Department agree that upon the request by the sponsor and the
acceptance by the Department, certain needed improvements at the Airport may be undertaken by the
Department in conformance with the provision of North Carolina General Statute 63; and

WHEREAS, the Department requires a Commitment and Release of Liability statement to be on file
in its offices, in order to be able provide and oversee such maintenance and repair at the Airport;

NOW THEREFORE, the Sponsor does hereby commit to the following measures:

1. This Letter of Agreement supersedes all prior agreements between the Department and Sponsor
with respect to the subject matter of this Letter of Agreement.

2. Upon the Sponsor's approval, the Department, using NCDOT state forces and/or private contractor(s) under a Purchase Order Contract, may perform the requested maintenance and repair to the Airport. This work may include, but not be limited to; Joint and Crack Sealing, Pavement Repairs and Patching, Surface Treatments, Maintenance Overlays, Electrical, Grading, Drainage Improvements, Pavement Markings, or other infrastructure maintenance.
3. The Sponsor will receive notification from the Department of the Department's willingness to perform (or pay to have performed) any item or items of work approved by the Sponsor and a proposed schedule for performing the work and the force or contractor the Department proposes to perform the work.
4. If the schedule and the force or contractor proposed by the Department for performing the work is acceptable to the Sponsor, the Sponsor shall authorize the Department (or its contractors) to enter upon the property of the Airport during the scheduled time to perform the work.
5. If the schedule and the force or contractor proposed by the Department for performing the work is unacceptable to the Sponsor, the Sponsor shall inform the Department of the reasons for its objections and the Sponsor and the Department will engage in dialogue with the intent of determining if an alternative schedule or force or contractor is acceptable to both the Sponsor and the Department. If the Sponsor and the Department cannot reach agreement through the process described in paragraph 4 then the Department will withdraw its offer to perform the requested work.
6. The Sponsor hereby represents to the Department that the title to the pavement and adjacent areas of the Airport is vested in the Sponsor.
7. The Sponsor agrees to provide a duly authorized representative who will be present and/or available at all times the work is in progress (including nights and weekends, as applicable) to monitor project operations and assist the Department's representative.
8. The Sponsor agrees to provide a duly qualified operator who will monitor the airport's UNICOM radio transceiver at all times the work is in progress (including nights and weekends, as applicable) and will issue airport advisories as necessary on the UNICOM radio transceiver.
9. The Sponsor agrees, when needed, to formally close any runway, taxiway, or apron at all times when the work is in progress on that pavement area and to take appropriate steps to prohibit use of such areas by aircraft and/or ground vehicles while the work is being performed or the subject pavement areas are in an unsafe or uncured condition due to the conduct of the work.
10. The Sponsor agrees to issue and keep current the necessary Notices to Airmen (NOTAMS) through the Federal Aviation Administration (FAA) until all work is completed and the Department's representative notifies the Sponsor's representative that the affected areas may be returned to service.

11. The Sponsor agrees that the Department may, in its sole discretion, determine the design, scope of work, materials to be used, and methods of accomplishing the authorized work. The Department covenants that any and all such work as it performs or has performed at the Airport pursuant to this agreement will meet or exceed all relevant State of North Carolina and Federal Aviation Administration specifications for the type of pavement concerned and the type of maintenance or repair that is being performed.

12. To the maximum extent allowed by law, the Sponsor shall indemnify and hold harmless the Department and its officers and employees from all suits, actions, or claims of any character because of injury or damage received or sustained by any person, persons, or property resulting from work performed under this Commitment. This indemnity does not extend to causes of action arising from the negligence of the Department, its officers and employees or any of Department's contractors who performed the work.

13. Should Sponsor fail to comply with any material duty required of it under this Agreement the Department shall give written notice to the sponsor of the details of its non-compliance and provide a reasonable period in which the Sponsor can cure its non-compliance. Upon the expiration of said cure period without the Sponsor having come into compliance, the Sponsor agrees that, at its sole and unlimited discretion, the Department shall have the right to immediately stop all work being performed at the Airport and release the work area to the jurisdiction of the Sponsor.

14. The Sponsor understands that for the Department to perform maintenance or safety services, the Airport and Sponsor must be in good standing on all State and Federal Grant Requirements and Assurances before any project shall be performed under this Commitment.

15. Subject to the provisions of paragraph 13 above, this Commitment will expire on December 31, 2023. Subject to the provisions of paragraph 13 above, this Commitment may be terminated by either the Department or the Sponsor by providing written notification of termination. The effective date of termination pursuant to this paragraph shall be the date of receipt of the notice of written termination by the non-terminating party.

NC Division of Aviation

BY: _____

DATE: _____

Bobby Walston, P.E.
Aviation Director

WITNESS WHEREOF, the Sponsor has executed this Commitment on the date first written on Page 1 of this document.

FOR THE LOCAL AIRPORT SPONSORING AGENCY

Signed: _____

Title: _____

Official Sponsor: _____

Attest: _____

SEAL OF THE SPONSOR

2

A digital copy of this LETTER OF AGREEMENT in adopted form should be emailed to the Statewide Program Manager and your Airport Project Manager. General telephone number is: (919) 814-0550.

Statewide Program Manager - Randy Finger, P.E. afinger@ncdot.gov
Airport Project Manager (NW) - Rachel Bingham, P.E. rsbingham@ncdot.gov
Airport Project Manager (NE) – Ron McCollum, P.E. remccollum@ncdot.gov
Airport Project Manager (SW) – Jared Penny jjpenny@ncdot.gov
Airport Project Manager (SE) – Ashley Clowes, P.E. aeclowes@ncdot.gov
Airport Project Manager (Commercial Service) – Todd Meyer, P.E. tmeyer@ncdot.gov

Resolution of the Sponsor

A motion was made by (Name and title) _____
and seconded by (Name and Title) _____
for the adoption of the following resolution, upon being put to a vote it was duly adopted:

THAT WHEREAS (Airport Owner) _____
(hereinafter referred to as "Sponsor") the North Carolina Department of Transportation (hereinafter
referred to as "Department") requires a Commitment and Release of Liability statement to be on file,
in order to provide and oversee maintenance and safety improvements on the operational surfaces of
the (Official Airport Name) _____ ;
in accordance with the provisions of North Carolina General Statute 63.

NOW THEREFORE, BE IT AND IS HEREBY RESOLVED, that the
(Title of Airport Official) _____
of the Sponsor be and is hereby authorized and empowered to enter into a Commitment and Release
of Liability with the Department, thereby binding the Sponsor to fulfillment of its obligation as
incurred under this resolution and its commitment to the Department.

I, (Name and title of Public Notary) _____ ,
of the (Name of Sponsoring Agency) _____ ,
do hereby certify that the above is a true and correct copy of the minutes of
(Name of Authorizing Board of the Sponsoring Agency) _____ ,
held on (Date of Meeting) _____ .

WITNESS my hand and the official seal of the Sponsor.

This the day of (month, day, year) _____ .

Signed: _____

NOTARY SEAL

RESOLUTION NO. 38-2019

**A RESOLUTION APPROVING THE NORTH CAROLINA DIVISION OF AVIATION
LETTER OF AGREEMENT FOR AIRPORT SAFETY/MAINTENANCE PROJECTS
FOR THE SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT**

WHEREAS, the City of Shelby is the owner and operator of the Shelby-Cleveland County Regional Airport (KEHO); and,

WHEREAS, the City of Shelby (hereinafter referred to as “Sponsor”) is primarily responsible for maintaining the facilities of the Airport to protect and preserve the safety of flight operations at, from and to the Airport; and,

WHEREAS, the North Carolina Department of Transportation (NCDOT) shares the interest of the Sponsor in the prompt and adequate maintenance and repair of the paved surfaces of the Airport which support aircraft movement on the Airport: and,

WHEREAS, the Sponsor and NCDOT may, from time to time, mutually determine that certain paved surfaces and adjacent areas on the airport have aged and deteriorated and/or that other infrastructure in in need of maintenance or repair, and that the Sponsor could benefit from the assistance of the NCDOT in accomplishing such maintenance and repair; and,

WHEREAS, the City of Shelby received a Letter of Agreement for Airport Safety/Maintenance Projects from the North Carolina Division of Aviation; and,

WHEREAS, the North Carolina Division of Aviation requires a Commitment and Release of Liability statement to be on file, in order to provide and oversee maintenance and safety improvements on the operational surfaces of the Shelby-Cleveland County Regional Airport (KEHO), in accordance with the provisions of North Carolina General Statute 63; and,

WHEREAS, City Council desires to approve and execute the Letter of Agreement for Airport Safety/Maintenance Projects as recommended by staff.

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

Section 1. The City Manager of the City of Shelby or his designee is hereby authorized and empowered to enter into a Commitment and Release of Liability with the Department, thereby binding the Sponsor to fulfillment of its obligation as incurred under this resolution and its commitment to the Department.

Section 2. This resolution shall become effective upon its adoption and approval.

Resolution No. 38-2019
May 20, 2019
Page 2

Adopted and approved this the 20th day of May 2019.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: E-17

- 17) Approval of a resolution awarding the bid for relocation of natural gas lines at Marion Street, Peach Street, and Cherryville Road intersection: Resolution No. 39-2019

Consent Agenda Item: (Staff Resource, Julie McMurry, Energy Services Director)

Summary of Available Information:

- Memorandum dated May 14, 2019 from Julie McMurry, Energy Services Director to Rick Howell, City Manager and Justin Merritt, Finance Director
- Letter dated May 14, 2019 from Heath and Associates
- Resolution No. 39-2019


City Manager's Recommendation / Comments

Resolution No. 39-2019 is presented for City Council consideration at this time via the Consent Agenda. If approved this ordinance would award this bid in the amount of \$324,102.31 to Appling Company, Inc for relocation of natural gas lines in the Cherryville Road, Marion Street, and Peach Street intersection in conjunction with NCDOT Project U5775. This project realigns the intersection of Marion Street (US 74 Business), Cherryville Road (NC Hwy 150) and Peach Street (city owned). Utility relocations of both public and private utilities must be relocated prior to the roadwork beginning. As a reminder the City must bear the full cost of this relocation because these natural gas lines lie within the NCDOT right of way. Cost sharing of utility relocations only affects water and sewer infrastructure. Funding for this project is approved by Council via Ordinance No. 34-2019 an item also appearing on the Consent Agenda.

It is my recommendation Resolution No. 39-2019 be adopted and approved by City Council at this time via the Consent Agenda.

Memorandum

To: Rick Howell, City Manager
Justin Merritt, Finance Director

From: Julie McMurry, Energy Services Director 

RE: Natural gas – Relocation of natural gas lines at Cherryville Rd, Marion St, Peach St intersection Project Award

Date: May 14, 2019

Executive Summary of issue -Background:

NCDOT has a realignment project in the Cherryville Rd, Marion St, Peach St intersection. Due to this project natural gas lines must be relocated in the intersection and along the adjacent roads.

Heath and Associates, Inc. has completed the design, estimates and bidding process for these relocations. The project was advertised and bids were accepted on Tuesday, May 14, at 11:00 AM. The bids received are as follows:

Appling Company, Inc.	\$324,102.31
Electricom, LLC	\$370,813.23
Dawn Development Company, Inc.	\$441,200.00

Review and comments:

Bids have been reviewed by Heath and Associates, Inc. and we have received their recommendation to award to the lowest bidder, Appling Boring Company, Inc. The letter of recommendation and bid tabulation is attached.

Tie in to current policy and/or adopted planning documents:

This project is initiated by the NCDOT project to create better alignment for this intersection. Working with NCDOT with their project is in conjunction with Strategic Growth Plan Policy 8.1 – Cooperative intergovernmental planning.

Recommendation:

Staff recommends that City Council authorize the award of this bid to Appling Boring Company, Inc. for relocating the natural gas lines in the Cherryville Rd, Marion St, and Peach St intersection.

Please let me know if additional information is required.

Attachments



May 14, 2019

Mrs. Julie McMurry, Director of Utilities
City of Shelby
P.O. Drawer 207
Shelby, North Carolina 28150

**Re: City of Shelby Natural Gas System Improvements
Heath and Associates, Inc., Project #21809 – Peach Street Relocation**

Dear Julie,

We have reviewed the bids received for the above-referenced project on May 14, 2019 and have verified the proposals submitted. We have determined that Appling Boring Company, Inc., is the low bidder. We have enclosed a copy of the bid summary for your records.

We recommend you accept the bid from Appling Boring. It is our opinion that you have received a good proposal for this project from a reputable Contractor. Should you have any questions regarding this recommendation, please do not hesitate to call.

Sincerely,

HEATH AND ASSOCIATES, INC.

A handwritten signature in blue ink that reads "Tommy H. Setzer".

Tommy H. Setzer, P.E.

THS/dcs
Enclosure

City of Shelby Natural Gas Department PEACH STREET RELOCATION PN 21809				5/9/2019		APPLING BORING COMPANY, INC. FOREST CITY, NC		ELECTRICOM, LLC PAOLI, IN		DAWN DEVELOPMENT COMPANY, INC. MONROE, NC	
		UNITS	NUM OF UNITS	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE		
1.1	6" STL PIPE, X-42, 250 WALL POWERCRETE & FBE COATED	FT	700	\$ 50.00	\$ 35,000.00	\$ 49.78	\$ 34,846.00	\$ 68.00	\$ 47,600.00		
1.2	6" STL PIPE, X-42, 250 WALL FBE COATED	FT	300	\$ 50.00	\$ 15,000.00	\$ 47.55	\$ 14,265.00	\$ 68.00	\$ 20,400.00		
1.3	4" STL PIPE, X-42, 237 WALL	FT	320	\$ 40.00	\$ 12,800.00	\$ 48.66	\$ 15,571.20	\$ 44.00	\$ 14,080.00		
1.4	3" STL PIPE, X-42, 216 WALL	FT	360	\$ 40.00	\$ 14,400.00	\$ 45.95	\$ 16,542.00	\$ 44.00	\$ 15,840.00		
1.5	2" STL PIPE, X-42, 154 WALL	FT	30	\$ 30.00	\$ 900.00	\$ 38.54	\$ 1,156.20	\$ 28.00	\$ 840.00		
1.6	3/4" STL PIPE	FT	20	\$ 30.00	\$ 600.00	\$ 29.03	\$ 580.60	\$ 28.00	\$ 560.00		
2.1	4" PE PIPE, SDR 11	FT	920	\$ 30.00	\$ 27,600.00	\$ 26.37	\$ 24,260.40	\$ 30.00	\$ 27,600.00		
2.2	2" PE PIPE, SDR 11	FT	480	\$ 20.00	\$ 9,600.00	\$ 20.26	\$ 9,724.80	\$ 22.00	\$ 10,560.00		
2.3	3/4" PE PIPE	FT	480	\$ 20.00	\$ 9,600.00	\$ 16.57	\$ 7,953.60	\$ 14.00	\$ 6,720.00		
3.1	6" HDD BORE 01 - STA 20+80 -Y-	LUMP SUM	1	\$ 45,000.00	\$ 45,000.00	\$ 18,153.20	\$ 18,153.20	\$ 60,960.00	\$ 60,960.00		
3.2	6" HDD BORE 02 - STA 26+07 -L-	LUMP SUM	1	\$ 20,000.00	\$ 20,000.00	\$ 15,884.05	\$ 15,884.05	\$ 34,080.00	\$ 34,080.00		
4.1	3" & 4" UNDERBORE	FT	280	\$ 30.00	\$ 8,400.00	\$ 30.82	\$ 8,629.60	\$ 22.00	\$ 6,160.00		
4.2	2" & SMALLER UNDERBORE	FT	300	\$ 30.00	\$ 9,000.00	\$ 22.00	\$ 6,600.00	\$ 32.00	\$ 9,600.00		
5.1	6" STL WxW VALVE w/ VALVE BOX (Keroltest)	EA	2	\$ 1,500.00	\$ 3,000.00	\$ 2,254.00	\$ 4,508.00	\$ 10,000.00	\$ 20,000.00		
5.2	4" STL WxW VALVE w/ VALVE BOX (Keroltest)	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 8,000.00	\$ 8,000.00		
5.3	3" STL WxW VALVE w/ VALVE BOX (Keroltest)	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00		
5.4	2" STL WxW VALVE w/ VALVE BOX (Keroltest)	EA	1	\$ 800.00	\$ 800.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00		
6.1	4" PE VALVE w/ VALVE BOX	EA	2	\$ 750.00	\$ 1,500.00	\$ 728.99	\$ 1,457.98	\$ 1,000.00	\$ 2,000.00		
6.2	2" PE VALVE w/ VALVE BOX	EA	3	\$ 600.00	\$ 1,800.00	\$ 457.28	\$ 1,371.84	\$ 750.00	\$ 2,250.00		
7.1	6" CLASS 150 MUELLER BOF H-17280	EA	2	\$ 10,000.00	\$ 20,000.00	\$ 15,216.66	\$ 30,433.32	\$ 15,000.00	\$ 30,000.00		
7.2	4" CLASS 150 MUELLER BOF H-17260	EA	1	\$ 6,000.00	\$ 6,000.00	\$ 10,310.00	\$ 10,310.00	\$ 10,000.00	\$ 10,000.00		
7.3	3" CLASS 150 MUELLER STOPPER H-17255	EA	2	\$ 4,000.00	\$ 8,000.00	\$ 9,910.00	\$ 19,820.00	\$ 8,000.00	\$ 16,000.00		
7.4	2" CLASS 150 MUELLER BOF H-17160	EA	1	\$ 3,000.00	\$ 3,000.00	\$ 5,670.00	\$ 5,670.00	\$ 2,500.00	\$ 2,500.00		
8.1	4" STL/PE TRANSITION FITTING	EA	1	\$ 800.00	\$ 800.00	\$ 2,641.05	\$ 2,641.05	\$ 500.00	\$ 500.00		
8.2	3/4" STL/PE TRANSITION FITTING	EA	6	\$ 200.00	\$ 1,200.00	\$ 185.57	\$ 1,113.42	\$ 300.00	\$ 1,800.00		
8.3	6" WELDEND INSULATOR	EA	1	\$ 1,000.00	\$ 1,000.00	\$ 3,500.00	\$ 3,500.00	\$ 5,000.00	\$ 5,000.00		
9.1	3/4" STL TAPPING TEE	EA	6	\$ 500.00	\$ 3,000.00	\$ 850.00	\$ 5,100.00	\$ 500.00	\$ 3,000.00		
9.2	3/4" PE TAPPING TEE	EA	2	\$ 500.00	\$ 1,000.00	\$ 880.67	\$ 1,761.34	\$ 150.00	\$ 300.00		
9.3	3/4" PE EFV	EA	8	\$ 400.00	\$ 3,200.00	\$ 61.80	\$ 494.40	\$ 250.00	\$ 2,000.00		
9.4	3/4" ANODELESS RISER	EA	2	\$ 250.00	\$ 500.00	\$ 185.57	\$ 371.14	\$ 250.00	\$ 500.00		
10.1	ABANDONMENT OF ALL AREAS	LUMP SUM	1	\$ 30,000.00	\$ 30,000.00	\$ 13,939.09	\$ 13,939.09	\$ 25,000.00	\$ 25,000.00		
11	CLEARING & GRUBBING - ALL	LUMP SUM	1	\$ 6,800.00	\$ 6,800.00	\$ 15,400.00	\$ 15,400.00	\$ 10,000.00	\$ 10,000.00		
12	ASPHALT CUT	FT	200	\$ 30.00	\$ 6,000.00	\$ 115.00	\$ 23,000.00	\$ 40.00	\$ 8,000.00		
13	CONCRETE CUT	FT	220	\$ 30.00	\$ 6,600.00	\$ 124.00	\$ 27,280.00	\$ 50.00	\$ 11,000.00		
14	ROCK	YD ³	10	\$ 200.00	\$ 2,000.00	\$ 360.00	\$ 3,600.00	\$ 250.00	\$ 2,500.00		
15	GRAVEL	TN	60	\$ 40.00	\$ 2,400.00	\$ 75.00	\$ 4,500.00	\$ 80.00	\$ 4,800.00		
16	RIP RAP	TN	20	\$ 30.00	\$ 600.00	\$ 150.00	\$ 3,000.00	\$ 100.00	\$ 2,000.00		
17	WEIGHTED FILTER TUBES	FT	96	\$ 0.01	\$ 0.96	\$ 25.00	\$ 2,400.00	\$ 50.00	\$ 4,800.00		
18	EC BLANKET	SQ. YD	500	\$ 10.00	\$ 5,000.00	\$ 8.50	\$ 4,250.00	\$ 10.00	\$ 5,000.00		
19	COARSE AGGREGATE	TN	45	\$ 0.01	\$ 0.45	\$ 105.00	\$ 4,725.00	\$ 100.00	\$ 4,500.00		
20	GEOTEXTILE FABRIC	SQ. YD	150	\$ 0.01	\$ 1.50	\$ 15.00	\$ 2,250.00	\$ 20.00	\$ 3,000.00		
TOTAL:					\$ 324,102.91		\$ 370,813.23		\$ 441,200.00		

RESOLUTION NO. 39-2019

A RESOLUTION AWARING THE BID FOR RELOCATION OF
NATURAL GAS LINES AT MARION STREET/PEACH
STREET/CHERRYVILLE ROAD INTERSECTION

WHEREAS, in accordance with applicable provisions of GS 143-129, as amended, the City of Shelby has accepted formal bids for labor and equipment for the relocation of the natural gas lines at the intersection of Marion St, Peach St and Cherryville Rd; and,

WHEREAS, bids for this proposed work have been tabulated by Heath and Associates, Inc. and contract award recommendation made to City staff for this project; and,

WHEREAS, City Council now desires to proceed with award of contract as recommended by staff and with the improvements anticipated by this action.

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

Section 1. The contract for labor, material and equipment for the relocation of the natural gas lines at the intersection of Marion Street, Peach Street, and Cherryville Road as required in the bid specifications for this offering, are hereby awarded to Appling Boring Company, Inc. of Forest City, North Carolina for a bid price of \$324,102.91 as stated in their official proposal for this bidding, and in accordance with the City's official bid specifications for this project.

Section 2. The City Manager of the City of Shelby or his designee are hereby authorized and directed to execute the applicable contract as specified in Section 1 of this resolution.

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

Adopted and approved this the 20th day of May 2019.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

Agenda Item: F

Unfinished Business

None

Agenda Item: G

New Business

None

Agenda Item: H

City Manager's Report

I will provide a brief report to make Council aware of a number of ongoing issues and concerns.

Agenda Item: I

Council Announcements and Remarks

City of Shelby
Agenda Item Summary
May 20, 2019
City Hall Council Chamber

J. Closed Session:

- 1) To establish or instruct staff concerning the position to be taken by or on behalf of City Council in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease pursuant to North Carolina General Statute 143-318.11 (a) (5)
- 2) To consult with the City Attorney in order to preserve the attorney-client privilege pursuant to North Carolina General Statute 143-318.11 (a) (3)

K. Adjournment:

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

Motion to adjourn