

**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) Recognition of Coach Mike Wilbanks and the Shelby High School 2019 Golden Lions Football Team: Resolution No. 1-2020 1
- 2) Uptown Shelby Association (USA) update – Audrey Whetten, Executive Director 3
- 3) Small Business Center Entrepreneurial update – Steve Padgett, Director, Small Business Center, Cleveland Community College 4

**C. Consent Agenda:**

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

- 1) Approval of the Minutes of the Regular Meeting of February 17, 2020 5
- 2) Approval of a resolution approving a financing agreement authorized by North Carolina General Statute 160A-20: Resolution No. 7-2020 15
- 3) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 12: Ordinance No. 10-2020 26
- 4) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 13: Ordinance No. 11-2020 43

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5) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 14: Ordinance No. 12-2020	47
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1) To approve the Minutes and General Account of the Closed Session of September 16, 2019	
2) To approve the Minutes and General Account of the Closed Session of October 7, 2019	
3) To approve the Minutes and General Account of the Closed Session of October 21, 2019	
4) 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)	
I. Adjournment:	
<i>To adjourn a meeting of City Council, a majority of the Council members must vote for a motion to adjourn.</i>	
1) Motion to adjourn	71

City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

Agenda Item: B-1

*Special Presentations:*

- 1) Recognition of Coach Mike Wilbanks and the Shelby High School 2019 Golden Lions Football Team: Resolution No. 1-2020

**(Comments: Stan Anthony, Mayor)**

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Summary of Available Information:

- Copy of Resolution No. 1-2020
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City Manager's Recommendation / Comments

It is in keeping with past City Council practice and custom to recognize local high school athletic teams that have achieved State Championships. This time is (once again) scheduled on City Council agenda to allow Mayor Anthony the opportunity to recognize and honor on your behalf the 2019 Shelby High School Golden Lions Football team. Honoring high school state champions has become a routine event for City Council. This is especially true for Shelby High School. Please join me in congratulating them on their accomplishment.

This is Coach Wilbanks first state championship. He and his staff are to be commended. It is also the 6<sup>th</sup> state championship in 7 years and 16<sup>th</sup> overall for Shelby High School. That is impressive and something our community should take pride in. The culture of excellence at Shelby High School is truly reflected in the football program.

**RESOLUTION NO. 1-2020**

**A RESOLUTION HONORING COACH MIKE WILBANKS AND  
THE SHELBY HIGH SCHOOL 2019 GOLDEN LIONS FOOTBALL TEAM**

**WHEREAS**, the Shelby High School Golden Lions football teams traditionally have exemplified good sportsmanship and performance excellence wherever they have played; and,

**WHEREAS**, Shelby High School captured its second straight 2AA State Championship on December 14, 2019 when the Golden Lions met the Salisbury High School Hornets at Wake Forest University's BB & T Field in Winston-Salem, North Carolina and won the North Carolina High School Athletic Association's (NCHSAA) 2019 2AA State Championship game; and,

**WHEREAS**, this title represents the 16<sup>th</sup> State Championship in Shelby High School history and is the sixth in the past seven years; and,

**WHEREAS**, the Shelby Golden Lions possess the most overall football wins in the State of North Carolina and have also established playoff performance records that are astounding, including most playoff appearances; and,

**WHEREAS**, the accomplishments of the Shelby High School 2019 Golden Lions football team have brought significant recognition to the City of Shelby and the Cleveland County School System.

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

**SECTION 1.** The Mayor and City Council publicly recognize and applaud the 2019 Shelby Golden Lions, Head Coach Mike Wilbanks, and the coaching staff of Shelby High School for their outstanding season and 2AA NCHSAA Football State Championship.

**SECTION 2.** That this Resolution be spread upon the permanent Minutes of the City Council, and that an official copy of this Resolution is presented to Coach Wilbanks and the team with congratulations and pride.

Adopted and approved this 6<sup>th</sup> day of January 2020.

\_\_\_\_\_  
O. Stanhope Anthony III  
Mayor

ATTEST:

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

City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

Agenda Item: B-2

2) Uptown Shelby Association (USA) update – Audrey Whetten, Executive Director

**(Comments: Mayor Stan Anthony)**

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Summary of Available Information:

- No documentation provided

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City Manager's Recommendation / Comments

This time is scheduled on your agenda to allow Audrey Whetten, Executive Director of Uptown Shelby Association, to update the City Council. I've asked Ms. Whetten to update us on a quarterly basis. I have made a practice of meeting with Ms. Whetten routinely to ensure the City and USA are in sync on current issue relevant to uptown.

City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

Agenda Item: B-3

- 3) Small Business Center Entrepreneurial update – Steve Padgett, Director, Small Business Center, Cleveland Community College

**(Comments: Mayor Stan Anthony)**

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Summary of Available Information:

- No documentation provided

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City Manager's Recommendation / Comments

This time is scheduled on your agenda to allow Steve Padgett, Director, Small Business Center, to update the City Council.

City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

**C. Consent Agenda:**

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

**Agenda Item: C-1**

- 1) Approval of the Minutes of the Regular Meeting of February 17, 2020

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

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Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of February 17, 2020

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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

February 17, 2020  
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, Charles Webber, and Andrew Hopper, Sr.; City Manager Rick Howell, ICMA-CM, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, 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 Water Resources David W. Hux, Director of Engineering Services Benjamin (Ben) Yarboro, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Battalion Chief Matt Williams, Director of Planning Services and Development Services Walter Scharer, AICP, Public Information and Communications Officer Chip Nuhrah, and Director of Cable Programming Greg Tillman of Cleveland Community College and The Video Factory

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

### A. Approval of agenda:

#### 1) Motion to adopt the proposed agenda

At the request of Mr. Howell, Mayor Anthony proposed the addition of Item E-2 under Unfinished Business as follows:

- Consideration of a resolution approving the conveyance of property to another unit of government in North Carolina pursuant to General Statute 160A-274: Resolution No. 6-2020

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

### B. Public Comment:

- 1) Lawrence Henson who resides at 205 John E. Randall Road in Shelby, North Carolina and who represents the Neighborhood Revitalization Committee spoke against the recent demolition of 600 Calvary Street by



the City of Shelby for non-compliance with housing standards. Mr. Henson demanded \$24,995.00 as reimbursement for the loss of the home on that property. He stated he will then deed the property over to the City.

**C. Public Hearings:**

**1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina: Ordinance No. 4-2020**

Mr. Scharer introduced the proposed zoning map amendment for property located at 1820 and 1830 East Marion Street from General Business (GB) and General Business Conditional Use (GB-CU) Zoning District to General Business 2 (GB2) Zoning District. The 5.9 total acre lots are currently undeveloped. The site at 1820 East Marion Street was the location of the former Pet Dairy and the building was demolished by the owner, Cleveland Community College. Mr. Scharer stated the requested zoning map amendment is for the lot on Kings Road Extension and 1830 East Marion Street. The Conditional Use District was assigned to this property at 1830 East Marion Street in the 1990s first for "Retail" and then later amended to include "Office Space". However, the site was never developed and the conditional use for this property was never established. It was recently purchased by Cleveland Community College. The owner is seeking General Business zoning and the College intends to expand its Lineman Training Program on this site.

Mr. Scharer further stated after much deliberation and discussion by the Planning and Zoning Board, the Board recommended a zoning map amendment at 1820 and 1830 East Marion Street from General Business (GB) and General Business-Conditional Use (GB-CU) to General Business 2 (GB2). Mr. Scharer added the Planning and Zoning Board made this recommendation on the basis of GB2 being a better fit for the local area.

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

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

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Ordinance No. 4-2020 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA".

## **2) Consideration of a proposed ordinance designating a local historic landmark for the Campbell Building: Ordinance No. 5-2020**

**Mr. Scharer introduced Ordinance No. 5-2020 for Council's consideration. He explained that since 2005 the Cleveland County Historic Preservation Commission (CCHPC) has served as the Historic Preservation Commission for the City of Shelby through an inter-local agreement. The CCHPC is solely responsible for reviewing and designating historic landmark properties, having followed this process for several properties in Shelby. Mr. Scharer stated Cliff and Angela Franklin have submitted a Landmark Designation Application for the Campbell Building in Uptown Shelby to the CCHPC. Based on the inter-local agreement, City Council must hold a public hearing prior to adopting any ordinance designating a historic landmark property.**

**Mr. Scharer explained the criteria for designating a landmark building which should include at least one of the following criteria:**

- It is associated with events that have contributed significantly to the City's history.**
- It is associated with the life of a person significant to the City's history.**
- It embodies the distinctive characteristics of a type, period, or method of construction.**
- It represents the work of a master or possesses high artistic values.**
- It has yielded or is likely to yield important historical or prehistorical information.**

**Mr. Scharer stated the Campbell Building meets the requirements of two of these criteria, for its association with events that have contributed significantly to the commercial and economic development and history of Shelby, and for its embodiment of the distinctive characteristics of a type, period, or method of construction, as one of only three former department store buildings to retain a high degree of architectural integrity.**

**Mr. Scharer concluded by stating the Historic Preservation Commission recommended approval of this Historic Landmark Application. City staff also recommended approval of this application based upon the findings of the Local Historic Landmark Designation Report and the State Historic Preservation Office staff report, and based on the Campbell Building's special significance in retaining its architectural integrity necessary for individual landmark designation.**

**Lastly, Mr. Scharer added the elements of the interior proposed for landmark designation include the tin ceilings, the mezzanine, and the grand central staircase.**

Mayor Anthony opened the public hearing at 6:14 p.m. and invited comments from the public:

Duncan Blount who resides at 202 West Zion Church Road in Shelby, North Carolina spoke in support of the proposed landmark designation for the Campbell Building at 112 North Lafayette Street in Uptown Shelby.

Mayor Anthony closed the public hearing at 6:16 p.m.

**ACTION TAKEN:** Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Ordinance No. 5-2020 entitled, “A PROPOSED ORDINANCE DESIGNATING A LOCAL HISTORIC LANDMARK FOR THE CAMPBELL BUILDING”.

**D. Consent Agenda:**

**ACTION TAKEN:** Mayor Anthony presented the consent agenda. Mr. Hopper 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 January 6, 2020
- 2) Approval of the Minutes of the Special Meeting of February 1, 2020
- 3) Adoption of an ordinance authorizing demolition of a dwelling (401 Mint Street): Ordinance No. 6-2020
- 4) Adoption of an ordinance authorizing demolition of a dwelling (414 Washburn Switch Road): Ordinance No. 7-2020
- 5) Adoption of an ordinance authorizing demolition of a dwelling (306 Buffalo Street): Ordinance No. 8-2020
- 6) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 11: Ordinance No. 9-2020
- 7) Approval of a resolution honoring Michael Robert Mull on the occasion of his retirement from employment with the City of Shelby: Resolution No. 3-2020
- 8) Approval of a resolution accepting and entering into an agreement with the North Carolina Department of Transportation to accept grant funding for the Shelby-Cleveland County Regional Airport Grant No. 36244.23.14.1: Resolution No. 4-2020

- 9) Approval of a resolution approving the contract for the performance of the City of Shelby's annual audit and preparation of financial statements for the Fiscal Year ended June 30, 2020: Resolution No. 5-2020

## END CONSENT AGENDA

### E. Unfinished Business:

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

a. Keep Shelby Beautiful Commission

Mrs. Parduski reported the terms of five incumbents, Linda Bridges, Stevie Brooks, Charles Hamrick, Laurie Hendrick, and Modestenia Bush, concluded January 2020. Four incumbents are seeking reappointment to this board: Linda Bridges, Charles Hamrick, Laurie Hendrick, and Modestenia Bush. Stevie Brooks wishes to conclude her service, creating a vacancy.

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

- Christopher Carter
- Cheryl Yates

Mrs. Arth Dukes nominated Linda Bridges, Charles Hamrick, Laurie Hendrick, Modestenia Bush, and Christopher Carter.

Mr. Causby nominated Linda, Bridges, Charles Hamrick, Laurie Hendrick, Modestenia Bush, and Cheryl Yates.

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted unanimously to close the nominations and accept the nominees (the incumbents for reappointment), Linda Bridges, Charles Hamrick, Laurie Hendrick, and Modestenia Bush by acclamation.

Council cast the following votes:

Christopher Carter received three (3) affirmative votes (Hendrick, Arth Dukes, and Hopper).

Cheryl Yates received three (3) affirmative votes (White, Causby, and Webber).

In order to break the previous tie vote, Council voted unanimously to

appoint Christopher Carter.

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted unanimously to accept the nominee, Christopher Carter, by acclamation.

**b. Shelby-Cleveland County Regional Airport Advisory Board**

Mrs. Parduski reported the terms of two incumbents, Jim Robinson and Dr. Stephen Jones, conclude February 2020. Mr. Robinson and Dr. Jones are both seeking reappointment to this board. There is also a vacancy due to the recent passing of incumbent, Dennis Sessom.

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

- Dicky Amaya
- Richard Baker, Jr.
- Robert Farrow

Mrs. Arth Dukes nominated Jim Robinson and Dr. Jones for reappointment and Dicky Amaya for appointment.

Mr. Hopper nominated Robert Farrow for appointment.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to close the nominations and accept the nominees (the incumbents for reappointment), Jim Robinson and Dr. Jones, by acclamation.

Council cast the following votes:

Dicky Amaya received four (4) affirmative votes (Hendrick, White, Causby, and Arth Dukes).

Robert Farrow received two (2) affirmative votes (Webber and Hopper).

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to close the nominations and accept the nominee, Dicky Amaya, by acclamation.

**2) Consideration of a resolution approving the conveyance of property to another unit of government in North Carolina pursuant to General Statute 160A-274: Resolution No. 6-2020**

Mr. Howell introduced Resolution No. 6-2020 for Council's consideration. He stated Cleveland County previously owned and conveyed the property

described as Parcel No. 58557 located between Washburn Switch Road and Plato Lee Road to the City of Shelby in September 2019. The suggested use of the property is to build a shell building for development purposes. As with previous shell building partnerships, this is a full 50/50 split with the County. The City of Shelby will be acting as the project manager. Conversely, Cleveland County has agreed to act as developer and borrow the money over five years in order to finance the current project. In order to proceed with the financing, the property must be deeded back to Cleveland County. Mr. Howell stated the City will pay its proportion of the debt service with funds received from the sale of Shell Building No. 2.

Mr. Howell recommended the property deed for Parcel No. 58557 be transferred from the City of Shelby to Cleveland County.

**ACTION TAKEN:** Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Resolution No. 6-2020 entitled, “A RESOLUTION APPROVING THE CONVEYANCE OF PROPERTY TO ANOTHER UNIT OF GOVERNMENT IN NORTH CAROLINA PURSUANT TO GENERAL STATUTE 160A-274”.

G. New Business: None

H. City Manager’s Report:

- 1) After the recent rain event of February 6, 2020, Mr. Howell stated the storm easily met the 100-year storm threshold based on observed water levels. City staff is assessing damages and issues to be addressed while developing storm damage estimates. The appropriate insurance claims will be filed. With regard to the First Broad River Trail, the trail will remain closed indefinitely. The suspension bridge is down and one of the wooden bridges is gone and one is damaged. Much of the trail has six to eight inches of sand. The original trail contractors are assessing the damage and the City is waiting for cost estimates to make those repairs. Council will receive this information for consideration in the form of a budget ordinance amendment sometime in the future.
- 2) Mr. Howell reminded Council the last public meeting for the proposed Shelby Parks and Recreation Master Plan will be held on February 25, 2020 with a preview of the plan for officials from 4:00 p.m. to 5:00 p.m. and a drop-in from 5:00 p.m. to 7:00 p.m. at Shelby City Park.
- 3) Mr. Howell reported bids were received for the Shell Building No. 3 Project on February 11, 2020. A complete bid tabulation and certification by WHN Architects will be forthcoming with the apparent low bidder being Hickory Construction. The bid tab and recommendation will be presented

to Council at an upcoming meeting for consideration and award.

- 4) With regard to the US Department of Transportation BUILD (Better Utilizing Investments to Leverage Development Transportation Discretionary) Grants Program, Mr. Howell stated the City is seeking funding to build a rail trail within the recently purchased rail corridor. The City of Hickory was successfully awarded \$17 million for a \$22 million project with this same grant program. This is a very competitive grant program for both urban and rural communities. Mr. Howell informed Council the City must leverage its political support and lobby for additional financial assistance both on the state and federal levels, having met with State Senator Tillis' representative and a future meeting with Representative Virginia Foxx and/or her staff as well.

**I. Council Announcements and Remarks:**

- 1) Mayor Anthony recognized North Carolina State Senator Ted Alexander and former Mayor in attendance.
- 2) As Council liaison to the Shelby-Cleveland County Regional Airport Advisory Commission, Mr. Hopper stated he hopes Robert Farrow will receive favorable consideration in the future as a potential member of this board. Mr. Farrow has extensive air traffic controller experience, both naval and with the Department of Defense.
- 3) Mrs. Arth Dukes wished all a happy President's Day.
- 4) Mayor Anthony announced a Town Hall meeting sponsored by State House Speaker Tim Moore will be held on February 18, 2020 at 3:00 p.m. at the Cleveland County Commissioners' Chambers in the Cleveland County Administrative Building. Speaker Moore is seeking input from local residents, businesses, first-responders, transportation officials, and local leaders on a plan to reconnect Airport Road with a bridge over the new US 74 Bypass.

**K. Adjournment:**

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to adjourn the meeting at 6:41 p.m.

Respectfully submitted,

**Bernadette A. Parduski, NCCMC, MMC  
City Clerk**

**O. Stanhope Anthony III  
Mayor**

**Minutes of February 17, 2020**

**DRAFT**



City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

Agenda Item: C-2

- 2) Approval of a resolution approving a financing agreement authorized by North Carolina General Statute 160A-20: Resolution No. 7-2020

**Consent Agenda Item: (Beth Beam, Assistant Finance Director)**

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Summary of Available Information:

- Memorandum dated February 21, 2020 from Beth B. Beam, Assistant Finance Director to Rick Howell, City Manager
- Proposal Sheet and supporting documents
- Resolution No. 7-2020

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City Manager's Recommendation / Comments

Resolution No. 7-2020 is presented for City Council consideration at this time. As Council is aware the City annually finances the purchase of all rolling stock equipment and vehicles through the issuance of a 59 month private placement financing agreement. Each year the total approved amount for rolling stock purchase is bid out to qualified financial institutions. This includes rolling stock for all City departments.

Mrs. Beth Beam, Asst Finance Director, has solicited proposals and prepared the background material for the award of the financing for the current fiscal year as included within your agenda packet. All of the equipment has been purchased or funds have been encumbered and once the award is made for the financing a closing date will be set. After this date the City will be able to reimburse itself from the proceeds from the financing.

**This year's total principal is \$ 1,103,671 for all City Departments.** The recommended bidder is United Financial (a Division of HomeTrust Bank) which has offered a **rate of 1.68%** over the life of the 59 month term. The list of purchased equipment is included in your agenda packet. I would note that last year's rate was 2.954% and the year before that was 2.39%.

**It is recommended that Resolution No. 7-2020 be adopted and approved via the Consent Agenda.**



To: Rick Howell, City Manager

Through: Justin S. Merritt, Assistant City Manager/Finance Director

From: Beth B. Beam, Assistant Finance Director

Date: February 21, 2020

Subject: FY 2019-2020 Equipment Financing

Please find attached to this memo a resolution approving a financing agreement with United Financial (A Division of HomeTrust Bank) for the equipment and rolling stock to be purchased during the current fiscal year. The finance department sent requests for proposals to 17 banks requesting that they submit proposals on our 2019-2020 equipment financing. The total amount of the request is \$1,103,671.00. We received three proposals. The banks request that this type of financing be awarded as soon as possible after the proposals are due, as a result of market volatility. I opened the proposals on Friday, February 21st at 2:00 in the afternoon. After reviewing the proposals, it is my recommendation that United Financial (A Division of HomeTrust Bank) be awarded this contract with a 1.68% interest rate, for 59 months, with annual payments in arrears. I have also attached the evaluation of the proposals. This is how we have handled awarding these financing contracts in the past. I will be at the meeting Monday to answer any questions.

City of Shelby  
 Evaluation of 2020 Capital Equipment Financing

Amount to be financed: \$1,103,671  
 Term: 59 Months

<u>CRITERIA</u>	<u>PROPOSERS</u>		
	<b>Truist Bank - BB&amp;T</b>	<b>First Citizens Bank</b>	<b>United Financial (HomeTrust)</b>
<b>Interest Rate</b>	1.8700%	2.2200%	1.6800%
<b>Fees</b>	None	None	None
<b>Annual Payment (Prin &amp; Int)</b>	\$ 233,201.48	\$ 235,223.76	\$ 235,000.00
<b>Total Cash Outlay (Prin &amp; Int)</b>	\$ 1,166,007.42	\$ 1,176,118.80	\$ 1,159,120.20
<b>Prepayment Penalty</b>	None	None	None



## United Financial

A Division of HomeTrust Bank

876 Brevard Rd  
Asheville, NC 28806

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2/20/2020

Ms. Beth B. Beam, NCCLGFO  
Assistant Director of Finance  
City of Shelby, NC  
300 South Washington Street  
Shelby, NC 28150

Re: Finance proposal for: *The acquisition of various pieces of equipment as referenced in your request for an Installment Contract Proposals in the amount of \$1,103,671.00 dated 02/14/2020.*

Dear Beth,

As per your request, we are enclosing under same cover our proposal for the above captioned transaction. This transaction is structured on an annual basis with four (4) annual principal and interest payments beginning one year after funding and each 12 months thereafter; followed by a (1) final principal and interest payment due 59 months after the date of funding. This transaction is calculated at an annual percentage rate of 1.68% (APR). There are no closing costs or origination fees directly charged by the bank related to the transaction and the rate is fixed for the duration of the financial commitment. This rate assumes the transaction qualifies as a Tax-exempt, Bank-Qualified transaction. In the event the transaction is a Tax-Exempt, Non-Bank Qualifying transaction, the rate will increase by 0.50% to 2.18%.

We will also agree to the Contract Specifications as presented in your request, however referencing "PAYMENT" on page 2, the transaction repayment schedule will reflect a concluding payment calculated as 101% of the outstanding principal balance for the first three annual payments. The remaining concluding payments will reflect a payment calculated as 100% of the outstanding principal balance.

If you have any questions or need additional information, contact me at your convenience. Thank you for the opportunity to provide this proposal to you.

Very truly yours,

John M. Tench  
Senior Vice President

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Phone 828-684-5643  
Fax 828-684-5616



## United Financial

A Division of HomeTrust Bank

876 Brevard Road  
Asheville, NC 28806

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February 20, 2020

Ms. Beth B. Beam, NCCLGFO  
Assistant Director of Finance  
City of Shelby, NC  
300 South Washington Street  
Shelby, NC 28150

**Proposal for Acquisition & Finance of:** Various pieces of equipment as referenced on Schedule "A" of the Installment Contract Proposal dated 02-14-2020 in the amount of \$1,103,671.00.

Dear Beth,

As a follow-up to your recent request for a proposal regarding the above referenced transaction, United Financial is pleased to offer a finance proposal as follows:

**LESSOR:** United Financial, *A Division of HomeTrust Bank*

**LESSEE:** City of Shelby, NC

**COLLATERAL:** Project as referenced above

**AMOUNT:** \$1,103,671.00

**START DATE:** Immediately upon funding

**TERM:** 59 Months

**PAYMENTS:** Lease payments will consist of four (4) annual principal and interest payments of \$235,000.00 beginning twelve months from the date of funding followed by one final principal and interest payment of \$219,120.20 due 59 months from the date of funding (assuming transaction qualifies as a Tax-Exempt, Bank-Qualified transaction). Should the transaction qualify as a Tax-Exempt, Non-Bank Qualified transaction, payments would be \$235,500.00 and \$234,476.99 respectively.

**EXPIRATION:** Lease payment terms quoted herein shall be fixed and held for Lessee through 04/21/2020.

**LEGAL TITLE:** Legal Title to the Equipment during the Lease Term shall vest in the Lessee with Lessor perfecting a first security interest through Equipment Title, UCC, or other filing instruments as may be required by law.

**NET LEASE:** The Lease will be a net lease, under which all cost and responsibility of maintenance, insurance, taxes and other items of a similar nature shall be for the account of Lessee.

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**Phone 828-684-5643**  
**Fax 828-684-5616**

**INSURANCE:** Lessee shall provide evidence of insurance coverage at the time of delivery of the Equipment, in accordance with the provisions of the Lease.

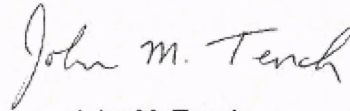
**FINANCIALS:** Lessee shall furnish Lessor with its last three, (3) fiscal years financial statements and its latest interim financial statements, plus such other pertinent information as Lessor may reasonably request.

**APPROVAL:** Closing of the transactions described herein and implementation hereof is expressly conditioned upon review and acceptance hereof by Lessor's Senior Loan Committee, receipt of properly executed documentation acceptable to Lessor, and the absence of any material adverse change in Lessee's financial condition prior to delivery and acceptance of the Equipment.

**ACCEPTANCE:** Lessee acknowledges that the terms and conditions of this proposal are satisfactory and that upon execution hereof by Lessee this proposal shall constitute a valid and binding obligation of Lessee. As further condition to Lessor's approval hereof, Lessee must acknowledge its acceptance of this proposal by signing below in the space provided and returning it to the Lessor by 03/16/2020.

If you determine our finance structure meets the needs of The City of Shelby, NC, please have the appropriate officer place their signature at the bottom of this page, and return it to us via fax, email or US Postal Service. Upon receipt of the signed proposal, we will be in touch with you to make provision for documenting the finance. Thank you for the opportunity to submit this proposal. Should you have any question or comments regarding the terms and conditions, or if we can be of any further assistance to you, please do not contact me at your convenience.

Sincerely,



John M. Tench  
Senior Vice President

**ACCEPTED BY:** City of Shelby, NC

**SIGNATURE:** \_\_\_\_\_

**NAME:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

City of Shelby, NC

**BANK QUALIFIED AMORTIZATION SCHEDULE - 59 months**

	<b>Date</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>
<b>Loan</b>	<b>03/16/2020</b>			
1	03/16/2021	235,000.00	18,541.67	216,458.33
2	03/16/2022	235,000.00	14,905.17	220,094.83
3	03/16/2023	235,000.00	11,207.58	223,792.42
4	03/16/2024	235,000.00	7,447.87	227,552.13
5	02/16/2025	219,120.20	3,346.91	215,773.29
<b>Totals</b>		<b>1,159,120.20</b>	<b>55,449.20</b>	<b>1,103,671.00</b>

City of Shelby, NC

NON BANK QUALIFIED AMORTIZATION SCHEDULE - 59 months

	<b>Date</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>
<b>Loan</b>	<b>03/16/2020</b>			
1	03/16/2021	235,500.00	24,060.03	211,439.97
2	03/16/2022	235,500.00	19,450.64	216,049.36
3	03/16/2023	235,500.00	14,740.76	220,759.24
4	03/16/2024	235,500.00	9,928.21	225,571.79
5	02/16/2025	234,476.99	4,626.35	229,850.64
<b>Totals</b>		<b>1,176,476.99</b>	<b>72,805.99</b>	<b>1,103,671.00</b>



**Attachment A**  
**2020 City of Shelby**  
**Proposed Installment Contract Equipment List**

<b><u>Dept.</u></b>	<b><u>Description</u></b>	<b><u>Cost Center</u></b>	<b><u>Estimated Cost</u></b>
<b>Information Services</b>	Firewall and AP's	110421-51000	11,871.00
<b>Meter Services</b>	Nissan Frontier 4x4	110421-54000	28,450.00
	Ford Explorer	110421-54000	31,550.00
<b>Fire Department</b>	SCBA System	110434-51000	382,000.00
<b>Sanitation</b>	Air Burner S327	110471-51000	170,000.00
	Leaf Vacuum Truck	110471-54000	200,000.00
<b>GIS</b>	Mobile GPS Unit	110491-51000	8,000.00
	60" ZTR Mower	110613-51000	14,000.00
<b>Parks and Recreation</b>	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
<b>Powell Bill</b>	Service Truck	112452-54000	55,000.00
<b>Water Fund</b>	Utility ATV	610714-51000	12,000.00
<b>Sewer Fund</b>	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
<b>Gas Fund</b>	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
<b>Total:</b>			<b><u><u>1,103,671.00</u></u></b>

RESOLUTION NO. 7-2020

A RESOLUTION APPROVING A FINANCING AGREEMENT AUTHORIZED  
BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the City of Shelby, North Carolina (the “City”) has previously determined to undertake a project for purchase of various types of equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA, meeting in regular session on the 2<sup>nd</sup> day of March 2020 makes the following findings of fact:

Section 1. The City hereby determines to finance the Project through United Financial (A Division of HomeTrust Bank), in accordance with the proposal dated February 14, 2020. The amount of the financing shall not exceed \$1,103,671.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.68%, and the financing term shall not exceed fifty-nine (59) months from closing.

Section 2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver all Financing Documents, and to take any such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as United Financial (A Division of HomeTrust Bank) may request.

Section 3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for delivery of the Financing Documents have been completed to such officer’s satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided

that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Documents for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

Section 4. The City shall not take or omit to take any action, the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purpose of the registered owners on the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Document as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3) if applicable.

Section 5. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict.

This resolution is effective upon its adoption the 2<sup>nd</sup> day of March 2020.

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O. Stanhope Anthony, III  
Mayor

ATTEST:

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

APPROVED AS TO FORM:

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Robert W. Yelton  
City Attorney

City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

Agenda Item: C-3

- 3) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 12:  
Ordinance No. 10-2020

**Consent Agenda Item: (Staff Resource, Rick Howell, City Manager and Justin Merritt, Finance Director)**

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Summary of Available Information:

- Memorandum dated February 20, 2020 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Copy of Resolution No. 35-2015
- Agreement with City of Shelby and Huesker, Inc. and supporting documents
- Ordinance No. 10-2020

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City Manager's Recommendation / Comments

Ordinance No. 10-2020 is presented for City Council consideration at this time. If approved this amendment would formally appropriate the incentive grant for Tax Year 2019. Future payments will be made as the grant recipient requests payment after complying with the provisions of the adopted agreement. This is year three of a five year agreement with Huesker, Inc. The approved grant covers a five year period at 40% grant incentive payment back to the company. The original proposed net new investment by the company was \$8,000,000 with the actual investment upon completion totals \$7,851,000.

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

**It is recommended that Ordinance No. 10-2020 be adopted and approved via the Consent Agenda.**



To: Rick Howell, City Manager  
From: Justin Merritt, Finance Director  
Date: February 20, 2020  
Subject: Huesker, Inc. Incentive Grant Distribution

Background:

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

Huesker Inc. has now met the requirements for year three of the grant payment and has asked for the distribution to be made.

Recommendation:

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

RESOLUTION NO. 35-2015

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 Cleveland County Economic Development Partnership has presented a qualifying economic development project named "Project Stallion" (the "Project") with an total expected investment valued at approximately \$8 Million of net new investment which shall be eligible for incentives through the policy; and,

WHEREAS, the City Council believes that Project Stallion 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 eventual creation of a 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 40 percent of the taxes paid to the City on the net new taxable investment of the project over a period of five (5) years. 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.

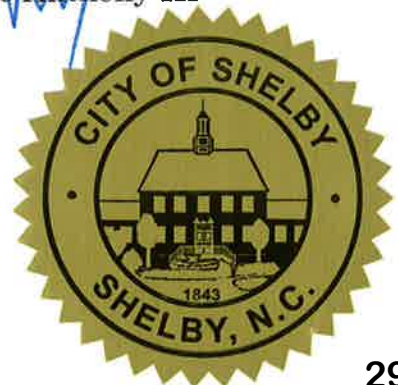
Section 3. This resolution shall become effective upon its adoption and approval.

Adopted and approved this the 15<sup>th</sup> day of June 2015.

  
\_\_\_\_\_  
O. Stanhope Anthony III  
Mayor

ATTEST:

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



CITY OF SHELBY

STATE OF NORTH CAROLINA

AGREEMENT

This Agreement is made and entered into as of the 15th day of June, 2015, by and between the **CITY OF SHELBY, NORTH CAROLINA**, a Municipal Corporation of the State of North Carolina, hereinafter referred to as "City"; and **HUESKER, INC.**, a North Carolina corporation and its Affiliates (defined below), now or hereafter with property in the City, hereinafter referred to as "Grantee." The location where the new jobs and investment are to be created is 1901 West Dixon Boulevard, City of Shelby, in Cleveland County, North Carolina, and hereinafter referred to as the "Facility."

W I T N E S S E T H

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 of Shelby City Council (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 of Shelby and target new industries to locate in the City of Shelby, through the provision of various incentives including the payment of a stipulated grant amount from the City's General Fund, as determined in accordance with the provisions of the Program; and

WHEREAS, it has been determined by the Council, following a public hearing on June 15, 2015, that Grantee meets the criteria for participation in the Program due to the Grantee's intention to create over the next five (5) years approximately twenty (20) new, permanent full-time jobs with an annual average wage of Forty Five Thousand Dollars (\$45,000.00), and create approximately Eight Million Dollars (\$8,000,000.00) in new total investment, as defined by Chapter 105 of N.C. General Statutes, in building expansion (approximately Four Million, Five Hundred Thousand Dollars), machinery & equipment (approximately Three Million, Five Hundred Thousand Dollars) and other assets of the business (the "Project"), which will increase the population, taxable property base and business prospects for the City, and that certain incentives for the Project (the "Incentives") will encourage the Grantee to expand its operations in the City, and that it is in the public interest to provide assistance as authorized by North Carolina General Statute 158-7.1; and,

WHEREAS, Grantee acknowledges that the Incentives provided pursuant to this Agreement have served as inducement for Grantee to install its capital investment in the City;

NOW, THEREFORE, in consideration of the reasons recited above, and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and



sufficiency of which is hereby acknowledged, the parties hereto do each contract and agree with the other as follows:

1. **Grant Criteria.** Grantee shall comply with the following conditions in order to qualify for initial and continuing grant payments pursuant to this Agreement. These conditions shall be referred to hereinafter as the “Grant Criteria.”

- (a) The Grantee shall begin operating the Project within twenty-four (24) months of the execution of this Agreement.
- (b) The Grantee shall maintain the investment in the Project (subject to normal depreciation) in the City for the duration of the Grant Term (hereinafter defined in Section 3).
- (c) The Grantee shall operate the Project substantially in compliance with all laws, rules, regulations, ordinances, and orders of all governmental bodies, agencies, authorities, and courts having jurisdiction.
- (d) The City shall not be responsible for any aspect of the design or construction of the Project.
- (e) The Grantee shall be current in the payment of all ad valorem taxes, utility charges, and fees imposed on the Grantee by the City and Cleveland County.
- (f) The Grantee shall, as of January 1 of each year during the Grant Term, list its buildings, machinery and equipment associated with the Project separately so that the City can identify incentivized vs. non-incentivized investment.

2. **Certification of Grant Criteria by the Grantee.**

(a) In each year of the Grant Term, the Grantee shall request payment of an Incentive Grant from the City. In connection with each request for payment of the Incentive Grant, the Grantee shall deliver to the City’s Finance Director a performance letter certifying that in the prior year, the Grantee (i) satisfied all the Grant Criteria; (ii) agreed to the Assessed Value (hereinafter defined) of the Project as determined by the Cleveland County Tax Assessor; and (iii) paid all applicable local taxes on the Assessed Value of the Project. If the Grantee shall fail to request payment of the Incentive Grant during any year of the Grant Term, the Incentive Grant for that year shall be permanently forfeited.

(b) Upon receipt of such certification from the Grantee, the Cleveland County Tax Assessor shall determine, as of January 1<sup>st</sup> for each year of the Grant Term, the total investment 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 Grantee 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 Grantee 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 or 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 Grantee 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 Grantee of such request so that the Grantee 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 Grantee's written permission to do so; or (ii) is compelled to do so by the final order of a court of competent jurisdiction. The Grantee 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 Grantee acknowledges that the City has met the disclosure requirements set forth in N. C. Gen. Stat. 132-1.11(b).

### **3. Grant Term and Payment.**

**Grant Term.** The Grant Term will begin on January 1, 2018 upon verification that Grantee has (i) satisfied all the Grant Criteria, (ii) agreed to the Assessed Value of the Project as determined by Cleveland County's Tax Assessor; and (iii) paid all applicable local taxes on the Assessed Value. The Grant Term will continue for five (5) consecutive calendar years following verification as long as the Grant Criteria remain satisfied.

(a) **Calculation of Grant Amount.** Upon such verification, Cleveland County's Tax Assessor, as of January 1<sup>st</sup> of each of the five (5) calendar years of this Agreement, shall determine the "net new taxable investment of the Project". For purposes of determining the net new taxable investment of the Project, the assessed value of the Grantee's property as of January 1, 2015, shall be used as a Base. The Tax Assessor's appraised value of the net new taxable investment of the project as of January 1<sup>st</sup> of each of the five (5) calendar years of this Agreement shall be multiplied by the City tax rate then in effect (currently .00435) which amount shall then be multiplied by forty percent (40%) and the resulting figure shall be the amount of the grant award to the Grantee for that fiscal year. It is the express intent of the parties that no grant funds shall be paid by City pursuant to this Agreement until Grantee has first paid all applicable taxes due City and Cleveland County.

(b) **Grant Criteria Compliance.** Grant payments shall continue throughout the Grant Term only so long as Grantee continues to satisfy the Grant Criteria. Grantee agrees to cooperate with City by providing such information and such access to Grantee's records as may be necessary to verify and substantiate initial and ongoing compliance with the Grant Criteria. If City is unable to independently verify compliance with the Grant Criteria upon exercise of reasonable effort then City shall provide thirty (30) days written notice to the Grantee of non-compliance. Upon expiration of this thirty (30) day period City may immediately terminate this Agreement.

**4. Tax Payments.** If the Grantee at any time during the grant term fails to pay all applicable local taxes on the full value of its assets when due, then the City may terminate this Agreement and have no further obligation to Grantee for the payment of any grant award or the provision of any other incentive. Prior to termination on the basis of Grantee's failure to pay applicable taxes when due, City shall provide thirty (30) days written notice to Grantee stating that taxes are delinquent. If the taxes have not been paid upon the expiration of this thirty (30) day period of Grantee's receipt of notice, then City may terminate this Agreement.

**5. Notice.** Formal notices, demands, and communications between the City and the Grantee 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 Grantee. 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  
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 Grantee:**

Albert E. Guarnieri  
Parker Poe Adams & Bernstein LLP  
401 S. Tryon Street, Suite 3000  
Charlotte, NC 28202

**6. Grant Payments.** Once the Grantee has complied with the grant criteria, payments shall be paid to the Grantee in an annual amount as determined by subparagraph (a) of paragraph 3 above after July 31 of each calendar year for the five (5) calendar years of the Grant Term as long as the Grantee remains compliant with this Agreement.

**7. Agreement Terms.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors in interest. This Agreement contains the total agreement between the parties and may only be altered or amended by the parties hereto in writing. If this Agreement, or any provision thereof, 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. 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, North Carolina.

**9. Paragraph Headings.** 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.

**10. Assignment, etc.** Grantee shall not 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 written consent of City which consent shall not be unreasonably withheld; provided Grantee may assign or transfer any rights or interest under this Agreement to an Affiliate upon notice to the City, but without the City's consent. 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. For purposes of this Agreement, an "Affiliate" shall mean, any current or future Entity (defined below) which controls, is controlled by, or is under common

control with , Grantee. For purposes of this definition only, “control” means (i) direct or indirect ownership of at least fifty percent (50%) of the shares of the subject Entity entitled to vote in the election of directors (or, in the case of an Entity that is not a corporation, for the election of the corresponding managing authority), or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity. “Entity” means a person, corporation, partnership, association, limited liability company, unincorporated organization, firm, or other entity.

**11. 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 Grantee, except in the event of force majeure, shall fail to fulfill the provisions of this Agreement; or
- (b) If Grantee shall fail to observe and perform any material provision of this Agreement and such failure shall continue for a period of thirty (30) or more days after the giving by the City of written notice of such failure to Grantee; or
- (c) If any material representation, warranty or other statement of fact contained in this Agreement or in any writing, certificate, report or statement furnished by Grantee to the City in connection with the transaction described in this Agreement shall be false or misleading in any material respect when given; or
- (d) If Grantee shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; 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 any substantial part of its property; files a petition or answer seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state; or
- (e) If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of Grantee or of the whole or any substantial part of its properties, or approves a petition filed against Grantee seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute; 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 Grantee or of the whole or any substantial part of its properties.

**12. Statutory Authority for Incentive Grant.** Both Grantee and the City acknowledge that any and all monies appropriated and expended by the City for economic development incentives as provided in this Agreement are for a bona fide public purpose and are expended in good faith reliance on North Carolina General Statute 158-7.1. The City represents and warrants to the Grantee 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 Grantee 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 North Carolina General Statute 158-7.1 and, further, that such monies must be repaid, Grantee 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 Grantee equivalent incentives (support having a similar financial net present value) 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 Grantee will indemnify such elected officials individually to the extent of the monies expended by the City 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. City agrees to require that its insurer(s) providing such coverage waive any subrogation rights it or they may have against Grantee in connection with such coverage, and City waives (on behalf of itself and its insurer) any claim or subrogation rights against Grantee to the extent covered by such insurance coverage. In the event one or more lawsuits are brought against the City or any City elected official challenging the legality of this Agreement, then (a) the City shall exercise its best efforts to defend against any and all such lawsuits, including appealing any adverse judgment to the appropriate Court, and (b) the City will promptly notify the Grantee in writing and allow the Grantee to participate in the defense of any challenge, at the Grantee's expense and with counsel of the Grantee's choosing. The indemnification by the Grantee shall not apply if neither the Grantee nor any of its representatives participated in the improper acts of the City officials.

*(The rest of this page is intentionally left blank)*

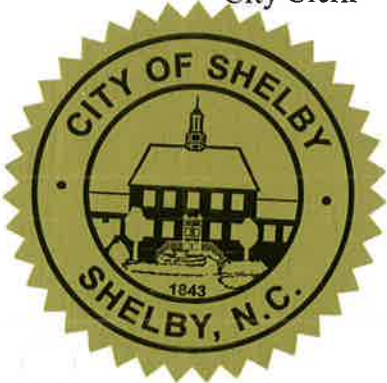
IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed, this the day and year first above written.

**CITY OF SHELBY,  
NORTH CAROLINA**

ATTEST:

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

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



**HUESKER, Inc.**

By: Sven Schröer 7/6/15

Title: Sven Schröer  
CEO

**Huesker, Inc.**  
**City Incentive Grant Payment Schedule**

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

Column1	Column2	Column3	Column4	Column5	Column6	Column7
Tax Year (Fiscal Yr.)	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
% authorized	40%	40%	40%	40%	40%	N/A
Estimated net new investment	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	N/A
Current City Tax Rate per \$100	0.004972	0.005225	0.005225	0.005225	0.005225	N/A
Estimated City Tax Levy	\$ 39,776	\$ 41,800	\$ 41,800	\$ 41,800	\$ 41,800	\$ 206,976
Calculated Grant Incentive Payment	\$ 15,910.40	\$ 16,720	\$ 16,720	\$ 16,720	\$ 16,720	\$ 49,350
Actual net new investment#	\$ 6,730,162	\$ 7,644,791	\$ 7,851,361			N/A
Current City Tax Rate per \$100	0.004972	0.005225	0.005225	0.005225	0.005225	N/A
Actual City Tax Levy#	\$ 33,462	\$ 39,944	\$ 41,023	\$ -	\$ -	\$ 114,430
Actual Grant Incentive Payment	13,384.95	15,977.61	16,409.34	0.00	0.00	45,771.90
<b>Difference</b>	<b>\$ 6,314</b>	<b>\$ 1,856</b>	<b>\$ 777</b>	<b>\$ 41,800</b>	<b>\$ 41,800</b>	<b>N/A</b>

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

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

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



Ideas. Engineers. Innovations.

January 24, 2020

Justin Merritt, Finance Director  
City Hall  
300 South Washington Street  
Shelby, NC 28150

Dear Mr. Merritt,

Referencing our Incentives Agreement between HUESKER Inc and Cleveland County dated June 15, 2015, we are requesting payment of the Incentive Grant for year 2019. Regarding this request, we are certifying the following:

- All Grant criteria have been satisfied;
- We agree to the assessed value as determined by the County Tax Assessor;
- All applicable local taxes on the assessed value have been paid.

Please direct any questions and payment to:

HUESKER Inc  
3701 Arco Corporate Drive, Suite 525  
Charlotte, NC 28273  
Attn: Gennie Smith

Sincerely,

Gennie Smith  
Accounting/Office Manager

/gls



**Justin Merritt**

---

**From:** Chris Green <Chris.Green@clevelandcounty.com>  
**Sent:** Wednesday, February 19, 2020 10:05 AM  
**To:** Justin Merritt  
**Subject:** RE: Huesker Incentive  
**Attachments:** Huesker 2019.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

2019 VALUE

		<u>Beginning Values</u>	<u>NNE</u>
LAND	222,552		
BUILDINGS	<u>6,247,684</u>		
	6,470,236	699,831	
PERSONAL	<u>2,561,531</u>	<u>490,575</u>	
TOTAL	<u>\$ 9,031,767</u>	<u>\$ 1,190,406</u>	<u>\$ 7,851,361</u>

Bill info attached.

**Chris Green**  
Tax Administrator  
311 E. Marion Street, Shelby, NC 28150  
(704) 484-4847  
[www.clevelandcounty.com](http://www.clevelandcounty.com)



**From:** Justin Merritt [mailto:Justin.Merritt@cityofshelby.com]  
**Sent:** Wednesday, February 19, 2020 9:08 AM  
**To:** 'chris.green@clevelandcounty.com' <chris.green@clevelandcounty.com>  
**Subject:** Huesker Incentive

Chris,

Can you verify that all taxes have been paid and also verify the land, building and equipment tax values and tax bill amounts.

Thanks,

Justin S. Merritt, MPA  
Assistant City Manager/Director of Finance

CL1010-2

View Tax Bills

INQUIRY Year/Receipt: 2019 4447281 100 Bill #: 3873869

Transaction Date: 2/19/2020

PO BOX 411529

CHARLOTTE NC 28241

Taxpayer SS# missing.

District: 5 CITY OF SHELBY (CO SCH) Payer ID:@ 1238596

Owner ID:@ 1238596

ASV Value: 6,470,236

Tax Amount: 80,392.68

Charges: 80,392.68

Prior Paid: 80,392.68

Balance: .00

Due Date: 1/05/2020

Assessments: 80,392.68

Assessments: 80,392.68

Assessments: 80,392.68

Assessments: 80,392.68

Refund Due:

Refund Paid:

Parcel: 30493

Parcel/Personal Type: 30493

Asset:

ENTER F2=Email Dup F5=Charges F6=Value Detail F7=Duplicate F9=Addresses@ F11=Asset Info F13=Trans Hist  
F12=Previous F14=Distribution F20=ID Comments F21=Coll Sts Hst F22=AR Comment F24=More Options  
Paid in Full

Discovery:  
Receipt Collect Status:  
Payer ID Collect Status:  
Owner Collect Status:  
Tender Instruction:

Lender:@  
Last Bad Check:  
SI Receipt:  
SI Owner:  
Created: 7/09/2019

ORDINANCE NO. 10-2020

CITY OF SHELBY  
FISCAL YEAR (FY) 2019-2020 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 2019-2020; 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 2019-2020 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 12 for the year:

(A) The City of Shelby, via resolution 35-2015, approved incentive agreements and awarded Industrial Incentive Grants to Huesker Inc. Huesker Inc. has now met the requirements for distribution of grant funds for the third year of their incentive. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

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

- (a) Increase 11001000-39900 Fund Balance Appropriated \$16,409
- (b) Increase 110495-49230 Transferred to Economic Development Fund \$16,409

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

- (a) Increase 23009000-39000 Transferred from Other Funds \$16,409
- (b) Increase 230590-42006 Economic Development \$16,409

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. 12</u>
General Fund	\$ 26,391,825	\$ 26,408,234
Emergency Telephone System Fund	162,200	162,200
Powell Bill Fund	790,200	790,200
Economic Dev. Fund	887,904	904,313
Housing Fund	1,966,847	1,966,847
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,145,000	5,145,000
Utilities-Sewer Fund	5,548,800	5,548,800
Utilities-Electric Fund	22,408,955	22,408,955
Utilities-Gas Fund	16,476,600	16,476,600
Utilities – Stormwater Fund	832,160	832,160
FY 2019-2020 Budget Total:	<u>\$ 80,640,491</u>	<u>\$ 80,673,309</u>

Ordinance No. 10-2020  
March 2, 2020  
Page 2

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

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

Adopted and approved this the 2<sup>nd</sup> day of March 2020.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

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

APPROVED AS TO FORM:

---

Robert W. Yelton  
City Attorney

City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

**Agenda Item: C-4**

- 4) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 13:  
Ordinance No. 11-2020

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

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Summary of Available Information:

- Memorandum dated February 14, 2020 from Julie McMurry, Energy Services Director to Rick Howell, City Manager
- Ordinance No. 11-2020

---

City Manager's Recommendation / Comments

Ordinance No. 11-2020 is presented for City Council consideration at this time. If approved this amendment would amend the natural gas operating budget for the labor and materials to repair two gas leaks in the amount of \$192,250. These two leaks were found during regular leak surveying this year, and for various reasons it has been determined that contracting for this work is necessary. One leak requires the construction of a temporary bypass to keep a customer in service while the leak on the larger line is repaired and the other requires equipment which the City does not have to make a repair on a 6" steel line. These leaks are located in heavily trafficked areas on East Grover Street and West Marion Street. As has been mentioned in recent discussions the City has lost considerable experience in this department due to retirements and other reasons. We continue to work to develop employee capacity to do more complex work but in some cases it will continue to make sense to use an outside contractor.

**It is recommended that Ordinance No. 11-2020 be adopted and approved via the Consent Agenda.**



## ***Memorandum***

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

**From:** Julie McMurry, Energy Services Director *JM*

**RE:** **System Repairs Budget Amendment Request**

**Date:** February 14, 2020

### **Background:**

Each year the natural gas department leak surveys a section of the system. It is customary to find leaks from time to time. Most leaks are very small and are in locations that our staff can make the necessary repairs. The cost is usually minor as with our staff completing the repairs only materials are expensed.

### **Review:**

During this year's leak survey some leaks were found in areas that would require more experience than our current staff to make the repairs. We received pricing and have had a couple already fixed. In addition, when we were abandoning a section of main, we found a fitting that was corroded and some pipe with a small leak. We have utilized the money in the system repairs line item for the repairs that have been completed, but do not have enough to make all the repairs. The proposals received for labor for the two leaks that have not been completed are \$71,500 and \$108,000. The materials estimate is \$12,750. We have \$32,500 in available funds.

### **Recommendation:**

We are requesting a budget amendment in the natural gas operating budget for the labor to repair the two leaks mentioned above in the amount of \$192,250.

Please let me know if you need additional information.

ORDINANCE NO. 11-2020

CITY OF SHELBY  
FISCAL YEAR (FY) 2019-2020 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 2019-2020; 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 2019-2020 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 13 for the year:

(A) The City of Shelby has identified a need to make certain repairs to its Natural Gas Utility system infrastructure. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

(1) The following Natural Gas Fund line items are amended:

(a) Increase 64006000-39900 Fund Balance Appropriated	\$192,250
(b) Increase 640743-43408 System Repairs	\$192,250

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. 13</u>
General Fund	\$ 26,408,234	\$ 26,408,234
Emergency Telephone System Fund	162,200	162,200
Powell Bill Fund	790,200	790,200
Economic Dev. Fund	904,313	904,313
Housing Fund	1,966,847	1,966,847
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,145,000	5,145,000
Utilities-Sewer Fund	5,548,800	5,548,800
Utilities-Electric Fund	22,408,955	22,408,955
Utilities-Gas Fund	16,476,600	16,668,850
Utilities – Stormwater Fund	<u>832,160</u>	<u>832,160</u>
FY 2019-2020 Budget Total:	<u>\$ 80,673,309</u>	<u>\$ 80,865,559</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.

Ordinance No. 11-2020  
March 2, 2020  
Page 2

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

Adopted and approved this the 2<sup>nd</sup> day of March 2020.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

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

APPROVED AS TO FORM:

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Robert W. Yelton  
City Attorney



City of Shelby  
Agenda Item Summary  
March 2, 2020  
City Hall Council Chamber

**Agenda Item: C-5**

- 5) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 14:  
Ordinance No. 12-2020

**Consent Agenda Item: (Staff Resource, David Hux, Director of Water Resources)**

Summary of Available Information:

- Memorandum dated February 11, 2020 from David Hux, Director of Water Resources to Rick Howell, City Manager
- Personnel Change Request Form and supporting documents
- Ordinance No. 12-2020

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City Manager's Recommendation / Comments

Ordinance No. 12-2020 is presented for City Council consideration at this time. A need has been identified by Water Resource management to add an additional water treatment plant operator position at the City's Water Treatment Plant. This position is needed to help with sample collection, distribution flushing and general plant needs during the day shift. This position will also allow more flexibility with shift scheduling and relief operations in the event that an employee is vacationing or sick. Staffing at the Water Treatment Plant is critical and with the loss of a great deal of experience due to retirements it is important to have an additional operator who can be trained and eventually certified. Staffing absences due to employee health issues and family health issues have created a labor shortage that needs to be addressed with some immediacy as well. I would note that the City has not added a position in this area in more than 15 years despite the large increase in finished water production and demand flows in the Washburn Switch industrial corridor. The annualized total cost of this position is estimated at \$50,500. The prorated cost for the remainder of the fiscal year is estimated to be \$17,246 which will initially be transferred from net retained earnings.

**It is recommended that Ordinance No. 12-2020 be adopted and approved via the Consent Agenda.**

## Memorandum

**To:** Rick Howell; City Manager

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

**RE:** **Water Treatment Plant Staffing  
Addition of Plant Operator I Position**

**Date:** February 11, 2020

### Background:

The City of Shelby is responsible for the operation of the water treatment plant 24 hours a day 7 days a week. In doing so, the City is required to have a certified operator on site around the clock. Over the course of the last 15 years the City has operated consistently with 6 to 7 operators and a supervisor. In 2006 the City employed seven (7) plant operators and a Plant Operations Superintendent who oversaw operations the Water Treatment and provided assistance with operations at the Wastewater Treatment Plant. When this change was made, the Plant Operations Superintendent had mostly experience with the operations of the Water Treatment Plant and was able to assist when necessary. In 2007, a Plant Operator was promoted to Plant Supervisor/ORC, however the City did not fill the vacant operator position.

### Review:

From 2007 the City has continued to operate with just six (6) plant operators and the Plant Supervisor/ORC. In the last 13 years the City has seen its responsibilities grow, including additional distribution system sampling, hydrant flushing, and the implementation of the cross connection/backflow program. The Water Treatment Operators, Field Operations Staff and Supervisors have helped to shoulder the load; however more help is needed. During this time, the Plant Supervisor has performed his normal supervision duties as well as being a "working supervisor" performing day to day operational tasks as well as providing coverage for vacationing and sick employees.

With the retirement of the Plant Supervisor in December and a complex operator schedule, our operations are hindered and have become critical. The loss of another operator or if an operator leaves for sick or vacation will hinder our ability to perform daily functions; especially required monitoring. We are in the process of hiring for one operator vacancy and are interviewing for the Plant Supervisor position.

**Recommendation:**

In review of the operational requirements and current staffing, we are recommending the addition of a Plant Operator to the Water Treatment Plant. This position is needed to help with sample collection, distribution flushing and general plant needs during the day shift. This position will also allow provide more flexibility with shift scheduling and relief operations in the event that an employee is vacationing and sick.

Please let me know if additional information is required.

**City of Shelby, North Carolina  
Personnel Change Request Form**

Note: This form should be used only when requesting the creation of a new position within a department budget or the expansion of an existing part time position. The request should also be carefully considered and coordinated with the Human Resource Director to ensure accurate accounting for new or expanded costs.

Proposed Change: New Position X Part Time Position Expansion      Position Classification     

Proposed Position Classification: Treatment Plant Operator I

Proposed Position Pay Grade: Grade 14

Department: Water Resources – Water Plant Budget Code: 610714

	Current	Change	Proposed
Salary / Wages			32,966
Longevity			
Probationary Increase			
Subtotal Salary / Wages			32,966
FICA 7.65%			2,522
LGERS 9.01 %			3,369
401(k) 5 %			1,648
Health Insurance			8,200
Life Insurance			Included in above
Short Term Disability			Included in above
Subtotal Benefits			15,739
Worker's Compensation			550
Uniforms (if applicable)			550
Vehicle Ops Cost (if applicable)			
Other(i.e. radio, safety equip, etc)			250
Subtotal Operating Costs			1,350
TOTALS			\$50,055

**City of Shelby, North Carolina  
Personnel Change Request Form**

Position Justification (additional comments)
The water treatment plant has been insufficiently staffed for a number of years. The City only employs 6 operators to cover 24/7 operations. The City also seeing a number of employees approaching retirement eligibility which raises additional concerns for getting new hires trained and certified with the State of North Carolina. With staffing full most weeks only one operator works on Mondays and Fridays. With multiple operators Tuesday through Thursday. With this type of schedule the supervisor has been responsible for many of the day to day activities. In the event of an absence, many times the Supervisor has had to fill in for vacationing and sick employees. With the addition of an employee schedules can be modified without requiring the supervisor to fill in and more work activities can be scheduled and spread out through the week. The City must also be more consistent with distribution monitoring/flushing and backflow device inventory and testing which is not being conducted consistently with existing staff levels.

Date: 2/12/2020

  
\_\_\_\_\_  
Department Director

Date: 2-12-2020

  
\_\_\_\_\_  
Human Resource Director

Date: \_\_\_\_\_

\_\_\_\_\_  
Asst. City Manager/Finance Director

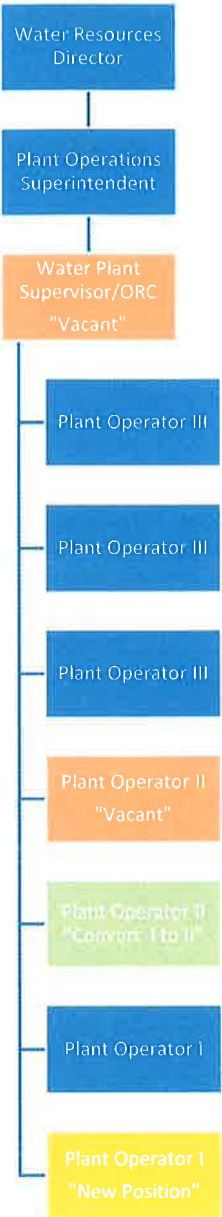
Date: \_\_\_\_\_

\_\_\_\_\_  
City Manager

# Water Treatment Plant – Current Staffing



# Water Treatment Plant – Proposed Staffing



ORDINANCE NO. 12-2020

CITY OF SHELBY  
FISCAL YEAR (FY) 2019-2020 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 2019-2020; 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 2019-2020 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 14 for the year:

(A) The City of Shelby has identified a need to add an additional water treatment plant operator position at the City's Water Treatment Plant. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

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

(a) Increase 61006000-39900 Fund Balance Appropriated	\$17,246
(b) Increase 610714-40100 Salaries and Wages	\$11,000
Increase 610714-40501 Social Security	\$ 1,123
Increase 610714-40502 Retirement Expense	\$ 840
Increase 610714-40507 Group Insurance	\$ 2,750
Increase 610714-40509 Deferred Compensation	\$ 550
Increase 610714-40601 Workers Compensation	\$ 183
Increase 610714-40701 Uniforms & Accessories	\$ 550
Increase 610714-41500 Departmental Supplies	\$ 250



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. 14</u>
General Fund	\$ 26,408,234	\$ 26,408,234
Emergency Telephone System Fund	162,200	162,200
Powell Bill Fund	790,200	790,200
Economic Dev. Fund	904,313	904,313
Housing Fund	1,966,847	1,966,847
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,145,000	5,162,246
Utilities-Sewer Fund	5,548,800	5,548,800
Utilities-Electric Fund	22,408,955	22,408,955
Utilities-Gas Fund	16,668,850	16,668,850
Utilities – Stormwater Fund	<u>832,160</u>	<u>832,160</u>
FY 2019-2020 Budget Total:	<u>\$ 80,865,559</u>	<u>\$ 80,882,805</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 2<sup>nd</sup> day of March 2020.

---

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  
March 2, 2020  
City Hall Council Chamber

**Agenda Item: C-6**

- 6) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 13-2020

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

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Summary of Available Information:

- Memorandum dated February 21, 2020 from Walter Scharer, Planning and Development Director to Rick Howell, City Manager
- Photo of Property
- Location Map 306 Wingate Court
- Tax card for 2020
- Ordinance No. 13-2020

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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. 13-2020 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:** February 21, 2020  
**Subject:** **Demolition of Structure at 306 Wingate Court**

### **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.

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 March 2, 2020. Staff recommends this minimum housing action.

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





# Location Map

## 306 Wingate CT

Map Information:  
Datum: NAD 1983  
Coordinate: State Plane  
North Carolina (Meter)  
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: 2/21/2020

USER MATTCAPPS FOR YEAR 2020

SCRUGGS JUSTIN MATTHEW PARCEL ID.. 20739 PIN... S48 5 1
LOCATION... 306 WINGATE CT SHELBY
DEED YEAR/BOOK/PAGE.. 2010 1608 1487 ASSESSMENT NONE
1107 NEW HOUSE RD PLAT BOOK/PAGE.. OWNER ID.. 1270718
LEGAL DESC:#12PB5-48 LILY MILL DISTRICT.. 6 CITY OF SHELBY

TOWNSHIP... 6 SHELBY
SHELBY NC 28150- NBRHOOD... 219 S MAPS 06
DESCRIPTION RESIDENTIAL

MAINTAINED.. 4/04/2019 BY MAYES VALUED.. 4/10/2019 BY MAYES
VISITED..... 5/01/1998 BY ROUTING#.
PARCEL STATUS... ACTIVE CATEGORY.. GROUP 100

SALES HISTORY table with columns: DEED BK/PAGE, SALE DATE, SALES INSTRUMENT, DISQUALIFIED, SALE AMOUNT, STAMP AMOUNT, DEED NAME. Includes rows for 1608, 1211, 1190, and 10V.

LAND SEGMENTS table with columns: LND #, ZONE, STRAT CODE, LAND TYPE/CODE, LAND QTY, LAND RATE, DPT%, SHP%, LOC%, SIZ%, OTH%, TOP%, ADJ, FMV. Includes row for 1 02 FFF.

IMPROVEMENT # 1 MAJOR IMPR-M
MAIN FIN AREA.. 1,042.00 ACT/EFF YR/AGE.. 1964 1964 52 VISITED.. BY
STRAT..... 02 DESCRIPT... SINGLE FAMILY DWELLING-WF MAINTAINED.. 4/04/2019 BY MAYES
MAIN PERIM..... 256.00 MAIN GROUND SF.... 1,042.000
LOCATION #..... WINGATE ST 306

COMPONENT TYPE/CODE/DESC PCT UNITS RATE STR# STR% SIZ% HGT% PER% CDS% COST %CMPL table listing various components like FRAME DECK, MASONRY STOOP, etc.

RCN... PCT COMPLETE 100 x 66,583
QUAL.. QG D5 D-10 75.00 x 49,937
DEPR.. D6 52 YEARS OLD 89.00 - 44,444
LOCA.. LOD LOCALONAL OBS DEP 25.00 - 1,373 45,817 T

--FMV... 4,119
DATE 2/11/20 CLEVELAND COUNTY PAGE 2
TIME 8:16:25 PROPERTY CARD PROG# AS2006
USER MATTCAPPS FOR YEAR 2020

SCRUGGS JUSTIN MATTHEW PARCEL ID.. 20739 PIN... S48 5 1

IMPROVEMENT # 1 MAJOR IMPR-M

+---14---+ +-5+
6 6 4 D
+B---14---+-----30-----+---+
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2 2 2
3 4 4
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: E :
+---14---AA+-----30-----+---+
4 C

+54

----- AC 12 FRAME DECK ----- TRAVERSE -----  
M U 1.00 M L 14.00 M U 23.00 D R 14.00 D U 6.00 D L 14.00  
D D 6.00

----- AC 20 MASONRY STOOP ----- TRAVERSE -----  
M R 30.00 D D 4.00 D L 5.00 D U 4.00 D R 5.00

----- AC 20 MASONRY STOOP ----- TRAVERSE -----  
M U 24.00 M R 30.00 D U 4.00 D L 5.00 D D 4.00 D R 5.00

----- MA FA FRAME ADDITION FLOOR: ----- TRAVERSE -----  
M U 1.00 D L 14.00 D U 23.00 D R 14.00 D D 23.00

----- MA FA FRAME ADDITION FLOOR: 1.00 ----- TRAVERSE -----  
M U 1.00 D L 14.00 D U 23.00 D R 14.00 D D 23.00

----- MA 37W SINGLE FAMILY DWELLI FLOOR: 1.00 ----- TRAVERSE -----  
D U 24.00 D R 30.00 D D 24.00 D L 30.00

TOTAL PARCEL VALUES----	LAND /	OVR	IMPROVEMENTS / OVR	TOTAL LAND/IMPROVE	2019 VALUE
FMV.....	6,370	4,119	10,489	10,489	
APV.....	6,370	4,119	10,489	10,489	

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

**ORDINANCE NO. 13-2020**

**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 **306 Wingate Court** 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, **JUSTIN MATTHEW SCRUGGS** 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 **306 WINGATE COURT**, Shelby, and described in the Cleveland County records as Tax Parcel No. **20739** 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 2nd day of March 2020.

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O. Stanhope Anthony III  
Mayor

ATTEST:

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

APPROVED AS TO FORM:

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Robert W. Yelton  
City Attorney



City of Shelby  
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**D. Unfinished Business**

**Agenda Item D-1**

- 1) City of Shelby Job Ready Shell Building No. 3 Project
  - a. Consideration of a budget ordinance amendment for the City of Shelby's Job Ready Shell Building No. 3 Project: Ordinance No. 14-2020
  - b. Consideration of a resolution awarding the construction contract for the City of Shelby Job Ready Shell Building No. 3 Project: Resolution No. 8-2020

**Unfinished Business Item: (Rick Howell, City Manager and Justin Merritt, Assistant City Manager/Finance Director)**

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Summary of Available Information:

- Memorandum dated February 24, 2020 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Bid Tab sheet
- Ordinance No. 14-2020
- Resolution No. 8-2020

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City Manager's Recommendation / Comments

**It is my recommendation Ordinance No. 14-2020 and Resolution No. 8-2020 be adopted and approved by City Council at this time.**

Item a. Ordinance No. 14-2020 is presented for City Council consideration at this time. If approved this ordinance amendment will appropriate \$5,490,000 towards construction of this project. The source of this revenue is a debt issuance by Cleveland County that would finance the project over a 5 year period. The City's portion of the project would be ½ of this amount or \$2,745,000. The City and County will enter in to an inter-local agreement setting forth the terms and memorializing the agreement. The City will pay its portion of this borrowing from proceeds of the sale of Shell Building #2 which we sold in 2016 to Ivar's Design.

Item b. Resolution No. 8-2020 is presented for City Council consideration at this time. If approved this resolution would award the contract for construction of the JOB READY shell building #3 to Hickory Construction Company as recommended by WHN Architects. As noted in the resolution bids were received on February 11, 2020. Bids submitted have been reviewed and scrutinized by the architect. (continued on next page)

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A certified bid tabulation (enclosed) was prepared and the recommendation is to award this contract to Hickory Construction. It should be noted that all bidders (a total of 9 firms) had to be pre-qualified by the City. The City required that bidders have a certain amount of experience within the last 5 years with the construction of similar size and type of buildings specified. Each was required to submit example of their experience in order to bid. A total of 8 bids were received with the high bid being \$6,211,000 and the low bid being \$5,490,000.



To: Rick Howell, City Manager

From: Justin Merritt, Finance Director

Date: February 24, 2020

Subject: Shell Building #3 Construction Award Resolution & Project Budget Amendment

Background:

In order to proceed, as directed by City Council, with the Construction of Shell Building #3, the City received construction bids from pre-qualified general contractors on February 11, 2020.

We received nine (9) proposals from pre-qualified firms. After careful review by City staff and WHN Architects, the attached certified bid tabulation was published, indicating Hickory Construction as the apparent low bidder.

It is the recommendation from City staff that the attached resolution be adopted to allow the City Manager to execute the necessary construction contracts required to complete the project, pending funding approval from Cleveland County. Accordingly, it is also the recommendation from City Staff that the corresponding project budget amendment be adopted to provide for the proper accounting of project revenues and expenditures.

Recommendation:

The recommendation from staff is to approve the attached resolution and project budget amendment.



## BID TAB

### 100,000 SF JOB READY SHELL BUILDING #3 - PLATO LEE ROAD February 11, 2020 at 2pm - Utility Operations Center



Designs for a changing world

Certified by: *Paul R. Grifo CA*

Contractor Name	Subcontractors	Base Bid	UNIT PRICES												ALTERNATES						Bid Bond	Addenda #1	Addenda #2	Addenda #3	Addenda #4	Addenda #5	Payment / Performance	Appendix A Forms	Insurance												
			A. Mass Excavate	B. Trench Excavate	C. Undercut Excavate	D. Axial Geogrid	E. Washed Stone	F. Backfill Onsite	G. Select Backfill Offsite	H. Concrete Apron	I. Heavy Duty Asphalt	J. Light Duty Asphalt	K. 6" Concrete Slab (Interior)	No. 1 ESFR Sprinkler	No. 2 Freeze Protection Heating	No. 3 Exhaust System	No. 4 Lighting	No. 5 Remove Interior Concrete Slab	No. 6 Removal of Dock Package	Allowance No. 3										Allowance No. 4											
Edifice	1. Grading - Piedmont Utility Group 2. Steel - Davidson Steel 3. Precast - Tindall 4. Concrete - MacLeod 5. Plumbing - Herfocker 6. Mechanical - Design Build Mech. 7. Electrical - Lail Electric 8. Fire Protection - Absolute Fire Control 9. Roofing - Johnson's Roofing	\$ 6,124,000.00	\$ 70,537.50	\$ 62,700.00	\$ 18,810.00	\$ 61,602.75	\$ 150,480.00	\$ 8.27	\$ 4.61	\$ 3.44	\$ 5.33	\$ 205,000.00	\$ 28,050.00	\$ 16,350.00	\$ 40,000.00	\$ 362,000.00	\$ 34,233.00	\$ 36,000.00	\$ 48,000.00	\$ 48,000.00																					
Edison Foard	1. Grading - Piedmont Utility Group 2. Steel - SSI 3. Precast - Tindall 4. Concrete - Kent Company 5. Plumbing - CS Plumbing 6. Mechanical - Team Mechanical 7. Electrical - CBC Electric, Inc. 8. Fire Protection - Citizens Sprinkler, Inc. 9. Roofing - Allied Roofing	\$ 6,211,000.00	\$ 72,500.00	\$ 75,000.00	\$ 30,000.00	\$ 54,000.00	\$ 225,000.00	\$ 7.91	\$ 5.00	\$ 3.29	\$ 4.50	\$ 130,000.00	\$ 30,000.00	\$ 9,000.00	\$ 76,000.00	\$ 370,000.00	\$ 36,000.00	\$ 36,000.00	\$ 48,000.00	\$ 48,000.00																					
InterCon	1. Grading - Piedmont Utility Group 2. Steel - TBD/Steel Specialty, Inc. or SteelFab 3. Precast - Tindall 4. Concrete - McGillicuddy Concrete 5. Plumbing - TBD/Massey or Gastonia Plumb&Heat. 6. Mechanical - Design Build Mechanical 7. Electrical - Interstate Electric 8. Fire Protection - Wighton ES 9. Roofing - Johnson's Roofing	\$ 6,151,000.00	\$ 74,250.00	\$ 66,000.00	\$ 49,500.00	\$ 79,200.00	\$ 227,700.00	\$ 7.98	\$ 43.66	\$ 32.75	\$ 6.65	\$ 219,611.00	\$ 55,200.00	\$ 14,700.00	\$ 17,500.00	\$ 364,555.00	\$ 33,120.00	\$ 36,000.00	\$ 48,000.00	\$ 48,000.00																					
Hickory	1. Grading - Eggers 2. Steel - Davidson Steel 3. Precast - Tindall 4. Concrete - HCC 5. Plumbing - George Brooks 6. Mechanical - Rutherford 7. Electrical - Lail Electric 8. Fire Protection - Central Piedmont 9. Roofing - Piedmont Commercial	\$ 5,490,000.00	\$ 75,000.00	\$ 30,000.00	\$ 22,500.00	\$ 36,000.00	\$ 108,000.00	\$ 6.00	\$ 4.00	\$ 2.50	\$ 5.00	\$ 155,000.00	\$ 40,000.00	\$ 17,500.00	\$ 40,000.00	\$ 340,000.00	\$ 26,000.00	\$ 30,000.00	\$ 36,000.00	\$ 36,000.00																					
Matthews	1. Grading - Eggers 2. Steel - Steel Specialty 3. Precast - Metromont 4. Concrete - Matthews Construction 5. Plumbing - George Brooks 6. Mechanical - Ross & Whitner 7. Electrical - CKL Electric 8. Fire Protection - Absolute Fire Control 9. Roofing - Piedmont Commercial	\$ 5,923,000.00	\$ 67,500.00	\$ 33,750.00	\$ 25,000.00	\$ 31,500.00	\$ 108,000.00	\$ 7.00	\$ 3.65	\$ 3.20	\$ 6.50	\$ 130,000.00	\$ 49,000.00	\$ 16,600.00	\$ 15,000.00	\$ 415,000.00	\$ 37,000.00	\$ 24,000.00	\$ 30,000.00	\$ 30,000.00																					
Myers and Chapman	1. Grading - Ers/M&M Construction 2. Steel - McCombs 3. Precast - Tindall 4. Concrete - Solis 5. Plumbing - Massey Plumbing 6. Mechanical - Team Mechanical 7. Electrical - Interstate Electric 8. Fire Protection - Absolute Fire Control 9. Roofing - Johnson's Roofing	\$ 5,850,000.00	\$ 65,315.00	\$ 27,450.00	\$ 20,900.00	\$ 28,260.00	\$ 94,050.00	\$ 5.75	\$ 4.70	\$ 3.66	\$ 5.75	\$ 127,000.00	\$ 41,530.00	\$ 11,720.00	\$ 79,659.00	\$ 314,000.00	\$ 25,533.00	\$ 24,000.00	\$ 30,000.00	\$ 30,000.00																					
Sossamon	1. Grading - TWC 2. Steel - Structural Steel of Carolina 3. Precast - Tindall 4. Concrete - H&H Concrete 5. Plumbing - CS Plumbing 6. Mechanical - Steeles Mechanical 7. Electrical - Lail Electric 8. Fire Protection - Carolina Fire Control 9. Roofing - Piedmont Commercial	\$ 5,680,000.00	\$ 65,500.00	\$ 27,525.00	\$ 21,000.00	\$ 28,350.00	\$ 99,000.00	\$ 6.40	\$ 3.55	\$ 2.69	\$ 6.40	\$ 156,384.00	\$ -	\$ 6,240.00	\$ 75,000.00	\$ 334,000.00	\$ 36,000.00	\$ 45,000.00	\$ 60,000.00	\$ 60,000.00																					
Southside	1. Grading - Piedmont Utility Group 2. Steel - Steel Specialty 3. Precast - Tindall 4. Concrete - MacLeod 5. Plumbing - Brooks 6. Mechanical - Ferrigo 7. Electrical - ECS 8. Fire Protection - Absolute Fire Control 9. Roofing - Piedmont Commercial	\$ 5,697,000.00	\$ 82,500.00	\$ 75,000.00	\$ 180,000.00	\$ 144,000.00	\$ 216,000.00	\$ 7.91	\$ 4.41	\$ 3.29	\$ 6.50	\$ 130,000.00	\$ 36,000.00	\$ 12,000.00	\$ 25,000.00	\$ 369,000.00	\$ 25,900.00	\$ 36,000.00	\$ 48,000.00	\$ 48,000.00																					

ORDINANCE NO. 14-2020

A BUDGET ORDINANCE AMENDMENT FOR THE  
CITY OF SHELBY’S JOB READY SHELL BUILDING NO. 3 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 Job Ready Shell Building No. 3 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. 52-2018, the City’s Job Ready Shell Building No. 3 Project, is hereby amended as follows to provide for Budget Amendment No. 2 for said project:

**Job Ready Shell Building No. 3 Project**

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

Cleveland County Grant 23109000-33500-SHL#3 \$5,490,000

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

Construction 231590-53000-SHL#3 \$5,490,000

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

**Job Ready Shell Building No. 3 Project**

	<u>Current Budget</u>	<u>Amendment No. 2</u>
<b>Revenues</b>		
Cleveland County Grant	\$ 267,050	\$ 267,050
Proceeds from Financing	\$ 267,050	\$ 267,050
<b>Expenditures</b>		
Engineering	\$ 534,100	\$ 534,100
Construction	\$ -0-	\$ 5,490,000

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

Ordinance No. 14-2020  
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Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 2<sup>nd</sup> day of March 2020.

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O. Stanhope Anthony III  
Mayor

ATTEST:

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

APPROVED AS TO FORM:

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Robert W. Yelton  
City Attorney

**RESOLUTION NO. 8-2020**

**A RESOLUTION AWARDING THE CONSTRUCTION CONTRACT FOR  
THE CITY OF SHELBY JOB READY SHELL BUILDING NO. 3 PROJECT**

**WHEREAS**, the City of Shelby, in accordance with NCGS 143-129, has solicited bids from qualified contractors to perform work related to the construction of Job Ready Shell Building #3; and

**WHEREAS**, City Council has appropriated funding in the amount of \$5,490,000 for this project; and

**WHEREAS**, City staff and the professional architectural firm WHN Architects, Inc. have prepared complete construction bid documents, that management held a public bid opening on February 11, 2020 to accept bids from pre-qualified contractors to perform the construction related to this project; and

**WHEREAS**, nine (9) responsive bids were received from pre-qualified contractors interested in constructing the facilities associated with this project and the apparent low bidder was Hickory Construction Company, in the amount of \$5,490,000; and

**WHEREAS**, City staff and WHN Architects have reviewed the bids and now recommends to City Council that the contract be awarded to the lowest responsive, responsible bidder, Hickory Construction Company, Inc., in the amount of \$5,490,000.

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

Section 1. The City Council of the City of Shelby hereby awards the contract to Hickory Construction Company, Inc. for the work related to construction of Job Ready Shell Building #3, **pending funding approval from Cleveland County.**

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

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

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

Adopted and approved this the 2<sup>nd</sup> day of March 2020.

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O. Stanhope Anthony, III  
Mayor

ATTEST:

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

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**E. New Business**

None

**Agenda Item: F**

City Manager's Report

I have provided a summary report of various ongoing issues. I will touch on some of them on Monday evening.

**Agenda Item: G**

Council Announcements and Remarks



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**H. Closed Session:**

- 1) To approve the Minutes and General Account of the Closed Session of September 16, 2019
- 2) To approve the Minutes and General Account of the Closed Session of October 7, 2019
- 3) To approve the Minutes and General Account of the Closed Session of October 21, 2019
- 4) 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)

**I. 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