

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. Public Hearings:

- 1) Proposed Fiscal Year (FY) 2020-2021 Annual Operating Budget for the City of Shelby 1
 - a. Consideration of Fiscal Year (FY) 2020-2021 Budget Ordinance: Ordinance No. 22-2020 3
 - b. Consideration of Fiscal Year (FY) 2020-2021 Supplemental Budget Ordinance: Ordinance No. 23-2020 12
- 2) Consideration of a proposed ordinance to amend the Unified Development Ordinance (UDO) of the City of Shelby: Ordinance No. 24-2020 17

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 May 18, 2020 26

D. Unfinished Business: None 36

E. New Business: None 36

F. City Manager's Report 36

G. Council Announcements and Remarks 36

H. Adjournment:

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

1) Motion to adjourn 36

City of Shelby
Agenda Item Summary
June 1, 2020
via electronic meeting

Agenda Item: B-1

Public Hearings:

- 1) Proposed Fiscal Year (FY) 2020-2021 Annual Operating Budget for the City of Shelby
 - a. Consideration of Fiscal Year (FY) 2020-2021 Budget Ordinance: Ordinance No. 22-2020
 - b. Consideration of Fiscal Year (FY) 2020-2021 Supplemental Budget Ordinance: Ordinance No. 23-2020

(Comments: Rick Howell, City Manager)

Summary of Available Information:

- Notice of Public Hearing
 - Ordinance No. 22-2020
 - Ordinance No. 23-2020
-

City Manager's Recommendation / Comments

City Council has previously been provided a copy the formal Budget Ordinance for the fiscal year beginning July 1, 2020, the Supplemental Budget Ordinance, the City Manager's Budget Message, the Authorized Personnel Summary, the Schedule of Fees and Charges as well as the Budget Summary. This hearing is required by the NC General Statutes to allow the public to comment on the proposed budget. A public copy has been posted on the City website and is provided in the administrative offices of City Hall for public inspection. The hearing is specifically intended to allow public comment directly to City Council for consideration prior to a formal vote.

Under a recently adopted provision (S.L. 2020-3, SB 704) of the NC General Statutes the City Council may not act on the budget following the close of the public hearing. It must receive public comment on the budget for at least 24 hours following the close of the hearing. Consideration of the adoption of the budget may take place at your next regularly scheduled meeting to be held on June 15, 2020.

following the public hearing. It will have to take action at a later meeting or recess the meeting long enough to comply with the 24-hour requirement.

**NOTICE OF PUBLIC HEARING
CITY OF SHELBY, NORTH CAROLINA
PROPOSED FISCAL YEAR (FY) 2020-2021 BUDGET**

Notice is hereby given that in accordance with the provisions of North Carolina General Statute 159-12, the proposed budget for the fiscal year beginning July 1, 2020, for the City of Shelby has been submitted to the Mayor and Council and will be available on the City of Shelby's website at www.cityofshelby.com for access and review.

The public hearing will be held on Monday, June 1, 2020, at City Hall located at 300 South Washington Street, Shelby, NC as an electronic video meeting via Zoom Meeting.

Written public comments that are submitted up to 24 hours after the public hearing will be considered by City Council, but only those that are received six (6) hours prior to the public hearing will be read into the record of the hearing. Written public comments may be emailed and/or mailed to the attention of the City Clerk, Bernadette Parduski, at bernie.parduski@cityofshelby.com or City of Shelby, Attention: City Clerk, P O Box 207, Shelby, NC 28151-0207. Persons submitting comments are asked to submit their name and physical street address. Comments specific to this advertised public hearing should be clearly referenced.

Notice is hereby given to the public that all meetings of the Mayor and City Council of the City of Shelby scheduled after Monday, March 16, 2020, will be held via electronic methods until further notice. Public access to these meetings will be provided at the Don Gibson Theatre and/or other means. In accordance with the Governor's Executive Order no more than 10 persons may attend these public access meetings and social distancing must be observed.

Future meetings will also be livestreamed via Facebook Live which can be accessed on your personal device or by attending the access meeting at the Don Gibson Theatre. The theatre is located at 318 South Washington Street, Shelby, NC next to City Hall.

Agendas can be accessed via the City's website at www.cityofshelby.com. Questions about this notice should be directed to the City Clerk at 704 669-6588.

If you would like additional information or have questions regarding how to submit a comment or join the meeting, contact City Clerk Bernadette Parduski at bernie.parduski@cityofshelby.com or at 704 669-6588.

Updated: Thursday, May 21, 2020; Effective for Shelby City Council Meeting of Monday, June 1, 2020

ORDINANCE NO. 22-2020
CITY OF SHELBY
FISCAL YEAR (FY) 2020-2021 BUDGET ORDINANCE

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

Sec. 1) The following amounts are hereby appropriated in the General Fund for the operation of City Government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021 in accordance with the chart of accounts heretofore established for this City:

Governing Board	\$84,496
Administration	533,586
Finance	508,042
Purchasing	68,360
Legal	12,200
Human Resources	219,553
Customer Service	184,229
Information Systems	283,032
Meter Services	103,342
Garage	494,785
City Hall	117,200
Police	7,297,100
Communication	736,700
Fire	4,677,864
Building Inspections	385,300
Streets	1,374,955
Airport	470,965
Solid Waste	1,747,635
GIS	98,964
Planning Services	539,000
Special Appropriations	2,828,000
Parks & Recreation	1,563,115
Maintenance Grounds & Cemetery	<u>1,546,412</u>
Total	<u>\$25,874,835</u>

Sec. 2 It is estimated that the following revenues will be available to the General Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Property Taxes	\$ 12,573,292
Local Option Sales Tax	3,600,000
Other Taxes	43,000
Unrestricted Intergovernmental Revenues	2,298,000
Restricted Intergovernmental Revenues	47,000
Permits and Fees	195,750
Sales & Services	2,458,650
Investment Revenues	75,000
Other Financing Sources	622,143
Fund Balance	662,000
Transfers	<u>3,300,000</u>
Total	<u>\$25,874,835</u>

Sec. 3) The following amounts are hereby appropriated in the Powell Bill Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Construction	\$ 446,200
Street Maintenance	139,200
Debt Service	<u>59,600</u>
Total	<u>\$ 645,000</u>

Sec. 4) It is estimated that the following revenues will be available to the Powell Bill Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Powell Bill	\$ 499,800
Interest Income	40,000
Proceeds from Financing	0
Fund Balance	<u>105,200</u>
Total	<u>\$ 645,000</u>

Sec. 5 The following amounts are hereby appropriated in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Emergency Telephone System	107,000
Total	<u>\$ 107,000</u>

Sec. 6) It is estimated that the following revenues will be available to the Emergency Telephone System Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

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

Sec. 7) The following amounts are hereby appropriated in the Economic Development Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

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

Sec. 8) It is estimated that the following revenues will be available to the Economic Development Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

MSD Property Taxes	\$ 115,250
Local Occupancy Tax	180,000
Investment Revenues	5,500
Other Income	3,000
Transfers	377,000
Fund Balance Appropriated	<u>0</u>
Total	<u>\$ 680,450</u>

Sec. 9) The following amounts are hereby appropriated in the Housing Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Conventional	<u>\$ 1,771,040</u>
Total	<u>\$ 1,771,040</u>

Sec. 10) It is estimated that the following revenues will be available to the Housing Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Subsidies	\$ 470,000
HUD CFP Income	435,140
Rent Income	649,000
Other Income	9,000
Fund Balance	<u>207,900</u>
Total	<u>\$ 1,771,040</u>

Sec. 11) The following amounts are hereby appropriated in the Cemetery Perpetual fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fund Balance Increase	30,000
Total	<u>\$ 30,000</u>

Sec. 12) It is estimated that the following revenues will be available to the Cemetery Perpetual Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Cemetery Fees	30,000
Total	<u>\$ 30,000</u>

Sec. 13) The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Administration	\$ 3,132,618
Line Operation	981,050
Plant	<u>1,936,470</u>

Total \$ 6,050,138

Sec. 14) It is estimated that the following revenues will be available to the Water Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fees	\$ 5,449,000
Proceeds From Financing	70,000
Fund Balance	457,138
Other Income	<u>74,000</u>

Total \$ 6,050,138

Sec. 15) The following amounts are hereby appropriated in the Sewer Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Administration	\$ 2,063,729
Line Operation	1,271,265
Plants	<u>2,184,735</u>

Total \$5,519,729

Sec. 16) It is estimated that the following revenues will be available to the Sewer Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fees	\$ 5,446,729
Other Income	43,000
Proceeds From Financing	30,000
Fund Balance	<u>0</u>

Total \$ 5,519,729

Sec. 17) The following amounts are hereby appropriated in the Electric Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Administration	\$ 2,535,443
Purchase/Generation	16,220,000
Line Operation	<u>3,782,945</u>

Total \$22,538,388

Sec. 18) It is estimated that the following revenues will be available to the Electric Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fees	\$22,052,433
Proceeds From Financing	465,000
Other Income	20,955
Fund Balance	<u>0</u>
Total	<u>\$22,538,388</u>

Sec. 19) The following amounts are hereby appropriated in the Gas Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Administration	\$ 4,471,395
Gas Purchases	9,370,000
Line Operation	<u>2,296,205</u>
Total	<u>\$16,137,600</u>

Sec. 20) It is estimated that the following revenues will be available to the Gas Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fees	\$15,991,000
Other Income	28,600
Proceeds From Financing	118,000
Fund Balance	<u>0</u>
Total	<u>\$16,137,600</u>

Sec. 21) The following amounts are hereby appropriated in the Stormwater Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Administration	868,220
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Total \$ 868,220

Sec. 22) It is estimated that the following revenues will be available to the Stormwater Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fees	\$ 813,220
Proceeds From Financing	<u>55,000</u>

Total \$ 868,220

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

General Fund	\$25,874,835
Powell Bill Fund	645,000
Emergency Telephone System	107,000
Economic Development Fund	680,450
Housing Fund	1,771,040
Cemetery Perpetual Fund	30,000
Utilities-Water Fund	6,050,138
Utilities-Sewer Fund	5,519,729
Utilities-Electric Fund	22,538,388
Utilities-Gas Fund	16,137,600
Utilities-Stormwater Fund	<u>868,220</u>
Total	\$80,222,400
Less Interfund Transfers	<u>3,677,000</u>
Total FY 2019-20 Budget	<u>\$76,545,400</u>

Sec. 24) There is hereby levied a tax at the rate of fifty-two and twenty-five one hundredths cents (\$0.5225) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2020 for the purpose of raising the revenue listed as property taxes in the General Fund in Section 2 of this ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of \$2,435,523,739 and an estimated collection rate of 98.15%. The estimated rate of collection is based on the actual rate of collection for fiscal year 2019-20.

- Sec. 25) There is hereby further levied an additional tax at the rate of twenty-five cents (\$0.25) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2020 within the boundaries of the Uptown Shelby Municipal Service District for the purpose of raising the revenue listed as uptown district tax in the Economic Development Fund in Section 8 of this ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of \$47,342,875 and an estimated collection rate of 98.18%. The estimated rate of collection is based on the actual rate of collection for fiscal year 2019-20.
- Sec. 26) Copies of the Budget Ordinance shall be furnished to the City Manager (Budget Officer) and Finance Officer to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code and the General Statutes of the State of North Carolina.
- Sec. 27) The following authorizations and restrictions shall apply to the adoption and enactment of this budget:
- A. The City Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditure as he believes necessary.
 - B. The City Manager shall be authorized to effect interdepartmental transfers in the same fund not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced.
 - C. The City Manager shall be authorized to effect transfers between capital projects that are budgeted in the same capital project fund.
 - D. The City Manager shall be authorized to transfer any remaining balances from any Capital Project upon its completion to the corresponding reserve fund. Interfund transfers from operating funds shall be accomplished by City Council authorization only.
 - E. The budget adopted herein may be amended to reflect encumbrance balances for expenditures properly committed but unpaid at the end of the prior fiscal year and increasing fund balances appropriated by a similar amount.

Adopted and approved this the _____ day of June 2020.

O. Stanhope Anthony III
Mayor

ATTEST:

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

APPROVED AS TO FORM:

Martha R. Thompson
Interim City Attorney

PROPOSED

ORDINANCE NO. 23-2020
CITY OF SHELBY
FISCAL YEAR (FY) 2020-2021 SUPPLEMENTAL BUDGET ORDINANCE

WHEREAS, in accordance with applicable provisions of the North Carolina Local Government Budget and Fiscal Control Act, the City of Shelby has enacted the FY 2020-21 Budget Ordinance, providing for the annual operating budget of the City for the stated fiscal year; and,

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

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

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

Section 1. The following actions are hereby adopted and approved in support of the City's FY 2020-21 Budget and the continued financial operations of the City subsequent thereto:

- a) The number of full-time positions authorized for employment by the City is confirmed as set forth in the Personnel Summary for a total of 340 positions. See Attachment A.
- b) During FY 2020, a number of positions were reclassified and must now be ratified as presented in the Reclassification Summary. See Attachment B.
- c) The City's fee schedule effective July 1, 2020 is attached.

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

Section 3. This ordinance shall become effective with its adoption and approval, while all applicable budgetary authorizations subject to fiscal year requirements set forth herein are to be effective on July 1, 2020.

Adopted and approved this the ____ day of June 2020.

O. Stanhope Anthony III
Mayor

ATTEST:

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

APPROVED AS TO FORM:

Martha R. Thompson
Interim City Attorney

PROPOSED

Attachment A
Personnel Summary

**FY 2020-
2021**

General Fund

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

Total General Fund 251.00

Powell Bill 1.00

Housing 8.00

Utilities

Water	20.00
Sewer	22.00
Electric	16.00
Gas	19.00
Stormwater	3.00

Total Utilities 80.00

Total Personnel 340.00

New or Amended Job Classification Summary

Attachment B

City of Shelby

Position Reclassification Summary

DEPARTMENT	PREVIOUS JOB TITLE	PREVIOUS PAY GRADE & MINIMUM OF SCALE	AMENDED or NEW JOB TITLE	NEW PAY GRADE & MINIMUM OF SCALE
Administration	New Position		City Attorney	Not established
Administration	New Position		Public Information Communication Officer	Grade 24 Min = \$25.82
Energy Services	New Position		Utility Locator GPS Technician	Grade 13 Min = \$15.09
Engineering Services	Civil Engineer Stormwater Mgr.	Grade 23 Min = \$24.59	Civil Engineer	Grade 25 Min = \$27.11
Engineering Services	GIS Technician	Grade 17 Min = \$18.35	GIS Analyst	Grade 21 Min = \$22.30
Engineering Services	Stormwater Engineering Tech.	Grade 17 Min = \$18.35	Stormwater Engineering Coord.	Grade 22 Min = \$23.42
Finance	Customer Service Representative	Grade 11 Min = \$13.69	Customer Service Billing Specialist	Grade 13 Min = \$15.09
Finance	Finance Director	Grade 32 Min = \$38.14	Asst. City Mgr./ Finance Director	Grade 35 Min = \$44.15
Finance	Asst. City Mgr./ Finance Director	Grade 35 Min = \$44.15	Assistant City Manager	Grade 35 Min = \$44.15
Planning & Development	Chief Building Inspector	Grade 24 Min = \$25.82	Chief Building Inspector	Grade 26 Min = \$28.46
Planning & Development	Planner	Grade 19 Min = \$20.23	Planner	Grade 20 Min = \$21.24
Public Works	Equipment Operator	Grade 11 Min = \$13.69	Construction Crew Supervisor	Grade 16 Min = \$17.47
Water Resources	Laboratory Technician	Grade 14 Min = \$15.85	Environmental Services Technician	Grade 16 Min = \$ 17.47

**2021 City of Shelby
Proposed Installment Contract Equipment List**

<u>Dept.</u>	<u>Description</u>	<u>Cost Center</u>	<u>Estimated Cost</u>
Information Services	Blade Servers/Equip.	110420-51000	52,000.00
Meter Services	Nissan Frontier	110421-54000	27,000.00
Fire Department	Truck	110434-54000	57,443.00
Streets	50% Backhoe	110451-51000	55,000.00
	Service Truck	110451-54000	60,000.00
Airport	Fuel System Upgrade	110453-51000	29,700.00
Sanitation	Leaf Truck Replace	110471-51000	200,000.00
	Sidearm Assembly	110471-51000	50,000.00
GIS	GPS Equipment	110491-51000	10,000.00
	1/2 ton Pickup	110491-54000	30,000.00
Parks and Recreation	Office Copier	110612-51000	11,000.00
	Maintenance Mower	110613-51000	13,000.00
	1/2 Ton Pickup	110613-54000	27,000.00
Water Fund	Pickup Truck	610713-54000	33,000.00
	Chlorine Scale Upgrade	610714-51000	7,000.00
	Truck Replacement	610714-54000	30,000.00
Sewer Fund	1/2 ton Pickup	620721-54000	30,000.00
Electric Fund	Backyard Digger Derrick	630733-51000	150,000.00
	Truck Replacement	630733-54000	60,000.00
	Line Truck Replacement	630733-54000	225,000.00
Gas Fund	Mini-Excavator	640743-51000	31,000.00
	Ditch Witch	640743-51000	29,000.00
	Truck Replacement	640743-54000	29,000.00
	1/2 ton Truck-Locator	640743-54000	29,000.00
Stormwater Fund	1/2 Backhoe	650753-51000	55,000.00
Total:			<u><u>1,330,143.00</u></u>

City of Shelby
Agenda Item Summary
June 1, 2020
via electronic meeting

Agenda Item: B-2

- 2) Consideration of a proposed ordinance to amend the Unified Development Ordinance (UDO) of the City of Shelby: Ordinance No. 24-2020

(Comments: Walter Scharer, Planning Services Director)

Summary of Available Information:

- Memorandum dated May 22, 2020 from Walter Scharer, Planning Director to Rick Howell, City Manager
- Staff Report
- Planning and Zoning Board Minutes
- Certified Recommendation
- Notice of Public Hearing
- Ordinance No. 24-2020

City Manager's Recommendation / Comments

This time on your agenda is scheduled for Council to conduct a **legislative** hearing on a proposed text amendment to the UDO. This amendment involves eliminating private recreational clubs as a permitted use in the R10, R8, and R6 zoning districts. Mr. Scharer has provided the necessary background information for your consideration. This is a legislative hearing. The purpose of a legislative hearing is to secure public comment on the proposed action.

Following the hearing City Council may not take action either in favor or opposition to Ordinance No. 24-2020. Council must receive public comment on this matter for at least 24 hours following the close of the hearing in accordance with recently adopted provisions (S.L. 2020-3, SB 704) of the NC General Statutes. Council may consider adoption of the proposed amendment at your next regularly scheduled meeting to be held Monday, June 15, 2020.

Consideration should be given by City Council to the following section from the Unified Development Ordinance of the City Code when making decisions concerning amendments to the UDO whether they be text or map changes. The certified recommendation from the Planning and Zoning Board Chairperson is included in the agenda packet for your consideration as well.

City Code – Unified Development Excerpt

Sec. 8-6. Ultimate issue before city council on amendments.

City of Shelby
Agenda Item Summary
June 1, 2020
via electronic meeting

In deciding whether to adopt a proposed amendment to this ordinance, the central issue before the city council is whether the proposed amendment advances the public health, safety or welfare. All other issues are irrelevant, and all information related to other issues at the public hearing may be declared irrelevant by the chairman and excluded. When considering proposed map amendments:

(A) Except for rezoning requests submitted in accordance with section 8-7, the city council shall not consider any representations made by the petitioner that, if the change is granted, the rezoned property will be used for only one of the possible range of uses permitted in the requested classification. Rather, the city council shall consider whether the entire range of permitted uses in the requested classification is more appropriate than the range of uses in the existing classification.

(B) The city council shall not regard as controlling any advantages or disadvantages to the individual requesting the change but shall consider the impact of the proposed change on the public at large.



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning Director
Date: May 22, 2020
Subject: Textual Amendment to the UDO for Private Recreational Clubs

Executive Summary of Issue – Background:

Currently the City of Shelby Unified Development Ordinance (UDO) permits Private Recreational Clubs in the R20, R10, R8, R6, RO, and RR Zoning Districts with Development Standards. The proposed ordinance would also eliminate private recreational clubs as a permitted use in the R10, R8, and R6 zoning districts.

Review and Comments:

City Planning Staff feels this use is inconsistent with the Comprehensive Land Use Plan as well as the Strategic Growth Plan.

The Planning and Zoning Board has reviewed this proposal and recommends the attached ordinance.

Recommendation: Please schedule a public hearing for this proposed zoning text amendment at the next City Council meeting on June 1, 2020 City Council meeting. The proposed ordinance will be available to act upon at the June 15, 2020 City Council meeting.

Attachments: Staff Report, Notice of Public Hearing, Planning and Zoning Board Minutes May 21, 2020, Certified Recommendation, and Ordinance



Staff Report

To: Shelby Planning & Zoning Board
 From: Alan Toney
 Planner

Date: May 13, 2020
 Meeting: May 21, 2020

Proposal: To remove private clubs or recreation facilities as a permitted use within the R10, R8, and R6 zoning districts.

ANALYSIS:

Currently private clubs or recreation facilities are a permitted use with development standards in R20, R10, R8, R6, RR, and RO.

The following are the development standards for private clubs or recreation facilities:
 11-1.53.

Private club or recreation facility, other.

- (A) **Where development standards are required.** R20, R10, R8, R6, RR, RO districts.
- (B) **Hours of operation.** The hours of operation allowed shall be compatible with the land uses adjacent to the facility.
- (C) **General.** The UDO administrator shall not grant the permit unless the UDO administrator determines that the parking generated by the facility can be accommodated without undue disruption to or interference with the normal flow of traffic or with the right of adjacent and surrounding property owners.
- (D) **Location.** Principal access must be from a collector or higher capacity street for any facility greater than three acres in size that generates an average daily traffic volume of over 200 or more trips per day.
- (E) **Screening.** Parking lots shall be screened from adjoining single-family residential uses by a buffer yard. The required buffer yard shall comply with requirements of subsection 14.5.2.
- (F) **Security fencing.** Outdoor swimming pools shall be protected by a fence in accordance with the Cleveland County Health Department's public pool regulations.

The following is the current land use table for Private Clubs or Recreations Facilities:

Use Type	R20	R10	R8	R6	RR	RO	NB	CB	GB	GB2	CPD	LI	GI
Private Club or Recreation facility, other	D	D	D	D	D	D	Z	Z	Z	Z	Z		

This proposal from staff will remove a private clubs or recreation facility as a permitted use in the R10, R8, and R6 zoning districts.

STAFF COMMENTS:

Currently a private club or recreation facility is permitted within all residential zoning districts (R20, R10, R8, R6, RR, and RO).

However, staff recommends that this land use is not consistent with the Comprehensive Land Use Plan or goals of R10, R8, and R6 residential zoning districts.

If you have any questions, please contact me.

**NOTICE OF PUBLIC HEARING
APPLICATION #: 1121-2020
ZONING TEXT
AMENDMENT**

The City Council of Shelby, North Carolina will conduct a public hearing via a Zoom meeting at 6:00 p.m., Monday, June 1, 2020. City Council will consider a proposed text amendment to Development Standards to amend Private Clubs or Recreation Facilities in Article 9 and Article 11 of the City of Shelby Unified Development Ordinance.

A more detailed description of this amendment is available for public inspection in the Planning and Development Services Department located at 315 South Lafayette Street, Shelby, North Carolina, during regular business hours, 8:00 AM until 5:00 PM. Also, you can call (704) 484-6829 for more information.

The City Council may change the text covered by the petition or any part thereof, without the withdrawal or modification of the petition or further publication of notice.

Persons interested in being heard on this matter are invited to comment on the proposed zoning text amendment in writing prior to the hearing or no later than June 2, 2020.

Members of the public wishing to attend this meeting should contact the City Clerk (704 484-6800) at least 24 hours prior to the meeting.

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

The Shelby Star:

Please publish this notice as a legal line ad on Thursday, May 21, 2020 and repeat the same ad on Tuesday, May 26, 2020.

Mail invoices with affidavits to Walter Scharer, City of Shelby, PO Box 207, Shelby, NC 28151. Thank you.



Certified Recommendation

City of Shelby Planning & Zoning Board

Case File: 1121

Amendment: Proposed Amendment to the City of Shelby Unified Development Ordinance (UDO) regarding Private Clubs or Recreation Facilities, other. The proposal removes Private Clubs or Recreation Facilities, other as a Permitted Use with development standards in the R6, R8, and R10 zoning districts.

Recommendation: **The Planning and Zoning Board recommends approval of the proposed text amendment as submitted by Staff.**

Findings &

Reasons:

1. The proposed text amendment is consistent with the Comprehensive Land Use Plan.
2. The proposed text amendment is consistent with the Strategic Growth Plan.

Motion: Mr. Royster made the motion to recommend to City Council approval of this proposed text amendment.

Second: Mr. Cabaniss

Action: This motion passed unanimously

Signatures: Walter Scharer
Planning and Development Director

Marlene Peeler
Planning and Zoning Board Chair

Date: 5/21/2020

Date: 5/21/2020

ORDINANCE NO. 24-2020

**A PROPOSED ORDINANCE TO AMEND
THE UNIFIED DEVELOPMENT ORDINANCE OF THE CITY OF SHELBY**

Preamble

Pursuant to the authority conferred by G.S. 160A-381, as amended, and for the purpose of promoting the health, safety, morals, or general welfare of the inhabitants of the city,

**BE IT ORDAINED BY THE CITY COUNCIL OF
THE CITY OF SHELBY THAT THE UNIFIED DEVELOPMENT ORDINANCE OF
THE CITY OF SHELBY BE AMENDED AS FOLLOWS:**

Text Amendment

Table 9-3.1 Permitted Uses Table

Use Type	Zoning Districts												
	R20	R10	R8	R6	RR	RO	NB	CB	GB	GB2	CPD	LI	GI
Private Club or Recreation Facility, other	D	∅	∅	∅	D	D	Z	Z	Z	Z	Z		

SECTION 1. Plan Consistency Statement.

The proposed text amendment is consistent with the Comprehensive Land Use Plan as it ensures the character of residential areas.

SECTION 2. Conflicts With Other Provisions.

Whenever the text of this amendment conflicts with any provision of the ordinance or Code of Ordinances not herein amended or repealed, the more stringent provision or regulation shall prevail.

SECTION 3. Effective Date.

This Ordinance shall become effective upon its adoption and approval.

ADOPTED AND APPROVED this the 15th day of June 2020.

O. Stanhope Anthony III
Mayor

ATTEST:

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

APPROVED AS TO FORM:

Martha R. Thompson
Interim City Attorney

City of Shelby
Agenda Item Summary
June 1, 2020
via electronic meeting

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 May 18, 2020

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of May 18, 2020

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 – Electronic Meeting
City Hall and Don Gibson Theatre

May 18, 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, MPA, ICMA-CM, Assistant City Manager Justin S. Merritt, MPA, Interim City Attorney Martha Raymond Thompson, City Clerk Bernadette A. Parduski, Director of Human Resources Deborah C. (Deb) Jolly, Director of Finance Elizabeth B. (Beth) Beam, Director of Energy Services Julie R. McMurry, 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, Director of Parks and Recreation Charlie Holtzclaw, Director of Planning and Development Services Walter (Walt) Scharer, AICP, Public Information and Communications Officer Chip Nuhrah, Jennipher H. Harrill, Social Media Manager, Blue Eyes Social Media Connections, and Stan Lowery, Executive Director, Don Gibson Theatre Mayor Anthony called the meeting to order at 6:00 p.m. and certified a quorum was present. It was noted a location for public access to the meeting was established at the Don Gibson Theatre and monitored by Mr. Lowery. A maximum of ten (10) persons would be allowed to attend.

The Mayor called for a moment of silence in personal prayer and reflection for all those in our community, our country, and around the world who are serving on the front lines of the COVID-19 pandemic.

A. Approval of agenda:

1) Motion to adopt the proposed agenda

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

B. Public Comment: None

C. Consent Agenda:

Mayor Anthony presented the consent agenda. Mr. White moved to approve the consent agenda and following items were unanimously adopted:

- 1) Approval of the Minutes of the Regular Meeting of May 4, 2020
- 2) Approval of a resolution adopting the City of Shelby's Comprehensive Bicycle and Pedestrian Plan 2020: Resolution No. 19-2020

- 3) Approval of a resolution of the City Council of the City of Shelby, North Carolina, determining that it is in the best interest of the City of Shelby to approve a Waiver Agreement with North Carolina Municipal Power Agency Number 1 and authorizing the execution and delivery of the Waiver Agreement: Resolution No. 20-2020
- 4) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 16: Ordinance No. 20-2020
- 5) Adoption of Fiscal Year 2019-2020 Budget Ordinance Amendment No. 17: Ordinance No. 21-2020

D. Unfinished Business: None

E. New Business:

- 1) Proposed Fiscal Year (FY) 2020-2021 Annual Operating Budget for the City of Shelby

Previously, Mr. Howell provided to Council: City of Shelby General Fund Budget Presentation, Fiscal Year (FY) 2020-2021; City of Shelby Utility (Enterprise) Funds Budget Presentation, Fiscal Year (FY) 2020-2021; his Budget Message; the Proposed Budget Ordinance; the Proposed Supplemental Budget Ordinance, including Personnel Summary, New or Amended Job Classification Summary, and Fees Schedule; and the Proposed Installment Contract Equipment List. Mr. Howell stated the budget is balanced and meets all the applicable requirements of the North Carolina Local Government Budget and Fiscal Control Act. A public hearing will be scheduled as required by North Carolina General Statute 159-12 for Council's regular meeting of June 1, 2020. Under the provisions of Section 4.31 of S.L. 2020-3 (SB704), amending North Carolina General Statute 159-12(a), City Council must receive public comment on the budget for at least twenty-four (24) hours after the close of the hearing. City Council may consider adoption of the proposed budget at its regular meeting of June 15, 2020. The budget must be adopted by City Council prior to June 30, 2020.

Mr. Howell added, as the designated budget officer by North Carolina General Statute 159-9, it is the responsibility of the City Manager to give the governing board a balanced and fiscally responsible budget that sets forth appropriate funding levels in order to provide services to citizens at desired levels as determined by City Council.

Mr. Howell prefaced his presentation by stating budget development for the upcoming fiscal year has been tenuous, at best, given the COVID-19 pandemic and its negative impact on the federal, state, and local economies. This impact has created uncertainty and much greater unpredictability of the

major revenue streams usually relied upon by the City. An even greater concern is the potential for negative economic impact which remains unknown at this time. Mr. Howell further stated the City must be vigilant in addressing budgetary challenges facing the City and proceed with caution to ensure that core “mission critical” services can be provided to the public. He informed Council to expect more frequent budget ordinance amendments early and throughout the fiscal year.

Next, Mr. Howell stated the General Fund is the primary location of funding for the general operations of the City. It is termed “general” because transactions that are not related to any utility or other specific purpose fund are accounted for within this budget. The General Fund budget for Fiscal Year 2020-2021 is \$25,874,835. The overall decrease in the General Fund budget is \$18,786.

The total revenue available for General Fund services, excluding inter-fund transfers and the appropriation of fund balance, is \$22,574,835. The budget is balanced with transfers from other funds (\$3,300,000) and no appropriation of fund balance.

Mr. Howell explained ad valorem taxes constitute the largest revenue source within the General Fund. This revenue consists of two components. They are the value of all taxable property (real and personal) as assessed by the Cleveland County Tax Administrator. It is often referred to as the assessed valuation. The other is the actual tax rate per \$100 of valuation. This rate is controlled by City Council as provided for in the NC General Statutes and can only be adjusted one time per year through the budget process. The current assessed valuation is approximately \$2,400,000,000. The normal collection rate expected is 98.15 percent at the June 30 close of the fiscal year. However, this percentage is something that will be closely watched, given the current economic crisis resulting from the COVID-19 pandemic. This revenue makes up approximately 48 percent of the total General Fund budget. Mr. Howell noted this revenue source is shown to increase by \$188,292 over last fiscal year. The primary reason is continued industrial growth. It is recommended that the tax rate remain at 52.25 cents per \$100 of valuation. A stabilizing factor in the overall growth of assessed values for the City can be found in the industrial tax base growth within the Foothills Commerce Center and the larger Washburn Switch industrial corridor.

Illustrated by graphs, Mr. Howell mentioned the recommended property tax rate for Shelby continues to be among the lowest of full-service North Carolina municipalities with populations between 15,000 and 30,000. It should also be noted that Shelby’s rate is also amongst the lowest in the region.

With local option sales taxes making up approximately 14 percent of the City's budget coupled with the current economic issues the City is facing, the projections for this revenue source are highly questionable at this point in time. The impact of COVID-19 business closings and unemployment is expected to bring negative growth in the last quarter of the current fiscal year. Unfortunately, the City will not know the full impact of the pandemic on its final quarter of sales taxes until September, three months after the budget is adopted. Obviously, this is a huge uncertainty for the City as it is not known how quickly the economy can recover and the public will return to purchasing and contributing to sales tax revenue. Mr. Howell stated the City of Shelby currently receives approximately 12.35 percent or \$3,436,000 plus a hold harmless amount from Cleveland County.

With regard to the General Fund budget, Mr. Howell discussed the following notable changes, including:

- Increase in debt service of \$661,000 for Year 1 of the payment for the rail corridor purchase. This payment will be reduced by approximately 75 percent if the North Carolina Department of Transportation reimburses the City with the \$4,160,000 grant awarded last August by the November due date.
- Implementation of Phase 3 of the approved Compensation and Pay Plan is delayed due to the revenue uncertainty created by the pandemic. Implementation will be reconsidered after a review of the first quarter financial performance.
- Allocations for some salaries and other expenses have been shifted to Administration to better reflect the nature of the expenditures.
- Public Works decrease is largely due to the elimination of the Curbside Rollout Recycling Program.
- Airport increase reflects capital funding for fuel system upgrade and increased operating costs related to the T-hangars which is offset by new rental income.
- Fire and Rescue reflects a decrease in capital spending.
- Police decrease reflects a breakout of the cost of 911 Communication Center. Overall spending is flat otherwise.
- GIS reflects an increase in capital expenditures related to recovery from the malware attack in March 2020.

Mr. Howell noted the tax rate and the fees schedule reflect no changes.

Mr. Howell stated the City's budget includes eight major governmental and enterprise funds: General, Electric, Natural Gas, Water, Sewer, Powell Bill (Streets), Public Housing, and Stormwater. He provided a utility funds overview of the Sewer, Water, Stormwater, Natural Gas, and Electric Funds including a description and explanation of revenue sources, a discussion of

significant budget drivers, a description and explanation of services provided, and a breakdown by utility department and function.

Overall, Mr. Howell referred to the proposed budget as a flat, status quo budget.

He stated the sources of the history of the City's funds is the audit report and the Comprehensive Annual Financial Report.

With regard to the Sewer Fund, Mr. Howell discussed the following notables:

- Revenue – No rate increase recommended for FY 2020-2021. Revenue for Clearwater Paper Site 2 is now budgeted based upon a full year of operation.
- Expenditures – Implementation of Phase 3 of the approved Compensation and Pay Plan is delayed due to the revenue uncertainty created by the pandemic. Implementation will be reconsidered after a review of the first quarter financial performance.
- Reduction in debt service to reflect final payback of North Carolina Clean Water Management Trust Fund loan.

With regard to the Water Fund, Mr. Howell discussed the following notables:

- Revenue – No rate increase recommended for FY 2020-2021. Revenue for Clearwater Paper Site 2 is now budgeted based upon a full year of operation.
- Expenditures – Implementation of Phase 3 of the approved Compensation and Pay Plan is delayed due to the revenue uncertainty created by the pandemic. Implementation will be reconsidered after a review of the first quarter financial performance.
- Debt service increase.

With regard to the Stormwater Fund, Mr. Howell discussed the following notables:

- Revenue – No changes in stormwater rate structure after 2018-2019 restructuring.
- Expenditures – Implementation of Phase 3 of the approved Compensation and Pay Plan is delayed due to the revenue uncertainty created by the pandemic. Implementation will be reconsidered after a review of the first quarter financial performance.

With regard to the Natural Gas Fund, Mr. Howell discussed the following notables:

- Revenue – No natural gas rate increase is proposed for the margin rate schedule.

Mr. Howell explained the natural gas and electric funds are weather-driven utilities for the City.

- Expenditures – Implementation of Phase 3 of the approved Compensation and Pay Plan is delayed due to the revenue uncertainty created by the pandemic. Implementation will be reconsidered after a review of the first quarter financial performance.

With regard to the Electric Fund, Mr. Howell discussed the following notables:

- Revenue – Revenue overall is expected to remain relatively flat with growth not to exceed 1 percent.
- Expenditures – Implementation of Phase 3 of the approved Compensation and Pay Plan is delayed due to the revenue uncertainty created by the pandemic. Implementation will be reconsidered after a review of the first quarter financial performance.
- No increase in the cost of wholesale power purchase for resale to customers from the North Carolina Municipal Power Agency No. 1 is anticipated.

Lastly, the overall budget of \$80,222,400 is a 1.5 percent net increase (\$1,194,364) from the current fiscal year adopted budget of \$79,028,036. Nearly all this increase is due to a new debt service payment for the Water Treatment Plant Modernization Project in the Water Fund and debt service of \$661,000 for Year 1 of the payment for the rail corridor.

- 2) Consideration of a resolution authorizing disbursement of travel and tourism funding to the Cleveland County Arts Council for Fiscal Year 2020-2021: Resolution No. 21-2020

Mrs. Arth Dukes requested to be excused from voting on this matter because she is an employee of the Cleveland County Arts Council and as such wishes to remove any conflict of interest, real or perceived.

ACTION TAKEN: Upon a motion made by Mr. Causby, City Council voted unanimously to excuse Mrs. Arth Dukes from voting on Resolution No. 21-2020.

Mr. Howell introduced Resolution No. 21-2020 for Council's consideration. Each year past grant recipients and other organizations that have expressed an interest are eligible to submit grant applications for these funds generated through the 3 percent room occupancy tax levied by City Council. Each is reviewed to determine if the purpose for use of funds is eligible under the statutes and City policy, the economic impact of the event(s) and/or promotion, past use of funds, success of past events to attract overnight visitors, financial participation by the entity, as well as other relevant criteria. Specifically, the Cleveland County Arts Council will be awarded \$20,000 to provide assistance with sponsoring and promoting the Art of Sound Festival.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously (5 votes) to approve and adopt Resolution No. 21-2020 entitled, "A RESOLUTION AUTHORIZING DISBURSEMENT OF TRAVEL AND TOURISM FUNDING TO THE CLEVELAND COUNTY ARTS COUNCIL FOR FISCAL YEAR 2020-2021".

3) Consideration of a resolution authorizing disbursement of travel and tourism funding for Fiscal Year 2020-2021: Resolution No. 22-2020

Mr. Howell introduced Resolution No. 22-2020 for Council's consideration. Each year past grant recipients and other organizations that have expressed an interest are eligible to submit grant applications for these funds generated through the 3 percent room occupancy tax levied by City Council. Each is reviewed to determine if the purpose for use of funds is eligible under the statutes and City policy, the economic impact of the event(s) and/or promotion, past use of funds, success of past events to attract overnight visitors, financial participation by the entity, as well as other relevant criteria. Specifically, the Earl Scruggs Center, the Don Gibson Theatre, Cleveland County Travel and Tourism, Sharks Aquatics Club, Foothills Farmers Market, Uptown Shelby Association, and the Bobby Bell Recognition Project were awarded grants.

ACTION TAKEN: Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Resolution No. 22-2020 entitled, "A RESOLUTION AUTHORIZING DISBURSEMENT OF TRAVEL AND TOURISM FUNDING FOR FISCAL YEAR 2020-2021".

F. City Manager's Report:

- 1) With regard to the Uptown Shelby Streetscape Project, Mr. Howell reported good progress with all construction activities and installations to

date, including curb extensions, pavers, stamped crosswalks, and mast arms. Traffic delays and temporary road closures can be expected as construction continues. The roads will be paved in mid-July and the project completion date is anticipated on August 16, 2020.

- 2) Mr. Howell informed Council that the final phase of the Shelby Cleveland County Regional Airport land acquisition project, including purchasing and demolition of the properties along NC Highway 150, was completed at the end of April 2020.
- 3) Regarding the construction of Shell Building No. 3, Mr. Howell reported the project is moving forward with the completion of the site clearing and erosion control fencing. Grading for the pad and the building pad will follow. The Cleveland County Economic Development Partnership has communicated that two potential, serious inquiries from manufacturers have been made about this building.

Mr. Howell also shared that a potential industry expansion is anticipated to be announced in June 2020.

G. Council Announcements and Remarks:

- 1) Mayor Anthony announced the annual Firefighters Memorial Service honoring the lives lost in the 1979 Uptown Shelby fire will be held as a virtual ceremony on May 22, 2020 at the Fallen Heroes Memorial.
- 2) The Mayor reminded all to support Shelby's local businesses during the COVID-19 pandemic.
- 3) Mayor Anthony cautioned all about the potential for another round of heavy rains and flooding this week, urging citizens to pay attention to the local warnings issued by Emergency Management. He encouraged residents to check on family members, friends, and neighbors during this time of possible severe weather and the pandemic.
- 4) Mr. White requested an update on the City's recycling program. Mr. Howell responded by stating a proposal from a new vendor was under consideration when the COVID-19 pandemic and the malware attack on the City occurred. The recycling program became a non-priority given all the other issues facing the City.
- 5) Mrs. Arth Dukes expressed her appreciation to Mr. White for reopening the matter of the recycling program for future discussion.

- 6) Mr. Hopper mentioned the article which was recently published in The Shelby Star about David White renovating and rebuilding Uptown Shelby properties.

H. Adjournment:

- 1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted unanimously to adjourn the meeting at 7:10 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of May 18, 2020

DRAFT

City of Shelby
Agenda Item Summary
June 1, 2020
via electronic meeting

D. Unfinished Business

None

E. New Business

None

Agenda Item: F

City Manager's Report

I will report to Mayor and Council on a number of ongoing projects and issues. The projects and issues reported upon are intended to be for your information and do not require action by Council.

Agenda Item: G

Council Announcements and Remarks

H. Adjournment:

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

- 1) Motion to adjourn