

**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. 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 October 19, 2020 1
- 2) Approval of a resolution honoring Mark Steven Swink on the occasion of his retirement from employment with the City of Shelby: Resolution No. 48-2020 8
- 3) Approval of a resolution awarding the contract for the City of Shelby Stormwater Infrastructure Assistance Program project at 1025 East Dixon Boulevard in Shelby, North Carolina: Resolution No. 49-2020 11

**C. Unfinished Business:**

- 1) Consideration of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 3: Ordinance No. 31-2020 27

**D. New Business:**

- 1) City of Shelby Water and Sewer System Financial Analysis and Capital Improvements Plans Update: 43

**Shelby City Council Agenda**  
**November 2, 2020**  
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a. Consideration of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 2: Ordinance No. 32-2020	51
b. Consideration of a resolution approving the City of Shelby Water and Sewer System Financial Analysis and Capital Improvements Plan Update contract between the City of Shelby and WithersRavenel: Resolution No. 50-2020	53
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G. 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	54

City of Shelby  
Agenda Item Summary  
November 2, 2020  
Don Gibson Theatre

**B. 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: B-1**

- 1) Approval of the Minutes of the Regular Meeting of October 19, 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 October 19, 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  
Don Gibson Theatre

October 19, 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, City Attorney Andrea Leslie-Fite, City Clerk Bernadette A. Parduski, Public Information and Communications Officer Chip Nuhrah, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Stan Lowery, Executive Director, Don Gibson Theatre; and Jennifer H. Harrill, Social Media Manager, Blue Eyes Social Media Connections

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. A maximum of 25 persons would be allowed to attend, following the current Executive Orders of Governor Cooper and the North Carolina Department of Health and Human Services COVID-19 guidelines.

The Mayor delivered the invocation and Mrs. Arth Dukes led the Pledge of Allegiance.

**A. Approval of agenda:**

- 1) Motion to adopt the proposed agenda

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

**B. Special Presentations:**

- 1) Honoring S. Todd McMurry on the occasion of his retirement from employment with the City of Shelby: Resolution No. 43-2020

Mayor Anthony called upon Todd McMurry. Mr. McMurry recognized his parents, Mr. and Mrs. McMurry; his wife, Julie; his grandchildren, Oliver and Ruby; his daughters, Chelsey and Brittany with finance, Cole; and Chief Hunt and members of his Fire and Rescue Department family, in attendance. The Mayor formally read and presented framed Resolution No. 43-2020 to Mr. McMurry. He then presented a shadow box, which displays the key to the City and various keepsakes, and a City lapel pin to him in honor of and with heartfelt appreciation for his 32 years of dedicated service within the Fire and Rescue Department of the City of Shelby.

Humbled by the recognition, Mr. McMurry expressed his appreciation to all.

**2) A Proclamation declaring October 24, 2020 as World Polio Day in Shelby, North Carolina**

Mayor Anthony called upon Jamey Davis, President of the Rotary Club of Shelby. The Mayor formally read and presented the Proclamation to Mr. Davis. As a member of the Rotary Club, the Mayor recognized Rotary International and the local Rotary Clubs that have worked tirelessly to eradicate the deadly polio virus worldwide. This Proclamation is meant to raise awareness of Rotary's efforts in the fight for a polio-free world by declaring October 24, 2020 as World Polio Day in the City of Shelby.

**C. Public Comment:**

- 1) Rev. Robert Devoe addressed City Council with his request to honor the life and memory of the late Rev. Dr. Martin Luther King, Jr. with a road designation of a City street. Rev. Devoe elaborated on the life, legacy, and teachings of Rev. Dr. King, stating he dedicated his life to the nonviolent struggle for racial equality in the United States. For these reasons, Rev. Devoe reiterated his request for a road designation in Shelby paying tribute to Rev. Dr. Martin Luther King, Jr.

**D. Consent Agenda:**

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

- 1) Approval of the Minutes of the Regular Meeting of October 5, 2020

**E. Unfinished Business:**

- 1) Consideration of a resolution authorizing selection of McGill Associates based on qualifications for professional civil engineering services related to the site development of Parcels 32196 and 61941 on Farmville Road in Shelby, North Carolina: Resolution No. 46-2020

Mr. Howell introduced Resolution No. 46-2020 for Council's consideration. To promote economic development and growth in the region, the City in partnership with the Cleveland County Economic Development Partnership (CCEDP) and Cleveland County is working toward completing further due diligence to prepare City/County jointly owned sites for consideration by economic development clients. Mr. Howell stated the site at 1641 Farmville Road, which includes Parcels 32196 and 61941, is accessed by a narrow North Carolina Department of Transportation (NCDOT) secondary road with a difficult intersection for large trucks. The site also does not have direct

access to a gravity sewer main and will need an on-site sewer lift station. Finally, the site is large and does not have any sort of conceptual grading plan that can give potential industrial clients certainty that their project will fit on the site.

Mr. Howell further stated the City utilizes a Qualification Based Selection (QBS) process without consideration of fee proposals to initially select an engineering, architectural, or surveying firm. The City then advertised a Request for Qualifications (RFQ) statement for professional civil engineering services related to the site development of 1641 Farmville Road, consisting of approximately 105 acres currently owned by Cleveland County, in which staff determined the need for the following tasks:

- Develop a conceptual grading plan
- Preliminary layout of a sanitary sewer lift station and force main routing
- Complete a Traffic Impact Analysis (TIA) based on projected traffic
- Preliminary layout for necessary roadway improvements
- Develop a detailed cost estimate for all civil work

City staff received three Statements of Qualifications from the following firms: McGill Associates, TGS Engineers, and Withers Ravenel. A selection committee formed consisting of four City staff members who individually reviewed and rated the Statements in accordance to the evaluation criteria outlined in the RFQ advertisement. The City's selection committee unanimously recommended the Professional Engineering Services contract related to the site development of 1641 Farmville Road be awarded to McGill Associates.

Mr. Howell concluded by stating if approved, the resolution would authorize the selection of McGill Associates and authorize him as City Manager to negotiate and execute an agreement that establishes the scope of work and fees associated with the professional services that are to be completed. He added the site development project is expected to cost approximately \$45,000, which is being paid for by grant funding provided by Duke Energy and secured by CCEDP.

**ACTION TAKEN:** Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Resolution No. 46-2020 entitled, "A RESOLUTION AUTHORIZING SELECTION OF MCGILL ASSOCIATES BASED ON QUALIFICATIONS FOR PROFESSIONAL CIVIL ENGINEERING SERVICES RELATED TO THE SITE DEVELOPMENT OF PARCELS 32196 AND 61941 ON FARMVILLE ROAD IN SHELBY, NORTH CAROLINA".

- 2) Consideration of a resolution approving the Bobby Bell mural contract between the City of Shelby and The Mural Shop: Resolution No. 47-2020

Mr. Howell introduced Resolution No. 47-2020 for Council's consideration. In May 2020 Council appropriated \$22,500 of travel and tourism funding to honor Shelby native and former professional football player, Bobby Bell, in three distinct ways. This included the renaming and re-signing of the City Pavilion, the honorary naming of Dekalb Street as Bobby Bell Boulevard, and the installation of a mural. Mr. Howell stated the signs are complete and ready to be installed at the Pavilion, the honorary roadway designation is in process with North Carolina Department of Transportation, and the mural project is ready to proceed with the approval of the resolution presented.

Next, Mr. Merritt reviewed and discussed the process in the development of the City of Shelby Mural Project honoring Bobby Bell which included:

- Project description
- Instructions for submittal process
- Method of award
- Selection process
- Submittal requirements and requested information
- Site – the building wall facing the parking lot behind the Chamber of Commerce in Uptown Shelby
- Description of warranty and guarantee
- Proof of insurance
- Description of current workload and availability
- Timeline and completion of the mural project

Mr. Merritt stated the City received six responses to the RFQ from artists across the State. He organized a review committee with each member individually scoring each RFQ using a uniform scorecard and each RFQ was ranked based upon the calculated score. The committee met in September 2020 to review each member's rank and comments, with the goal being to form a consensus recommendation. It was unanimously decided, based upon individual scorecards and discussion that The Mural Shop appeared to be the most qualified artist for this project.

Mr. Merritt further stated the recommendation from staff is to adopt the resolution, which will allow the City Manager to negotiate and execute the contract.

**ACTION TAKEN:** Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Resolution No. 47-2020 entitled, "A RESOLUTION APPROVING THE BOBBY BELL MURAL CONTRACT BETWEEN THE CITY OF SHELBY AND THE MURAL SHOP".

F. New Business: None

G. City Manager's Report:

- 1) **Mr. Howell confirmed the scheduling of two ribbon cutting ceremonies as follows:**
  - **Uptown Streetscape Project at the corner of East Warren Street and South Washington Street – November 2, 2020 at 5:00 p.m.**
  - **Water Treatment Plant Upgrade Project at 801 West Grover Street – November 16, 2020 at 4:45 p.m.**
- 2) **Regarding City Council’s annual retreat, Mr. Howell requested Council check their calendars in order to set a date in January 2021 and prepare to discuss and formalize their expectations for the subject matter to be presented by staff.**
- 3) **Regarding the Job Ready Industrial Shell Building No. 3 Project, Mr. Howell reported the construction activities are progressing very well and with completion anticipated by December 2020. He stated there has been interest by a prospective economic development client.**
- 4) **Regarding the City’s noise ordinance and outdoor church services during the COVID-19 pandemic, Mr. Howell reported the Police Department resolved the matter of the outdoor amplified sound which caused several complaints from the surrounding neighbors. He further explained the noise ordinance allows for exemptions and applications for temporary variances but not in this instance. This 1985 ordinance is under review by Mrs. Fite.**
- 5) **Mr. Howell will provide Council with the Monthly Financial Summary for the Fiscal Year to Date at September 30, 2020 and will have comments at their next meeting of November 2, 2020.**

**H. Council Announcements and Remarks:**

- 1) **Mrs. Arth Dukes requested an update regarding a complaint about a sinkhole on East Marion Street. Mr. Howell stated it is a private property matter, adding US Highway 74 Business (East Marion Street) is a North Carolina Department of Transportation road. DOT advised that the sinkhole is located outside of its right-of-way. The property owner has been made aware of the issues. Mrs. Arth Dukes expressed her concerns about the safety issues and requested the City place cones around the sinkhole or cite the property owner. Mr. Howell will communicate to the property owner an offer to utilize the City’s Stormwater Assistance Program for possible off right-of-way consideration.**

**Mrs. Fite reiterated Mr. Howell’s comments, adding that personal property liability is a challenge for a public entity to navigate. However, the City**



can explore additional measures to utilize and provide feedback. She advised to proceed with caution.

**I. Adjournment:**

**1) Motion to adjourn**

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted unanimously to adjourn the meeting at 6:46 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC  
City Clerk

O. Stanhope Anthony III  
Mayor

Minutes of October 19, 2020

DRAFT

City of Shelby  
Agenda Item Summary  
November 2, 2020  
Don Gibson Theatre

Agenda Item: B-2

- 2) Approval of a resolution honoring Mark Steven Swink on the occasion of his retirement from employment with the City of Shelby: Resolution No. 48-2020

**Consent Agenda Item: (David Hux, Director)**

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- Memorandum dated October 27, 2020 from David Hux, Director of Water Resources to Rick Howell, City Manager
- Resolution No. 48-2020

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City Manager's Recommendation / Comments

This time is scheduled on your agenda to consider a resolution recognizing Mark Steven Swink on the occasion of his retirement from employment. In keeping with policy Resolution No. 48-2020 will recognize him for having served the City faithfully for the past 28.5 years as a member of the Water Resources team. He is to be congratulated! Mr. Swink is an experienced employee and supervisor and will be greatly missed by his coworkers in the Water Resources Department.

As is in keeping with current policy Mr. Swink will be presented with a framed resolution, a city lapel pin and a key to the City. It is customary and appropriate to recognize Mark Swink for his many years of service to the City. Mr. Swink's dedication to our Water Resources department, in particular, the Field Operations division is to be admired.

Please join me in wishing him a healthy and happy retirement. He is scheduled to attend a future meeting of City Council for a formal presentation.

**It is recommended that Resolution No. 48-2020 be adopted and approved via the Consent Agenda.**

**Retiring or Separating Employee Recognition** - Employees leaving City employment in good standing will receive a plaque from the City Manager after they have attained at least their 20<sup>th</sup> anniversary of service with the City or have attained their 10<sup>th</sup> anniversary and are at least 60 years of age or over. Employees with 25 or more years of service will receive a key to the City, a framed Council resolution and City lapel pin upon retirement from the City. Separating employees who have attained at least five years of service and are leaving in good standing can be recognized on a Department level with a gift or some other form of recognition.

## ***Memorandum***

To: Rick Howell; City Manager

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

Date: October 27, 2020

Re: Mark Swink Retirement Resolution

Please find a Resolution honoring Mark Swink for the occasion of his retirement from the City of Shelby. Mr. Swink retired as the Field Operations Superintendent on September 4, 2020. Mr. Swink served the City and its citizens proudly for the past 28 ½ years with all aspects of Water Resources and will be greatly missed. He fulfilled his daily obligations and was always willing to come in after hours and on weekends to assist with issues throughout Water Resources and any other City related issues. This type of dedication will be greatly missed! One of his greatest strengths was his problem-solving abilities and his calm demeanor during difficult/complex situations. It will be difficult to replace his vast knowledge in Water and Sewer. We wish him a happy, safe and healthy retirement.

In accordance with City policy and past practice, please include this resolution on the consent agenda for November 2, 2020 for adoption. Once adopted, I will coordinate a date with Mr. Swink for his presentation from the Mayor.

Please let me know if additional information is required.

**RESOLUTION NO. 48-2020**

**A RESOLUTION HONORING MARK STEVEN SWINK  
ON THE OCCASION OF HIS RETIREMENT FROM EMPLOYMENT  
WITH THE CITY OF SHELBY**

**WHEREAS**, on the occasion of his retirement from employment on September 4, 2020, it is fitting and proper for the City Council to express its sincere appreciation to Mark Steven Swink for his loyal, dedicated, and committed service to the City of Shelby from February 17, 1992 to September 4, 2020; and,

**WHEREAS**, Mr. Swink has been a loyal team member in the continuing development of the City of Shelby, serving in the Sewer Plant and Field Operations Divisions of the Water Resources Department and to the City of Shelby government as a whole and to all its citizens; and,

**WHEREAS**, during his tenure of service, Mr. Swink has been a loyal employee for the City of Shelby, beginning as Sewer Maintenance Mechanic in 1992, receiving a promotion to Treatment Plant Mechanic in July 1994, receiving a promotion to Water/Sewer Worker II in March 1998, receiving a promotion to Sewer Crew Supervisor in July 1999, receiving a reclassification to Collections Crew Supervisor in January 2001, receiving a promotion to Chief Treatment Plant Mechanic in January 2003, receiving a promotion to Plant Maintenance Supervisor in March 2003, receiving a promotion to Field Operations Superintendent in September 2010, and finishing his career as Field Operations Superintendent, and has been an outstanding example of the quality of employee necessary to the development of the good of the City; and,

**WHEREAS**, Mr. Swink holds a Grade 4 Water Pollution Control Collection System Operator certification and an A Distribution Water Distribution System Operator Certification. Mr. Swink's career involved all facets of the water and sewer system infrastructure; including water distribution system, sewer collections system and the water and sewer treatment plants. During his tenure Mr. Swink worked countless hours responding to call back and emergency operations demands involving the City's water and sewer infrastructure and was also willing and able to assist other departments with various projects/repairs; and,

**WHEREAS**, the City of Shelby is most grateful for the devoted, community, and personal contributions Mr. Swink has given to all the citizens, organizations, and businesses within the greater Shelby community; and,

**WHEREAS**, the City Council of the City of Shelby wishes to acknowledge and express its appreciation to Mr. Swink for his 28.5 years of dedicated and devoted duty in service to its citizens, noting that Mr. Swink will be missed both professionally and as a fellow co-worker who was always on call and returned to care for Shelby nearly every time he was called upon over the course of his career.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and City Council publicly express their sincere appreciation to Mark Steven Swink for his performance of duty to the City of Shelby during the past 28.5 years, and extend the very best wishes for a successful, long, safe, and happy retirement.

**BE IT FURTHER RESOLVED** that this Resolution be entered upon the permanent Minutes of the City Council.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Shelby to be affixed this the 2nd day of November 2020.

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O. Stanhope Anthony III  
Mayor

ATTEST:

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

City of Shelby  
Agenda Item Summary  
November 2, 2020  
Don Gibson Theatre

Agenda Item: B-3

- 3) Approval of a resolution awarding the contract for the City of Shelby Stormwater Infrastructure Assistance Program project at 1025 East Dixon Boulevard in Shelby, North Carolina: Resolution No. 49-2020

**Consent Agenda Item: (Ben Yarboro, Director of Engineering Services)**

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- Memorandum dated October 26, 2020 from Ben Yarboro, Director of Engineering Services to Rick Howell, City Manager
- Memorandum dated October 23, 2020 from Tyler Brooks, Stormwater/Engineering Coordinator to Ben Yarboro, Director of Engineering Services
- Rehab plans for The Clock Restaurant with supporting documents, bid tabulation sheet, and letter from Odom Engineering
- Stormwater Infrastructure Assistance Agreement
- Resolution No. 49-2020

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City Manager's Recommendation / Comments

Resolution No. 49-2020 is presented for City Council consideration at this time. If approved this resolution would award a contract in the amount of \$69,630.00 to Sugar Hill Contractors of Marion, NC for the construction of stormwater system improvements at 1025 East Dixon Boulevard. The applicant is R&J Enterprises of Cleveland County. This project qualifies for assistance through the City's stormwater infrastructure assistance program which allows the City to share costs with a private property owner under certain circumstances spelled out in policy. This is classified as a commercial project. The City will shoulder 50% of this project with the property owner paying 50%. The City's portion of this project is paid through revenue generated from existing stormwater fees. Owners are allowed to either pay their share upon completion of the project or over a five-year period at a statutory interest rate. All projects over \$10,000 in cost must be approved by City Council per the policy.

**It is recommended that Resolution No. 49-2020 be adopted and approved via the Consent Agenda.**



## Memorandum

**To:** Rick Howell, City Manager

**From:** Ben Yarboro, Director of Engineering Services *BY*

**RE:** Stormwater Infrastructure Assistance  
Construction Contract Award for 1025 E. Dixon Blvd.

**Date:** October 26, 2020

### Summary

As outlined in the attached memo from Tyler Brooks (City Stormwater Coordinator), the City Stormwater Division received an application for Stormwater Infrastructure Assistance for stormwater improvements on private property located at 1025 E. Dixon Blvd. After determining that the project was eligible for assistance, a design was completed by Odom Engineering and the project was advertised and bid. This project consists of the replacement of approximately 560 LF of undersized and failing stormwater piping and four catch basins that ties into a 36" stormwater pipe in the NCDOT right-of-way which carries a large volume of runoff from E. Dixon Blvd and surrounding businesses.

The low bidder for this project was SugarHill Contractors LLC. from Marion, NC with a bid of \$69,630.00. This cost will be funded 50% by the City and 50% by the property owner. After reviewing this bid with the property owner, the owner desires to proceed with the project. As defined in the City of Shelby Stormwater Infrastructure Assistance Program, the award of this contract requires Council approval due to the bid amount exceeding \$10,000. Funding for this project is available via the adopted FY21 Stormwater budget.

### Recommendation

City Staff recommends approval of the resolution awarding the construction contract for the Stormwater Infrastructure Assistance project at 1025 E. Dixon Blvd. to SugarHill Contractors, LLC. for the bid amount of \$69,630.00.

Attachments

## *Memorandum*

**To:** Ben Yarboro, Director of Engineering Services

**From:** Tyler Brooks, Stormwater/Engineering Coordinator

**RE:** 1025 E. Dixon Blvd. – Stormwater Infrastructure Assistance Program Project Approval Recommendation

**Date:** October 23, 2020

### **Background**

In February 2016, the City of Shelby implemented a Stormwater Infrastructure Assistance Program to assist property owners with the costs of repairing and/or replacing stormwater infrastructure causing stormwater issues on their private property. Per City ordinance, the City does not have maintenance responsibilities outside of the public rights-of-way. Funding for such projects in excess of \$10,000 shall be presented to the Shelby City Council for consideration before awarding contracts.

### **Review**

In July 2018, the property owner at 1025 E. Dixon Blvd., applied for Stormwater Infrastructure Assistance to address failing stormwater infrastructure on the property. The owner reported two sinkholes on the property caused by metal stormwater pipes that are rusted out and failing. In the recent months, the property owner reported parking lot flooding along with an additional sinkhole which had formed in the parking lot. Due to these new issues, the property owner elected to close that portion of his parking lot for public safety. In addition to the sinkholes and flooding, the engineer determined the current system was undersized which carries runoff from E. Dixon Blvd. and other business's parking lots in the area.

In September 2020 agreements were signed between the City and Owner, and a third-party consultant was asked to provide a design for replacing the infrastructure on the property. The plans call for the trunk line to be replaced with 36" HDPE pipes and four catch basins to be replaced. Bids were submitted on October 21, 2020. At that time contractors were notified that costs had to be approved by the property owner and City Council before starting construction. The low bidder for this project

[www.cityofshelby.com](http://www.cityofshelby.com)

is SugarHill Contractors LLC. with a bid of \$63,300.00 with \$6,330.00 in contingency for a total project bid of \$69,630.00. The property owners desire to proceed with the project.

**Recommendation**

City Staff recommends that the Shelby City Council approve the resolution awarding the bid for the Stormwater Infrastructure Assistance Program project located at 1025 E. Dixon Blvd. for R&J Enterprises of Cleveland County to the lowest responsive bidder, SugarHill Contractors LLC. for the bid price of \$69,630.00. This engineer's estimate for this project was \$74,690.00. Funding for this construction contract is available via Stormwater Utility funding.

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

Attachments:

- Plans Prepared by Odom Engineering
- Bid Tabulation
- Contractor Recommendation Letter
- Copy of signed Stormwater Infrastructure Assistance Agreement



EXISTING CONDITIONS /  
DEMOLITION

PROPOSED LAYOUT



X - TO BE DEMOLISHED

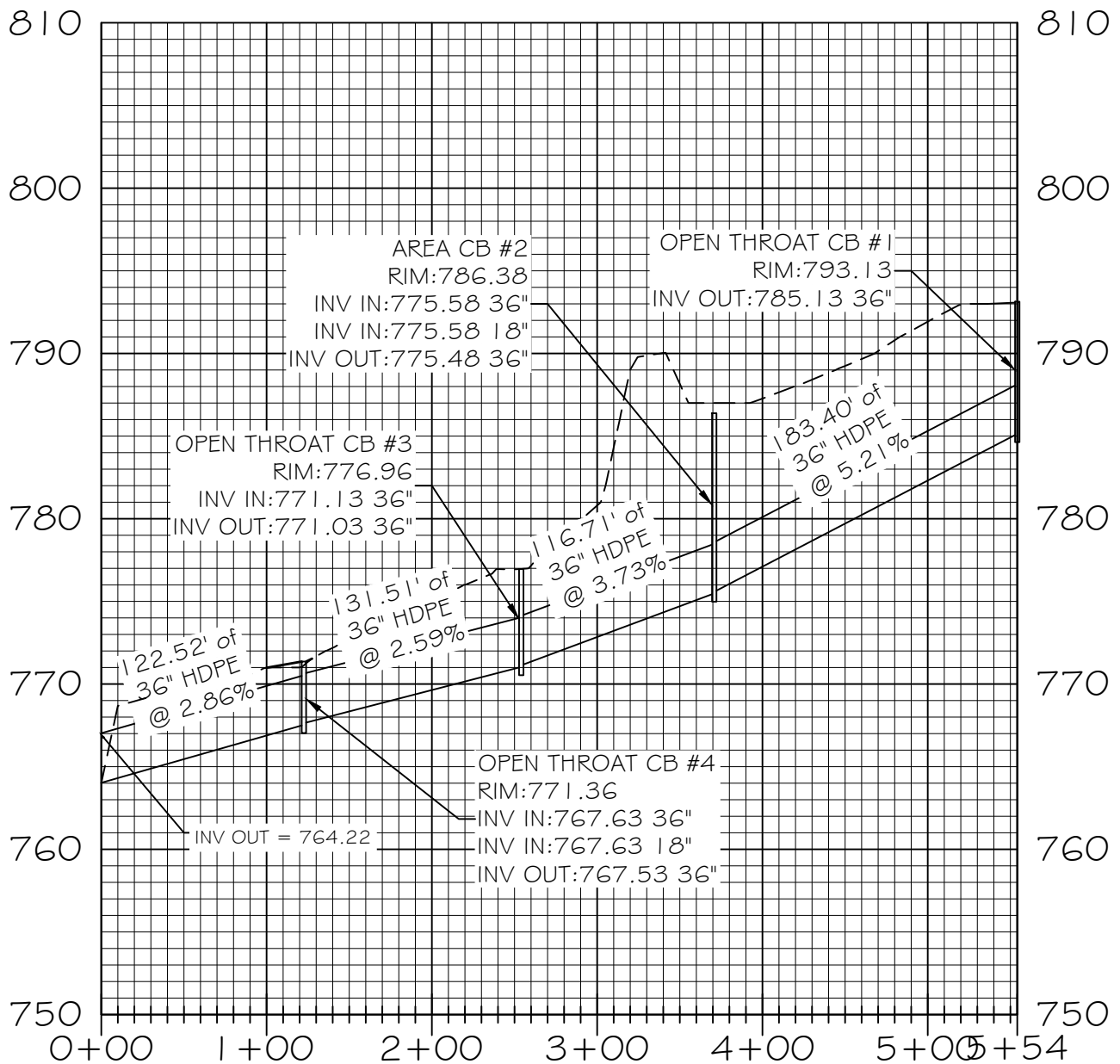
**Odom**  
Engineering  
PLLC  
169 Oak Street, Forest City, N.C. 28043  
ph: 828.247.4495 fax: 828.247.4498  
NC Firm#: P-0880

STORMWATER REHAB PLANS FOR  
**The CLOCK RESTAURANT**  
SHELBY CLEVELAND COUNTY, NC  
STORM WATER PLAN

COTOBER 21, 2020

SCALE: 1"=80'  
15

# STORM PROFILE



**Odom**  
Engineering  
PLLC

169 Oak Street, Forest City, N.C. 28043  
 ph: 828.247.4495 fax: 828.247.4498  
 NC Firm#: P-0880

STORMWATER REHAB PLANS FOR

The CLOCK RESTAURANT

SHELBY

CLEVELAND COUNTY, NC

STORM WATER PROFILE

COTOPER 21, 2020

SCALE: 1"=100'

**CREEKSIDE CLOCK RESTAURANT STORMWATER REHAB**

**OCTOBER 20th, 2020**

ITEM	UNITS	QUANTITY	SUGARHILL CONTRACTOR LLC		NHM CONSTRUCTORS		TWO BROTHERS UTILITIES, LLC		MARVIN HOYLE CONSTRUCTION INC.		LEWIS GRADING & PAVING, INC.		CLARK LEDBETTER GRADING & HAULING INC.		A&A GRADING AND HAULING INC.	
			UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST
MOBILIZATION		1	\$2,500.00	\$2,500.00			\$4,700.00	\$4,700.00	\$4,000.00	\$4,000.00	\$3,500.00	\$3,500.00	\$1,000.00	\$1,000.00	\$1,500.00	\$1,500.00
FILL IN SMALL SINKHOLE		1	\$3,000.00	\$3,000.00			\$1,500.00	\$1,500.00	\$8,000.00	\$8,000.00	\$950.00	\$950.00	\$250.00	\$250.00	\$2,000.00	\$2,000.00
DEM'D EXIST. PIPE & REPLACE W/ 36" HDPE STORM PIPE		560	\$60.00	\$33,600.00			\$146.54	\$82,062.40	\$105.00	\$58,800.00	\$73.00	\$40,880.00	\$125.00	\$70,000.00	\$102.00	\$57,120.00
ASPHALT REPAIR		120	\$85.00	\$10,200.00			\$83.00	\$9,960.00	\$100.00	\$12,000.00	\$50.00	\$6,000.00	\$12.00	\$1,440.00	\$2.50	\$6,300.00
CLEAN UP & SEED ALL DISTURBED AREA		1	\$2,500.00	\$2,500.00			\$1,968.00	\$1,968.00	\$6,000.00	\$6,000.00	\$2,250.00	\$2,250.00	\$3,000.00	\$3,000.00	\$2,000.00	\$2,000.00
OPEN TROUGH CATCH BASIN		3	\$3,000.00	\$9,000.00			\$4,567.00	\$13,701.00	\$6,100.00	\$18,300.00	\$3,995.00	\$11,985.00	\$3,500.00	\$10,500.00	\$4,700.00	\$14,100.00
AREA CATCH BASIN FRAME & GRATE		1	\$2,500.00	\$2,500.00			\$4,680.20	\$4,680.20	\$6,100.00	\$6,100.00	\$300.00	\$300.00	\$4,500.00	\$4,500.00	\$5,200.00	\$5,200.00
<b>TOTAL</b>				\$63,300.00			\$118,571.60	\$118,571.60	\$6,100.00	\$113,200.00	\$68,565.00	\$68,565.00	\$9,690.00	\$9,690.00	\$8,822.00	\$8,822.00
<b>10% CONTINGENCY</b>				\$6,330.00			\$11,857.16	\$11,857.16		\$11,320.00	\$6,856.50	\$6,856.50	\$969.00	\$969.00	\$882.20	\$882.20
		<b>TOTAL BID</b>		<b>\$69,630.00</b>			<b>\$130,428.76</b>	<b>\$130,428.76</b>		<b>\$124,520.00</b>	<b>\$75,421.50</b>	<b>\$75,421.50</b>	<b>\$99,759.00</b>	<b>\$99,759.00</b>	<b>\$97,042.00</b>	<b>\$97,042.00</b>

October 22, 2020

Mr. Tyler Brooks  
Storm water/Engineering Coordinator  
City of Shelby  
PO Box 207, 824 W Grover St.  
Shelby, NC 28150

RE: Contractor Recommendation for the Creekside Clock Restaurant Rehab Project

Dear Tyler:

Bids were received on Wednesday, October 21, 2020 at 2:00 p.m. via email for the Creekside Clock Restaurant Rehab Project.

	<u>BID AMOUNT</u>
• Clark Ledbetter Grading, Inc.	\$99,759.00
• Marvin Hoyle Construction, Inc.	\$124,520.00
• Two Brothers Utilities, LLC	\$130,428.76
• A & A Grading and Hauling	\$97,042.00
• Lewis Grading & Paving, Inc.	\$74,421.50
• NHM Constructors	No Bid
• Sugar Hill Contractors, LLC	\$69,630.00

Below are the contractors that were invited but did not respond in the invitation bid.

- Kennedy Concrete & Utilities, Inc.
- Double R Utilities, Inc.
- Piedmont Utility Group, Inc.
- Cleveland Contractors, Inc.

The low bidder was Sugar Hill Contractors, LLC. with a bid amount of **\$69,630.00**. We recommend awarding the contract to **Sugar Hill Contractors, LLC**. in the amount of **sixty-nine thousand, six hundred thirty- dollars and 00/100 (\$69,630.00)** to complete the project.

Sincerely



David Odom, P.E.



STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

**CITY OF SHELBY  
STORMWATER INFRASTRUCTURE ASSISTANCE AGREEMENT**

THIS AGREEMENT, is made and entered into this 22nd day of October, 2020 by and between the City of Shelby, a municipal corporation of the State of North Carolina, hereinafter referred to as the CITY, party of the first part, and RdJ Enterprises of Cleveland County of Shelby (city), North Carolina (state), hereinafter referred to as the OWNER(S), party of the second part.

BACKGROUND

The CITY, pursuant to City Council Resolution No.3-2016, has adopted a formal policy for providing City assistance for upgrades and repairs to stormwater drainage systems on private property. The OWNER(S), pursuant to this policy, have petitioned the CITY to participate in stormwater drainage improvements within the boundaries of their property, based upon a sharing of costs for such work. These agreements and undertakings are in consideration of the sums agreed to be paid for such work by the OWNER(S), the benefit therefrom according to the public, and the mutual terms and conditions set forth below.

The CITY as specified in Resolution No.3-2016, will perform or contract for improvements as indicated in plans developed by the CITY for the infrastructure improvement project described below:

Replace failing Stormwater system on Parcel # 61349 and 20868  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WHEREAS, the Common Law Doctrine known as the “rule of reasonable use” which has been formally adopted by the North Carolina Supreme Court with respect to surface water drainage allows reasonable alteration of the flow of storm water runoff which may cause harm to properties; and

WHEREAS, there are locations throughout the City of Shelby where the altered flow of storm water runoff through private property interferes with the safety, comfort, welfare, and/or convenience of property owners or the general public; and

WHEREAS, the City, in most cases does not have legal authority to make drainage improvements on private property; and

WHEREAS, the City is willing to award assistance to promote the improvement of drainage facilities on private property and to correct illicit discharges and/or illicit connections on private property in accordance with the City of Shelby Stormwater Infrastructure Assistance Program;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties agree as follows:

1. The CITY agrees to share in the cost of upgrades or repairs to the stormwater system on or along the property of the OWNER(S) as set forth in, those project plans identified as Stormwater Rehab for The Clock Restaurant. (This work shall be referred to herein as "the Project"). The CITY agrees to pay a pro-rata share representing  80 percent (residential property) or  50 percent (commercial property) of the actual construction costs of the Project for the most feasible, cost efficient solution determined by the CITY for a project on private property. The CITY agrees to pay 100 percent of design costs for a third-party consulting engineer if deemed necessary by the CITY.

2. The OWNER(S) agree to pay their pro-rata share representing  20 percent (residential property) or  50 percent (commercial property) of the actual construction cost of the Project. OWNER(S) shall pay their share of the cost by depositing with the CITY a minimum amount equal to 50 percent of the preliminary estimated share of the OWNER(S). The remainder of the OWNER(S) share is due at the time of written notification from the CITY of Project completion and total construction costs of the CITY. The OWNER(S) costs will not exceed their pro-rata share of the actual construction costs, and any payment in excess of actual cost will be refunded to the OWNER(S). Should the OWNER(S) choose not to complete the project following a design by a third-party consulting engineer, the OWNER(S) shall pay 50 percent of the engineering design fee.

OWNER(S) may choose to participate in the special assessment payment option, as evidenced by the attachment to this Agreement of a properly executed Note and Instrument Payment Agreement and Deed of Trust. The Project may proceed upon proper execution and submittal to the CITY of the Agreement, Note and Deed of Trust.

OWNER(S) participating in the special assessment payment option are subject to the following conditions:

- a. Applications for installment payments shall be submitted with a non-refundable \$200 application fee to cover credit checks, appraisals, and other costs associated with a special assessment.
- b. A first or second position lien in an amount no greater than 80% of the unencumbered property value will be considered sufficient security for the assessment.
- c. After determination that income, credit history, security, and other normal requirements for the assessment have been met, the application for installment payments will be approved by the City.
- d. The applicant shall submit a deposit at least equal to 10% of the actual construction cost and an executed agreement to pay the remainder in equal payments over a time period not to exceed 5 years. The first payment will be due one year after notification of Project completion by the City.
- e. The minimum assessment amount will be \$1,000.

3. The total project cost shall not exceed \$50,000.

4. The construction contract for the construction of the improvements to the  residential or  commercial property located at 1025 E. Dixon Blvd. and described in Deed Book 1711/1711 Page 1615/2067 at the Cleveland County Register of Deeds shall be let for bids and awarded in accordance with Article 8 of Chapter 143 of the North Carolina General Statutes, and specifically including the requirement that any contract be awarded to the lowest responsible bidder. All obtained bids shall be provided to the OWNER(S) for review. The CITY reserves the right to refuse any and/or all bids. The total CITY share of the Project will be  80 percent (residential property) or  50 percent (commercial property) of the actual construction cost of the improvements for the most feasible, cost efficient solution determined by the CITY for the Project on private property. The OWNER(S)' share of cost of the project shall not exceed  20 percent (residential property) or  50 percent (commercial property) of the actual construction cost of the improvements for the most feasible, cost efficient solution determined by the CITY for the project. The work will be undertaken only if CITY funds are available.

5. The CITY shall obtain all temporary construction easements from neighboring property owners. Costs associated with acquiring easements will be included in the total Project costs shared by the CITY and OWNER(S). OWNER(S) shall grant a temporary construction easement to the CITY at no cost.

6. The Stormwater Division reviews and approves the design plans and specifications prior to bid solicitation.

7. The work shall conform to City standards and other applicable local, state, and federal requirements.

8. The CITY, or a third party delegated by the CITY, shall provide construction oversight and inspections to ensure that the Project is completed in substantial conformance with the proposal.

9. In consideration for the CITY's undertaking stormwater drainage improvement assistance on private property, the OWNER(S) hereby agree to discharge, release, and hold harmless the CITY, its agents, employees, and officers, for liability for personal injury or property damage, or both, arising under this Agreement or the work to be performed hereunder. The OWNER(S) hereby agree to discharge, release, and hold harmless the CITY's contractor or contractors for liability for personal injury or property damage, or both, to the extent such are not covered by the contractor's liability insurance.

10. The OWNER(S) acknowledge and agree that no action taken or work performed by the CITY pursuant to this Agreement or the official City of Shelby Stormwater Infrastructure Assistance Program shall constitute a taking or appropriation of the stream, ditch, water course, or drainage way on or along their property as part of the CITY's stormwater drainage system. Further, the OWNER(S) acknowledge and agree that the CITY has assumed no liability over, or responsibility for, their property, the drainage way, or any drainage improvements located on their property. The OWNER(S) agree to be responsible for the future maintenance and repair of all drainage facilities and improvements located on their property.

11. The undertaking of the Project by the CITY shall be conditioned upon full participation in this Agreement and undertaking by all property owners abutting the Project. The OWNER(S) understand and acknowledge that, in the event any of the Project participants fail to make full payment for the cost of the work, or fail to execute all required documents and agreements, the final approval of the Project will be withheld by the CITY, and this Agreement shall be void and of no effect.

12. The CITY and/or the OWNER(S) may withdraw participation in the Project if the actual construction bids exceed the preliminary cost estimate or available City funding.

13. These provisions represent the entire Agreement between the parties and may not be modified by oral representations. As used herein, the plural designation may indicate the singular, where applicable.

14. The OWNER(S)' share of the funding as outlined above must be paid to the CITY following the completion of design plans and bidding, but prior to the execution of any construction contracts.


15. The Project must be expected to have a life cycle of more than five (5) years, therefore the OWNER(S) shall commit to a higher level of maintenance than may have previously been conducted (i.e. maintaining vegetation and/or removing debris from ditches) for a period of five (5) years. The CITY will complete annual inspections during this five (5) year period and notify the OWNER(S) of maintenance issues that exist if any are present.

NOW, THEREFORE, in consideration of the City's willingness to enter into the Agreement, the undersigned agrees that the Agreement shall be governed by the laws of the State of North Carolina and venue for any civil action between the parties shall be Cleveland County Civil Superior Court.

This Agreement shall be binding on the heirs, personal representatives, successors and assigns of the parties with reference to the subject matter of this Agreement.

IN WITNESS WHEREOF, the OWNER(S) have set their hands the date above written.

OWNER(S):



Print Name: Joseph S. Barnes

Title: President



Print Name: Rebecca Barnes

Title: Vice President

ATTEST: \_\_\_\_\_

(Seal if appropriate)



STATE OF NORTH CAROLINA

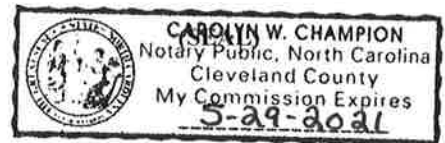
COUNTY OF Cleveland

I, Carolyn W. Champion a Notary Public of the County of Cleveland and State of North Carolina, do hereby certify that Joseph S Barnes personally appeared before me this day and acknowledged the due execution of the foregoing Stormwater Infrastructure Assistance Agreement, together with attached addendum/addenda (if applicable).

WITNESS my hand and official seal this 22 day of October, 2020

Carolyn W. Champion  
Notary Public

My Commission Expires: 5-29-2021



STATE OF NORTH CAROLINA

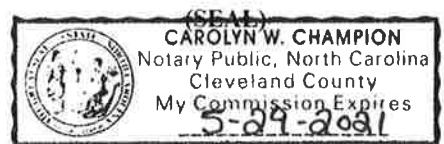
COUNTY OF Cleveland

I, Carolyn W. Champion a Notary Public of the County of Cleveland and State of North Carolina, do hereby certify that Rebecca Barnes personally appeared before me this day and acknowledged the due execution of the foregoing Stormwater Infrastructure Assistance Agreement, together with attached addendum/addenda (if applicable).

WITNESS my hand and official seal this 22 day of October, 2020

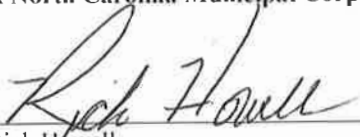
Carolyn W. Champion  
Notary Public

My Commission Expires: 5-29-2021



CITY OF SHELBY,

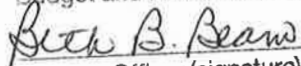
A North Carolina Municipal Corporation

  
Rick Howell  
City Manager

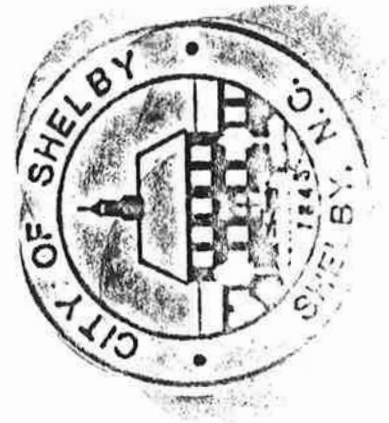
ATTEST:

  
Bernadette Parduski, NCCMC, MMC  
City Clerk

This instrument has been preaudited  
in the manner required  
by the Local Government  
Budget and Fiscal Control Act.

 10/23/2020  
Finance Officer (signature)

(SEAL)



**RESOLUTION NO. 49-2020**

**A RESOLUTION AWARDING THE CONTRACT FOR THE CITY OF SHELBY  
STORMWATER INFRASTRUCTURE ASSISTANCE PROGRAM PROJECT  
AT 1025 EAST DIXON BOULEVARD IN SHELBY, NORTH CAROLINA**

**WHEREAS**, the City of Shelby established a Stormwater Infrastructure Assistance Program via Resolution No. 3-2016; and,

**WHEREAS**, the City of Shelby received an application for assistance from Joseph Barnes at 1025 East Dixon Boulevard in Shelby, North Carolina to address failing stormwater infrastructure that crosses their private property and connects to the public right-of-way; and,

**WHEREAS**, the City of Shelby Engineering Department has reviewed the proposed project application and determined that the project meets the requirements of the Stormwater Infrastructure Assistance Program; and,

**WHEREAS**, a third-party engineer evaluated and designed the replacement of the failing infrastructure; and,

**WHEREAS**, the City of Shelby in accordance with applicable provisions of GS 143-129, as amended, has accepted proposals for the project located at 1025 East Dixon Boulevard in Shelby, North Carolina in accordance with priorities heretofore established by City Council; and,

**WHEREAS**, seven (7) bids for this proposed work were received and have been tabulated and contract award is recommended for this project to the lowest responsive bidder, SugarHill Contractors, LLC., for a total bid of \$69,630.00; and,

**WHEREAS**, per Resolution No. 3-2016, the City agrees to pay 50 percent of the construction costs of assistance projects on commercial properties and the property owner agrees to pay 50 percent via a legal agreement; and,

**WHEREAS**, City Council now desires to proceed with award of the construction contract as recommended by staff.

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

Section 1. The contract for the Stormwater Infrastructure Assistance Program project at 1025 East Dixon Boulevard in Shelby, NC, as outlined in the bid specifications for this offering, is hereby awarded to SugarHill Contractors, LLC. for a bid price of \$69,630.00 as stated in their official proposal for this bidding, and in accordance with the City's official bid specifications for this project.

Section 2. The City Manager of the City of Shelby or his designee is hereby authorized and directed to execute the applicable contracts and any change orders as specified in Section 1 of this resolution.

Resolution No. 49-2020  
November 2, 2020  
Page 2

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

Adopted and approved this the 2nd day of November 2020.

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O. Stanhope Anthony III  
Mayor

ATTEST:

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

City of Shelby  
Agenda Item Summary  
November 2, 2020  
Don Gibson Theatre

C. Unfinished Business

Agenda Item: C-1

- 1) Consideration of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 3: Ordinance No. 31-2020

**Unfinished Business Item: (Rick Howell, City Manager and Ben Yarboro, Director of Engineering Services)**

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- Memorandum dated October 28, 2020 from Ben Yarboro, Director of Engineering Services to Rick Howell, City Manager and Justin Merritt, Assistant City Manager
- Copy of Resolution No. 46-2020
- Letters from McGill Associates, dated October 23, 2020 with consulting services agreement and from Ramey Kemp, dated October 23, 2020 with transportation engineering services agreement
- Ordinance No. 31-2020

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City Manager's Recommendation / Comments

Ordinance No. 31-2020 is presented for City Council consideration at this time. If approved this ordinance recognize \$50,000 in grant funding from CCEDP (donated to them by Duke Energy) and appropriate the same amount for completion of engineering on and off-site development due diligence for the 108 acre Farmville Road property owned jointly by the City and the County. This work will include a conceptual grading plan, a preliminary layout of a sanitary sewer lift station and force main routing, complete a Traffic Impact Analysis, a preliminary layout for necessary roadway improvements and finally completion of a detailed cost estimate for this scope of work.

McGill Associates was chosen to undertake this work via Resolution No. 46-2020. Deliverables are expected to be complete within 90 days.

**It is recommended that Ordinance No. 31-2020 be adopted and approved by City Council at this time.**

## *Memorandum*

**To:** Rick Howell, City Manager  
Justin Merritt, Assistant City Manager

**From:** Ben Yarboro, Engineering Services Director

**RE:** Recommendation to Approve Budget Ordinance Amendment  
for the McGill Engineering Contract for the Site Development  
at 1641 Farmville Rd.

**Date:** October 28, 2020

### **Background**

On October 19, 2020, the Shelby City Council approved Resolution 46-2020 (attached for reference) authorizing the selection of McGill Associates to perform the professional civil engineering services related to the preliminary site development of a 105 acre tract at 1641 Farmville Rd. Following this approval by Council, City staff worked with McGill Associates to determine a scope of work that met the following goals:

- Develop a conceptual grading plan
- Preliminary layout of a sanitary sewer lift station and force main routing
- Complete a Traffic Impact Analysis (TIA) based on projected traffic
- Preliminary layout for necessary roadway improvements
- Develop a detailed cost estimate for all civil work

After the scope of work was agreed upon, a proposal (attached for reference) was provided by McGill with a total fee of \$49,850. This proposal was reviewed by City staff and determined to be fair and reasonable.

### **Recommendation**

City Staff recommends that the Shelby City Council approve the budget ordinance amendment which establishes a budget for McGill Associates to perform the professional civil engineering services specified in their proposal dated October 23, 2020 related to the preliminary site development of a 105 acre site at 1641 Farmville Rd. (parcels 32196 and 61941). This project will be funded by a \$50,000 grant from Cleveland County Economic Development Partnership

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

**RESOLUTION NO. 46-2020**

**A RESOLUTION AUTHORIZING SELECTION OF MCGILL ASSOCIATES  
BASED ON QUALIFICATIONS FOR PROFESSIONAL CIVIL ENGINEERING  
SERVICES RELATED TO THE SITE DEVELOPMENT OF PARCELS 32196 AND  
61941 ON FARMVILLE ROAD IN SHELBY, NORTH CAROLINA**

**WHEREAS**, the City of Shelby desires to obtain expert professional, technical, and advisory services related to the site development of parcels 32196 and 61941 located at 1641 Farmville Road in Shelby, North Carolina; and,

**WHEREAS**, this project will consist of civil engineering services, including, but not limited to, grading plans, sanitary sewer improvements, traffic impact analysis, and roadway improvements; and,

**WHEREAS**, the City of Shelby must contract with an engineering firm to provide the professional civil engineering services needed for the site development of parcels 32196 and 61941 on Farmville Road in Shelby; and,

**WHEREAS**, City staff issued a Request for Qualifications to professional engineering firms interested in providing Civil Engineering Services related to this project in accordance with North Carolina General Statute 143-64.31; and,

**WHEREAS**, three (3) proposals were received from civil engineering firms interested in performing the work associated with this project; and,

**WHEREAS**, City staff has reviewed the proposals and unanimously determined that McGill Associates is the most qualified firm to perform and provide the services as outlined in the Request for Qualifications.

**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 desires for the City Manager to enter into negotiations with McGill Associates to negotiate a contract for the above referenced project.

Section 2. If a fair and reasonable fee cannot be negotiated with the best qualified firm, negotiations will be terminated and initiated with the next best qualified firm.

Section 3. The City Manager is hereby authorized to execute a contract with a firm after successful negotiations.

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

Resolution No. 46-2020  
October 19, 2020  
Page 2

Adopted and approved this the 19<sup>th</sup> day of October 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



October 23, 2020

Ben Yarboro  
Engineering Services Director  
City of Shelby  
Post Office Box 207  
Shelby, North Carolina 28151

RE: Proposal for Engineering Services  
Farmville Road Site Development  
Preliminary Design  
Shelby, North Carolina

Dear Mr. Yarboro:

Thank you for asking McGill Associates to provide this proposal to assist the City of Shelby with preliminary design for parcels 32196 and 61941 located at 1641 Farmville Road. It is our understanding that the City would like to develop conceptual grading, sewer service, and offsite roadway improvement plans and cost estimates for an 800,000 square foot facility with potential outparcel. Our scope of services for the project would include the following:

### **SCOPE OF SERVICES**

#### **Project Kick-Off and Information Gathering**

1. Meet with the City staff and NCDOT to review current site plan and needs for the project.
2. Conduct a site visit to review existing conditions.

#### **Preliminary Site Layout and Grading Plan**

1. Obtain existing topographic survey information (publicly available) and property line information to develop the base map and existing conditions plan.
2. Prepare initial site plan concept layout based on design elements from kickoff meeting and various permit requirements.
3. Develop initial grading plan based on site plan concept layout to determine balanced earthwork and to identify locations and rough grading of sediment basins and stormwater wet ponds for post-construction treatment and detention.
4. Attend an initial layout and grading plan review meeting with City staff to obtain feedback and answer any questions.

5. Produce the final preliminary site plan layout and grading plan based on feedback received during the review meeting, along with a detailed cost estimate for sitework for the development.

#### **Preliminary Sewer Lift Station and Forcemain Plan**

1. Utilize the information from the project kickoff meeting to develop an anticipated maximum wastewater flow.
2. Calculate preliminary sewer lift station and force main sizing. This will be developed based on the previous wastewater flow capacity for the Westside Sewer Improvements project. Any potential upgrades to existing City of Shelby infrastructure or pretreatment flow equalization requirements for the industry will be determined at this time.
3. Prepare initial sewer lift station site plan and force main route plan.
4. Attend meeting with the City of Shelby to review pump station location, force main route, and infrastructure that may require upgrades based on preliminary designs.
5. Create final preliminary lift station site plan and force main route plan based on feedback received during the review meeting, along with a detailed cost estimate for sewer service for the development.

#### **Traffic Impact Analysis**

1. Please refer to the attached proposal dated October 23, 2020 by Ramey Kemp Associates.

#### **Preliminary Offsite Roadway Improvements**

1. Please refer to the attached proposal dated October 23, 2020 by Ramey Kemp Associates.

#### **Preliminary Design Deliverable**

1. Assemble plans, studies, and cost estimates (described in the previous tasks) into a final preliminary design report with narratives detailing the design decisions and key takeaways for the project moving into final design.

### **BASIS OF COMPENSATION**

We propose performing the above described scope of services for the following **lump sum** fees:

Project Kick-Off and Information Gathering	\$ 2,100.00
Preliminary Site Layout and Grading Plan	\$17,700.00
Preliminary Sewer Lift Station and Forcemain Plan	\$ 9,750.00
Traffic Impact Analysis*	\$12,100.00
Preliminary Offsite Roadway Improvements*	\$ 6,600.00
Preliminary Design Deliverable	\$ 1,600.00
<hr/>	
Total Fee	\$49,850.00

\* Traffic Impact Analysis and Preliminary Offsite Roadway Improvements shall be performed by a subconsultant. McGill includes a 10% markup to fees per company policy.

### **ASSUMPTIONS**

This proposal assumes the following:

1. Topographic surveying services for the project area have not been included in the above scope of services.
2. McGill Associates will utilize publicly available LiDAR topographic survey information to produce the conceptual grading plan, unless the City is able to provide a field run topographic survey. Due to the variability in LiDAR topographic information and field run topographic information, the limits of the conceptual grading and earthwork quantities may differ from final design.
3. Wetland and / or stream delineation has not been included in the above scope of services. Any previous delineation will be provided for our use.
4. Evaluation, layout, or cost estimating for water extensions and/or services will not be provided as part of this contract.
5. Design development and construction drawings, permitting, bidding, and construction administration/inspections are not included in this scope of services and would be addressed, as a separate project, should the City choose to proceed beyond conceptual design.
6. Additional iterations/ revisions outside of what is listed in the above scope of services is not included.
7. Attendance at meetings not listed in the above scope of services is not included.
8. Services for tasks other than those specifically detailed above are not included in our fee.

Ben Yarboro  
October 23, 2020  
Page 4 of 4

If the above is acceptable to you, please sign and return a signed copy of the attached Consulting Services Agreement to our office as your notice to proceed. Ben, we appreciate the opportunity to present this proposal and thank you for asking us to provide this important service to the City. Should you have any questions or need additional information, please do not hesitate to call me.

Sincerely,  
**McGILL ASSOCIATES, P.A.**

A handwritten signature in black ink, appearing to read 'S. Burwell', written in a cursive style.

**Scott Burwell, PE**  
Senior Project Manager

Attachments: Basic Fee Schedule  
Consulting Services Agreement  
Ramey Kemp Associates Proposal Dated October 22, 2020

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# CONSULTING SERVICES AGREEMENT

This contract entered into this 23<sup>rd</sup> day of October, 2020 by and between City of Shelby, hereinafter called the Client, and McGill Associates, PA;

Witnesseth that:

Whereas, the Client desires to engage McGill Associates to provide consulting services; and,  
Whereas, the Client finds that the attached Scope of Services and terms of this agreement are acceptable; and,  
Whereas, McGill Associates desires to provide said services and agrees to do so for the compensation and upon the terms and conditions as hereinafter set forth. Now, therefore, the parties hereto do mutually agree as follows:

**1. Scope of Services:** McGill Associates shall provide the services attached hereto in the Contract Proposal "Scope of Services" of this Agreement, hereinafter called services. Fees for additional services will be negotiated with the Client prior to proceeding with the work.

**2. Standard of Care:** McGill Associates will perform its services using that degree of skill and diligence normally employed by professional engineers or consultants performing the same services at the time these services are rendered.

**3. Authorization to Proceed:** Execution of this Consulting Services Agreement will be considered authorization for McGill Associates to proceed unless otherwise provided for in this Agreement.

**4. Changes in Scope:** The Client may request changes in the Scope of Services provided in this Agreement. If such changes affect McGill Associates cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this Agreement.

**5. Compensation:** The Client shall pay the compensation to McGill Associates set forth in the Contract Proposal "Basis of Compensation" attached hereto. Unless otherwise provided in the Basis for Compensation, McGill Associates shall submit invoices to the Client monthly for work accomplished under this agreement and the Client agrees to make payment to McGill Associates within thirty (30) days of receipt of the invoices. It is also mutually agreed that should the Client fail to make prompt payments as described herein, McGill Associates reserves the right to immediately stop all work under this agreement until disputed amounts are resolved.

**6. Personnel:** McGill Associates represents that it has, or will secure at their own expense, all personnel required to perform the services under this agreement and that such personnel will be fully qualified and adequately supervised to perform such services. It is mutually understood that should the scope of services require outside subcontracted expertise McGill Associates may employ such services at their discretion.

**7. Opinions or Estimates of Cost:** Any costs estimates provided by McGill Associates shall be considered opinions of probable costs. These along with project economic evaluations provided by McGill Associates will be on a basis of experience and judgment, but, since McGill Associates has no control over market conditions or bidding procedures, McGill Associates cannot warrant that bids, ultimate construction cost, or project economics will not vary from these opinions.

**8. Termination:** This Agreement may be terminated for convenience by either the Client or McGill Associates with fifteen (15) days written notice or if either party fails substantially to perform through no fault of the other and does not commence correction of such non-performance within five (5) days of written notice and diligently complete the correction thereafter. On termination, McGill Associates will be paid for all authorized work performed up to the termination date plus reasonable project closeout costs.

**9. Limitation of Liability:** McGill Associates liability for Client's damages will, in aggregate, not exceed the total fees paid by the Client for the Scope of Services referenced herein or \$50,000 whichever is greater. This provision takes precedence over any conflicting provision of this Agreement or any

documents incorporated into it or referenced by it. This limitation of liability will apply whether McGill Associates liability arises under breach of contract or warranty; tort, including negligence; strict liability; statutory liability; or any other cause of action, and shall include McGill Associates' directors, officers, employees and subcontractors. At additional cost, Client may obtain a higher limit prior to commencement of services.

**10. Assignability:** This agreement shall not be assigned or otherwise transferred by either McGill Associates or the Client without the prior written consent of the other.

**11. Severability:** The provisions of this Consulting Services Agreement shall be deemed severable, and the invalidity or enforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this consulting services agreement is deemed unenforceable for any reason whatsoever, such provision shall be appropriately limited, and given effect to the extent that it may be enforceable.

**12. Ownership of Documents:** All documents, calculations, drawings, maps and other items generated during the performance of services shall be considered intellectual property and remain the property of McGill Associates. Client agrees that the deliverables are intended for the exclusive use and benefit of and may be relied upon for this project only by the Client and will not be used otherwise. Client agrees that any prospective lender, buyer, seller or third party who wishes to rely on any deliverable must first sign McGill Associates' Secondary Client Agreement.

**13. Excusable Delay:** If performance of service is affected by causes beyond McGill Associates control, project schedule and compensation shall be equitably adjusted.

**14. Indemnification:** Client agrees to indemnify, defend and hold McGill Associates, its agents, employees, officers, directors and subcontractors harmless from any and all claims, and costs brought against McGill Associates which arise in whole or in part out of the failure by the Client to promptly and completely perform its obligations under this agreement, and as assigned in the Contract Proposal "Scope of Services" or from the inaccuracy or incompleteness of information supplied by the Client and reasonably relied upon by McGill Associates in performing its duties or for unauthorized use of the deliverables generated by McGill Associates. Furthermore, McGill agrees to indemnify, defend and hold the Client harmless from any claims brought against the Client as a result of McGill's work.

**15. Choice of Law:** This Agreement shall be governed by the internal laws of the State of North Carolina.

**16. Entire Agreement:** This Agreement contains all of the agreements, representations and understandings of the parties hereto and supersedes any previous understandings, commitments, proposals, or agreements, whether oral or written, and may only be modified or amended as herein provided; and as mutually agreed.

**17. Attachments to this document:**

1. Contract Proposal including Scope of Services and Basis of Compensation.

Client: City of Shelby

Authorized Signature:

Print Name: Ben Yarboro

Title: Engineering Services Director

Address: Post Office Box 207  
Shelby, North Carolina 28151

McGill Associates, P.A.



Print Name: Scott Burwell, PE

Title: Senior Project Manager

Address: 55 Broad Street  
Asheville, North Carolina 28801

**BASIC FEE SCHEDULE**
**JANUARY 2020**

<b>PROFESSIONAL FEES</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
Senior Principal	\$225			
Principal – Regional Manager – Director	\$190	\$205	\$210	\$215
Practice Area Lead	\$160	\$170	\$195	\$210
Senior Project Manager	\$170	\$185	\$195	\$200
Project Manager	\$155	\$165	\$175	\$180
Project Engineer	\$110	\$125	\$140	\$145
Engineering Associate	\$95	\$100	\$110	\$115
Planner- Consultant – Designer	\$100	\$115	\$135	\$150
Engineering Technician	\$90	\$105	\$115	\$120
CAD Operator – GIS Analyst	\$80	\$85	\$95	\$100
Construction Services Manager	\$130	\$145	\$155	\$160
Construction Administrator	\$95	\$110	\$120	\$125
Construction Field Representative	\$85	\$90	\$95	\$100
Environmental Specialist	\$85	\$95	\$100	\$105
Surveyor	\$90	\$95	\$100	\$105
Surveying Associate	\$70	\$75	\$80	\$85
Survey Technician	\$75	\$80	\$85	\$90
Survey Field Technician	\$60	\$65	\$70	\$75
Administrative Assistant	\$70	\$75	\$80	\$85

**1. EXPENSES**

- a. Mileage - \$0.65/mile
- b. Robotics/GPS Equipment - \$25/hr.
- c. Survey Drone - \$100/hr.
- d. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

**2. ASSOCIATED SERVICES -**

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus ten (10) percent.



October 23, 2020

Scott Burwell, P.E.  
McGill Associates, P.A.  
55 Broad Street  
Asheville, NC 28801  
[scott.burwell@mcgillassociates.com](mailto:scott.burwell@mcgillassociates.com)

Reference: Farmville Road Industrial – Shelby, NC  
Subject: Transportation Engineering Services Agreement

Dear Mr. Burwell:

Ramey Kemp & Associates Inc. (RKA) is pleased to provide you with this Transportation Engineering Services Agreement for the above referenced project. We understand this proposed industrial development is located south of Farmville Road, east of W. Cabaniss Road in Shelby, North Carolina. Access to the site is assumed to be a full movement driveway on Farmville Road and a full movement driveway on Leadership Drive. **This proposal is for one (1) site plan only. Any modifications in access or development size may require additional work which will be identified in writing.**

The following is our proposed scope of services for the Project (“Services”) based on previous projects in the area. RKA has not yet discussed this project with NCDOT or the City of Shelby (City). The parties acknowledge that the scope of services may change following consultation or coordination with the NCDOT and the City. The parties agree that should the scope of services change following any future consultation or coordination, RKA will provide the Client with a revised proposal or an addendum to this agreement setting forth any such changes and associated costs to be paid by the Client.

**I.) SCOPE OF SERVICES:**

**A.) Traffic Engineering:**

- a. Coordinate with Client to establish a thorough understanding of the project as well as to obtain all available information.
- b. Coordinate with the City and NCDOT to discuss the project, obtain information, and finalize scope. Prepare a NCDOT TIA scoping checklist outlining the project scope, study parameters, and assumptions. This proposal assumes a maximum of one (1) virtual meeting [conference call or video teleconference] may be needed for scoping purposes.
- c. Up to two (2) people will conduct a site visit to verify field conditions.
- d. The following intersections are **assumed** to be included in the study area:
  - i. Farmville Road and W. Cabaniss Road (Unsignalized)
  - ii. W. Cabaniss Road and Washburn Switch Road (Unsignalized)
  - iii. Farmville Road and Chatfield Road (Unsignalized)

- iv. Farmville Road and Leadership Drive (Unsignalized)
    - a. Note: It is assumed that no thru traffic will be allowed on Leadership Drive from the development to the south of the proposed site. Therefore, the site driveway on Leadership Drive will operate virtually unimpeded and would not warrant evaluation in this study.
  - v. Farmville Road and Site Drive (proposed)
- e. Conduct weekday AM peak period (7:00 – 9:00 AM) and weekday PM peak period (4:00 – 6:00 PM) traffic counts at study intersections (i) – (iii) above.
  - f. Utilizing trip generation formulas in the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 10<sup>th</sup> Edition, calculate the amount of weekday daily, weekday AM peak hour, and weekday PM peak hour traffic to be generated by the proposed development upon full build out.
  - g. Determine site trip distribution percentages based on surrounding population densities, existing traffic patterns, any previously approved Traffic Impact Analysis (TIA) for nearby sites, and engineering judgment. Assign site-generated traffic to study intersections and site driveway utilizing trip distribution percentages.
  - h. Project existing traffic volumes to the build-out year using a compounded growth rate typically approved by the City and NCDOT. Combine the background traffic with the site traffic to determine the future traffic conditions that can be expected upon build-out of the site. The background traffic will include any proposed adjacent developments. This proposal assumes the traffic from any proposed adjacent development will be provided by the reviewing agencies.
  - i. Analyze study intersections during the weekday AM and PM peak hours for the following scenarios:
    - i. Existing (2020) Traffic
    - ii. No Build (Build Year) Traffic
    - iii. Build (Build Year) Traffic
    - iv. Build (Build Year) Traffic with Improvements
  - j. Review turn lane warrants at the study intersections using NCDOT's *Policy on Street and Driveway Access to North Carolina Highways*.
  - k. Prepare a Traffic Impact Analysis documenting the study findings with graphical aides and an appendix of supporting data. Provide a draft copy to the Client for review. Coordinate with the Client to discuss to ensure an understanding of the study and answer questions via virtual meeting [conference call or video teleconference]. Upon approval, submit necessary copies of the report to the NCDOT (if required) and other local reviewing agencies for their review and comments.
  - l. Coordinate with the NCDOT (if required) and local reviewing agencies (via telephone or written correspondence) to ensure an understanding of the study and answer questions. It is difficult to estimate the extent of comments to be provided by the local reviewing agency and/or NCDOT regarding the review. Should revised analyses, the TIA document, or any other additional effort beyond written clarifications be required to address comments or provide additional information to the agencies, a supplemental proposal will be provided.





- m. Any additional meetings requested by the Client for RKA to attend will be billed on an hourly + expenses basis.

**B.) Concept Development**

- a. Upon approval from the City of Shelby, RKA will develop up to two (2) conceptual drawings (one concept per intersection) for the recommended off-site roadway improvements identified in the TIA. Each conceptual drawing will be designed using the latest available aerial imagery along with any available GIS property data. If any survey data is available by the City, we will incorporate this in the conceptual drawing.
- b. Conceptual drawings will include a 2-D layout of the improvements. A typical section will be prepared and shown on the concept plan. No cross-sections, grading or drainage information is included in this scope of services. RKA will identify any potential ROW/easement needs based on the conceptual drawing. Up to one (1) revision is included for each concept in this scope of services.
- c. Pavement Markings layouts will be shown on the conceptual drawings.
- d. A cost estimate for each concept will be prepared upon request from the City of Shelby.
- e. Conceptual drawings will be prepared at a scale of 1"=50' or larger.
- f. RKA will coordinate all designs with the City and NCDOT. This proposal includes a maximum of one (1) site visit and one (1) virtual meeting to discuss the conceptual drawings.

**C.) Additional Services:**

Additional (extra) services are defined as any work item not included in the above scope of services that are requested by the client or review agencies. Additional services will be billable at the RKA billing rates that are current at the time the extra work is identified. Any meetings not included in the scope of services will be considered extra. Extra work will be identified either in writing or by verbal communication, if requested by the client, but must be approved in writing by client before proceeding to perform such additional services.

Additional services RKA provides includes, but is not limited to, the following areas:

- Driveway permits and encroachment agreements
- Roadway design
  - Intersection Improvement Design
  - Highway and Interchange Design
  - Roundabout Design
  - Sidewalk Design
  - Cost estimations
- Traffic signal design and timing plans
- Signing and pavement marking plans
- Hydraulic Design



**II.) SUMMARY OF FEES:**

RKA will provide the above noted services based on the following fee(s).

Service(s)	Lump Sum or Hourly+Expenses	FEE
A.) Traffic Engineering	Lump Sum	\$11,000.00
B.) Concept Development	Lump Sum	\$6,000.00

- a.) Fee is valid for 30 days from the date of this agreement.
- b.) RKA’s hourly rates/expenses are subject to change and RKA reserves the right to make modifications.
- c.) A schedule of Hourly Rate and Reimbursable Expenses can be provided upon request.

**III.) DEPOSIT:**

~~Client may be required to pay RKA up to twenty-five percent (25%) of the fee identified in the proposal before RKA commences any services or work pursuant to this Agreement. RKA will submit invoices to client as provided herein as the services are performed. RKA will hold the client’s deposit and credit the amount of the deposit against RKA’s final invoice(s) for RKA’s services.~~

**IV.) GENERAL CONDITIONS:**

RKA General Conditions (**Attachment 1**) are incorporated herein by reference (see attached). The undersigned client represents and acknowledges that they have been provided with a copy of the General Conditions and have read and fully understand the General Conditions.

**V.) PROJECT/CLIENT INFORMATION SHEET:**

RKA Project/Client Information Sheet (**Attachment 2**) is incorporated herein by reference (see attached). A completed Project/Client Information Sheet must be returned with signed agreement.

ORDINANCE NO. 31-2020

CITY OF SHELBY  
FISCAL YEAR (FY) 2020-2021 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 2020-2021; 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. 22-2020, the City’s FY 2020-2021 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 3 for the year:

(A) The City of Shelby has identified a need to undertake certain engineering activities, to include preliminary site layout, grading plan, traffic impact analysis, utility planning and off-site roadway planning at a site located at 1641 Farmville Road in Shelby, NC, to increase the opportunity for economic development. This project will be funded by a grant from Cleveland County Economic Development Partnership. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

(1) The following Economic Development Fund line items are amended:

- (a) Increase 23009000-38950  
Other Income \$50,000
- (b) Increase 230590-42006  
Economic Development \$50,000

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. 3</u>
General Fund	\$ 26,026,235	\$ 26,026,235
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	645,000	645,000
Economic Dev. Fund	680,450	730,450
Housing Fund	1,771,040	1,771,040
Cemetery Fund	30,000	30,000
Utilities-Water Fund	6,066,638	6,066,638
Utilities-Sewer Fund	5,536,229	5,536,229
Utilities-Electric Fund	22,538,388	22,538,388
Utilities-Gas Fund	16,137,600	16,137,600
Utilities – Stormwater Fund	<u>868,220</u>	<u>868,220</u>
FY 2020-2021 Budget Total:	<u>\$ 80,406,800</u>	<u>\$ 80,456,800</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 2nd day of November 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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Andrea Leslie-Fite  
City Attorney

City of Shelby  
Agenda Item Summary  
November 2, 2020  
Don Gibson Theatre

D. New Business

Agenda Item: D-1

- 1) City of Shelby Water and Sewer System Financial Analysis and Capital Improvements Plans Update:
  - a. Consideration of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 2: Ordinance No. 32-2020
  - b. Consideration of a resolution approving the City of Shelby Water and Sewer System Financial Analysis and Capital Improvements Plan Update contract between the City of Shelby and WithersRavenel: Resolution No. 50-2020

**New Business Item: (Rick Howell, City Manager and Justin Merritt, Assistant City Manager)**

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- Memorandum dated October 27, 2020 from Justin Merritt, Assistant City Manager to Rick Howell, City Manager
- Letter from WithersRavenel dated October 27, 2020
- Agreement for Professional Services from WithersRavenel
- Ordinance No. 32-2020
- Resolution No. 50-2020

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City Manager's Recommendation / Comments

Ordinance No. 32-2020 is presented for City Council consideration at this time. If approved this ordinance would appropriate \$16,500 from both the Water Fund and the Sewer Fund (\$33,000 total) fund balances for the purpose of conducting a water and sewer financial and rate analysis as well as update the capital improvements plan. The City has not conducted a rate analysis in some time. Rates for a variety of rate classifications have not been adjusted in several years and it is important to ensure there is equity and fairness across all rate classes. Withers and Ravenel has been chosen to conduct this work and it is expected to be complete in the next 4-5 months.

**It is recommended that Ordinance No. 32-2020 and Resolution No. 50-2020 be adopted and approved by City Council at this time.**



To: Rick Howell, City Manager

From: Justin Merritt, Assistant City Manager

Date: October 27, 2020

Subject: Water and Sewer System Financial Analysis and Capital Improvements Plans Update

Background:

Over the past several years, the City of Shelby has invested heavily in its water and sewer system infrastructure. Over this same period of time, the City has seen substantial growth in its industrial manufacturing base. Due to these significant changes in the water and sewer system operations and user base, we feel that it is time to review the financial condition of these utilities, ensure we have a fair and equitable rate structure and develop a plan for capital improvements over the next 10 years. We believe that these steps will lead to continued financial stability in these funds and ensure we are prepared to address future capital needs in a strategic manner.

To that end, the City of Shelby has received the attached proposal from WithersRavenel to work with City staff to develop the aforementioned plans.

Recommendation:

The recommendation from staff is to approve the attached resolution approving the City Manager to execute the contract with WithersRavenel and the attached budget amendment that will appropriate funding for the project.



October 29, 2020

Mr. Rick Howell  
City Manager  
Shelby City Hall  
300 South Washington Street  
Shelby, NC 28150

RE: City of Shelby- Water and Sewer System Financial Analysis and Capital Improvements Plan Update

Dear Mr. Howell:

WithersRavenel (CONSULTANT) is pleased to provide this Agreement for Financial Analysis Services to the City of Shelby (CLIENT) for the Water and Sewer System Financial Analysis and Capital Improvements Plan Update (PROJECT). The following proposal was made after careful consideration of all project related tasks.

If you have questions or concerns about the Agreement, please do not hesitate to call me at the number listed below.

Sincerely,

WithersRavenel

Seth Robertson  
Vice President  
115 MacKenan Drive Cary, NC 27511  
t: 919.469.3340 | f: 919.467.6008 | withersravenel .com

Attachments:

Agreement for Professional Services  
Exhibit I – Standard Terms and Conditions

**City of Shelby Water and Sewer System  
Capital Improvement Plans & Financial Analysis Update  
Agreement for Professional Services**

**A. PROJECT DESCRIPTION**

The CONSULTANT will aid the CLIENT with updating the City’s Capital Improvement Plans, establishing a water and sewer system rate model, and preparing a Financial Analysis for its Enterprise funds (PROJECT). The primary objective of this PROJECT is to help the CLIENT project and prioritize its long-term Enterprise funds’ capital needs and develop a plan for funding those needs while charging equitable rates. Planning projects such as this, attempts to balance the needed and recommended capital investments with the fiscal impact on the users by “smoothing out” the expenditures over time. Financing capital needs of any community is a challenge and takes intentional planning and investment. The demands of limited financial resources require prioritization of projects, phasing of projects, prefunding of purchases and improvements using capital reserve accounts, grants/loans, debt financing and in some instance’s deferral of projects to subsequent years. We commend the City of Shelby for undertaking this type of planning project as it demonstrates the City’s recognition of the need to and commitment to make ongoing investment in and maintenance of its facilities, infrastructure, vehicles and equipment that are needed to provide critical City services.

**B. SCOPE OF SERVICES**

*Task 1: Project Planning / Management*

- ▶ Conduct a project planning working session with the City Manager and his designees (Project Leadership Group or PLG) to review project objectives, key assumptions, and project schedule.
- ▶ Assess progress at strategic milestones during the project.
- ▶ Conduct working sessions with the PLG to review project objectives, report drafts, key operational parameters, internal processes and gathered data and information.

*Task 2: Data Collection*

- ▶ Collect all relevant technical, organizational and financial information required for the project.
- ▶ Review existing program plans, capital project plans, cost estimates, financial information for the enterprise fund, including current budget and past audits, current user information, debt status, and interlocal agreements.
- ▶ Meet with the City Manager and the PLG to discuss key project and financial objectives, assumptions and other considerations that relate to the present or future financial status of the fund.



### *Task 3: The Capital Improvements Plan*

- ▶ Assist the CLIENT in updating its 10-year Capital Improvements Plans (CIPs) for the enterprise funds and summarize capital funding assumptions for proposed projects, along with related debt service requirements. It should be noted that any engineering assistance related to cost estimating or updating capital cost assumptions would be provided by the CLIENT. Project investigations or cost estimates that would require engineering or design services are beyond the scope of this proposal and such services are to be procured outside of the scope of this project.
- ▶ Work with the CLIENT to develop assumptions related to certain financial issues and events. Review relevant questions and assumptions with the PLG and summarize all assumptions regarding capital outlay and debt funded capital projects.
- ▶ Develop a presentation format that summarizes the CIPs, which is compatible with the financial analysis model.
- ▶ Draft the CIPs component of the Financial analysis and review the draft with the PLG.

### *Task 4: Enterprise Fund Financial Analysis*

- ▶ Collect and review historic financial data regarding program revenues, expenditures, debt and other factors having potential to influence financial trends for the Enterprise funds.
- ▶ Prepare ten-year Financial analysis models for the Enterprise funds. The models would encompass at least five years of financial history, the current fiscal cycle and ten years of forecasts beginning with FY 2021.
- ▶ Estimate the extent to which projected program revenues exceed or fall short of estimated program expenditures, considering projected operating expenditure trends, capital asset funding, and other related financial trends, assumptions and events. Obtain agreement from the CLIENT on the assumptions to support the financial models.
- ▶ Establish key financial benchmarks for unrestricted net assets, annual net income, and reserves as measures of fund sustainability.
- ▶ Assess the implications of projected financial trends for user rates, reserves, and fund balances over the 10-year study period.
- ▶ Meet with the PLG to review and refine the financial analysis models and all related assumptions.

### *Task 5: Rate Modeling*

- ▶ Establish water and sewer system rate models for the CLIENT's existing rate structures and calibrate the model to current revenues.
- ▶ Based on the projected revenue requirement that has been projected, provide the capability to forecast total revenues produced by hypothetical rate structures providing for certain user categories and their associated rates.
- ▶ Examine alternatives for rate structure revisions including changes to the minimum charge and project subsequent impacts of said revisions on the fund and on rate payers of various quantities of consumption.
- ▶ Develop a fee structure for surcharges related to suspended solids and other industrial waste issues.
- ▶ Summarize potential rate adjustments based on the new revenue requirements established in the financial analysis.
- ▶ Review rate recommendations with CLIENT Staff.

### *Task6: Preparation of Final Deliverables*

- ▶ Prepare a draft Financial Analysis Memorandum that summarizes the findings from the PROJECT.
- ▶ Review the draft with the City Manager and incorporate comments and input into the final Financial Analysis Memorandum.
- ▶ Provide the final Financial Analysis Memorandum to the CLIENT.
- ▶ Conduct up to three (3) working sessions with the manager and PLG.

## **C. ADDITIONAL SERVICES**

Services that are not included in Section B or are specifically excluded from this AGREEMENT shall be considered Additional Services and will be charged separately according to the CONSULTANT's current rate/fee schedule.

Scope of work does not include any accounting, legal, engineering, environmental, surveying, mapping or other services or expenses that are not specifically provided within.

The CONSULTANT will furnish or obtain from others Additional Services if requested in writing by the CLIENT and accepted by the CONSULTANT.

## **D. ASSUMPTIONS AND CLIENT RESPONSIBILITIES**

During the performance of the CONSULTANT's services under this AGREEMENT, it is assumed that the CLIENT will:

- ▶ Provide all needed data, reports, information and supporting capital cost estimates in a timely fashion, which may be needed to complete the PROJECT.
- ▶ Provide timely feedback and response to inquiries, reviews and communications.
- ▶ Examine all information and other documents presented by the CONSULTANT and render in writing decisions pertaining thereto within a reasonable period so as not to delay the services of the CONSULTANT.
- ▶ Give prompt written notice to the CONSULTANT whenever the CLIENT observes or otherwise becomes aware of any defect in the PROJECT.
- ▶ Handle all matters requiring an attorney at law.

## **E. COMPENSATION FOR SERVICES**

CONSULTANT proposes to provide the following Scope of Services to the CLIENT as outlined in this document for the fee not to exceed \$33,000 plus reimbursable expenses. The project cost would be assessed monthly based on progress, in accordance with the CONSULTANT's current schedule of fees and expenses. Our estimate does not include any provision for architectural or engineering services, cost estimates, legal services, or other services that are not specifically addressed in the above described sections.

Any changes to the PROJECT requirements after CONSULTANT has begun work may require additional fees.



WithersRavenel

Our People. Your Success.

## F. TIMELINE

Our work would begin immediately upon receipt of the CLIENT's written notification to proceed, with an estimated completion date of 120-150 days.



**G. ACCEPTANCE**

Receipt of an executed copy of this agreement will serve as the written agreement between the CONSULTANT and CLIENT for the services outlined.

**Submitted by CONSULTANT:**

WithersRavenel, Inc.  
 115 MacKenan Drive  
 Cary, NC 27511

**Accepted by CLIENT:**

City of Shelby  
 300 South Washington Street  
 Shelby, NC 28150

\_\_\_\_\_  
 Authorized Signature

\_\_\_\_\_  
 Authorized Signature

\_\_\_\_\_  
 Seth Robertson  
 Printed Name

\_\_\_\_\_  
 Rick Howell  
 Printed Name

\_\_\_\_\_  
 Vice President  
 Title

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

\_\_\_\_\_  
 srobertson@withersravenel.com  
 Email Address

\_\_\_\_\_  
 rick.howell@cityofshelby.com  
 Email Address

\_\_\_\_\_  
 252.239.3623  
 Phone

\_\_\_\_\_  
 704-484-6801  
 Phone

***PREAUDIT STATEMENT*** *this instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act (NC G.S. 129(a)).*

Signature of Finance Officer: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

ORDINANCE NO. 32-2020

CITY OF SHELBY  
FISCAL YEAR (FY) 2020-2021 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 2020-2021; 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. 22-2020, the City's FY 2020-2021 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 2 for the year:

(A) The City of Shelby has identified a need to conduct a financial analysis and capital improvements plan for its Water and Sewer Utility system. 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 \$16,500

(b) Increase 610711-42000 Professional Services \$16,500

(2) The following Sewer Fund line items are amended:

(c) Increase 62006000-39900 Fund Balance Appropriated \$16,500

(d) Increase 620721-42000 Professional Services \$16,500

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. 2</u>
General Fund	\$ 26,026,235	\$ 26,026,235
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	645,000	645,000
Economic Dev. Fund	680,450	680,450
Housing Fund	1,771,040	1,771,040
Cemetery Fund	30,000	30,000
Utilities-Water Fund	6,050,138	6,066,638
Utilities-Sewer Fund	5,519,729	5,536,229
Utilities-Electric Fund	22,538,388	22,538,388
Utilities-Gas Fund	16,137,600	16,137,600
Utilities – Stormwater Fund	<u>868,220</u>	<u>868,220</u>
FY 2019-2020 Budget Total:	<u>\$ 80,373,800</u>	<u>\$ 80,406,800</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 2nd day of November 2020.

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

ATTEST:

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

APPROVED AS TO FORM:

\_\_\_\_\_  
 Andrea Leslie-Fite  
 City Attorney

RESOLUTION NO. 50-2020

A RESOLUTION APPROVING THE CITY OF SHELBY WATER AND SEWER  
SYSTEM FINANCIAL ANALYSIS AND CAPITAL IMPROVEMENTS PLAN  
UPDATE CONTRACT BETWEEN THE CITY OF SHELBY  
AND WITHERSRAVENEL

WHEREAS, the City of Shelby has identified a need to conduct a Financial Analysis and Capital Improvements Plan for its Water and Sewer Utility Systems; and

WHEREAS, the City of Shelby has received a proposal from WithersRavenel to conduct the aforementioned project; and

WHEREAS, the staff of the City of Shelby have determined that WithersRavenel is suitably qualified to complete the requested project based upon the proposal submitted; and

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 desires for the City Manager, in consultation with the City Attorney, to enter into negotiations and a contract for professional services with WithersRavenel for the above referenced project.

Section 2. The City Manager of the City is hereby authorized and directed to execute the contract set forth in Section 1 of this resolution.

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

Adopted and approved this the 2nd day of November 2020.

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O. Stanhope Anthony III  
Mayor

ATTEST:

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

City of Shelby  
Agenda Item Summary  
November 2, 2020  
Don Gibson Theatre

Agenda Item: E

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: F

Council Announcements and Remarks

G. 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