

## MINUTES

Regular Meeting  
Don Gibson Theatre

February 1, 2021  
Monday, 6:00 p.m.

**Present:** Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, 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, Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Police Chief Jeffrey H. (Jeff) Ledford, Director of Parks and Recreation Charlie Holtzclaw, Director of Planning and Development Services Walter (Walt) Scharer, AICP, Lead for North Carolina Fellow Shelby Holmes, Stan Lowery, Executive Director, Don Gibson Theatre; and Jennipher H. Harrill, Social Media Manager, Blue Eyes Social Media Connections

**Absent:** Council Member David W. White

Mayor Anthony called the meeting to order at 6:00 p.m. Mrs. Parduski certified a quorum of City Council was present. It was noted a location for public access to the meeting was established at the Don Gibson Theatre in accordance with the current Executive Orders of Governor Cooper and the North Carolina Department of Health and Human Services COVID-19 guidelines.

The Mayor called for a moment of silence and delivered the invocation.

### A. Approval of agenda:

- 1) Motion to adopt the proposed agenda

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

### B. Public Hearings:

- 1) Consideration of an ordinance to extend the corporate limits of the City of Shelby, North Carolina: Ordinance No. 1-2021

Mr. Scharer stated this matter was previously heard by Council at their last meeting of January 4, 2021. He re-introduced Ordinance No. 1-2021 for Council's consideration, adding this annexation site has an area of approximately 3.1 acres and the property lies between the primary City limits and the Shelby Cleveland County Regional Airport. Since a quorum of City Council was not present in January, the matter has been brought back for Council's ratification.

Mayor Anthony opened the public hearing at 6:06 p.m. and invited comments from the public.

The public offered no comments.

Mayor Anthony closed the public hearing at 6:07 p.m.

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted unanimously to approve and adopt Ordinance No. 1-2021 entitled, "AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SHELBY, NORTH CAROLINA".

- 2) Consideration of a resolution approving a contract for Uptown Municipal Service District Services between the City of Shelby and Uptown Shelby Association, Inc.: Resolution No. 8-2021

Mr. Howell introduced Resolution No. 8-2021 and the proposed Contract for Uptown Municipal Service District Services. In accordance with North Carolina General Statute 160A-536, he stated the City has solicited proposals utilizing a bid process to determine which private agency is best suited to achieve the needs of the service district. The advertised public hearing is a requirement to seek public input prior to entering the contract. Mr. Howell further stated the contract will specify the scope of services to be provided by the private agency as well as the term, not to exceed five years in length, funding allocation, and reporting requirements.

Next, Mr. Scharer added the Uptown Shelby Association was the only organization to submit a proposal. The proposed contract with Uptown Shelby Association to provide facilities, functions, promotional and developmental activities for the Uptown Municipal Service District was drafted with their assistance and the City Attorney.

Mayor Anthony opened the public hearing at 6:09 p.m. and invited comments from the public:

Audrey Whetten Godfrey, Executive Director, Uptown Shelby Association, Inc., 211 South Trade Street, Shelby, North Carolina spoke in support of the proposed contract with the City. Mrs. Godfrey stated Uptown Shelby is a North Carolina Main Street Community and has been charged with administering the program at the local level over the past 40 years. She also stated Uptown Shelby operates within the Main Street Program's Four-Point Approach: Economic vitality, organization, promotion, and design. Mrs. Godfrey mentioned as a Main Street America Accredited Program, the Uptown Shelby Association meets a set of National Accreditation Standards of Performance as outlined by the National Main Street Center. She

concluded by expressing her appreciation to City Council for their support and leadership.

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

Mr. Howell explained at the conclusion of the public hearing, Council may not immediately act on the item under consideration. Under a provision adopted in 2020 modifying the North Carolina General Statutes, when Council holds a virtual meeting with a public hearing, public comment is required to be accepted at a minimum of 24 hours after the scheduled meeting. Therefore, consideration of the adoption of Resolution No. 8-2021 and the proposed contract may take place at Council's next regularly scheduled meeting of February 15, 2021.

### C. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of December 7, 2020
- 2) Approval of the Minutes of the Regular Meeting of January 4, 2021
- 3) Approval of a Special Event Permit Application:
  - a. Uptown Shelby Carriage Rides for Valentines
- 4) Approval of a resolution approving the submission of City of Shelby's Application for North Carolina Housing Finance Agency 2021 Urgent Repair Program: Resolution No. 3-2021
- 5) Approval of a resolution approving application to Watch for Me NC: Resolution No. 4-2021
- 6) Approval of a resolution rescinding Resolution No. 55-2020 authorizing agreement between the City of Shelby, North Carolina and White Investments of Shelby, LLC for commissioned mural made for hire: Resolution No. 5-2021
- 7) Approval of a resolution revising and amending the personnel policies of the City of Shelby to provide for an updated Personnel Policy and Procedural Manual: Resolution No. 6-2021
- 8) Adoption of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 7: Ordinance No. 2-2021

- 9) Adoption of an ordinance amending the City of Shelby's Schedule of Fees: Ordinance No. 3-2021
- 10) Approval of a resolution honoring B. Doyle McSwain on the occasion of his retirement from employment with the City of Shelby: Resolution No. 9-2021

D. Unfinished Business: None

E. New Business:

- 1) Consideration of a resolution authorizing the Mayor and City Clerk to execute an Assumption Agreement and Subordination Agreement: Resolution No. 7-2021

Mr. Howell introduced Resolution No. 7-2021 for Council's consideration. If approved, the resolution would authorize the Mayor and the City Clerk to execute agreements that would allow Western Carolina Rescue Ministries (WCRM) to assume the current loan agreement with the City and authorize subordination of the current Deed of Trust to WCRM.

As background information, Mr. Howell stated the City of Shelby was the recipient of Community Development Block Grant (CDBG) funds from the North Carolina Department of Commerce's Division of Community Assistance through the 2011 North Carolina Catalyst Grant category and was designated to receive \$500,000.00 in project funds. The City entered into an agreement with Inter-Faith Alliance Corporation, the governing board of the Cleveland County Rescue Mission, to receive CDBG funds from the US Department of Housing and Urban Development and the NC Department of Commerce's Division of Community Assistance. The City advanced Inter-Faith Alliance Corporation a \$90,000.00 non-interest loan for the renovation and construction of the current men's shelter at the corner of Buffalo and Fullerton Streets. In adhering to the conditions set by the CDBG Program, the City entered into a loan agreement with Inter-Faith Alliance and placed a Deed of Trust on the property. The Inter-Faith Alliance is in the process of selling the Cleveland County Rescue Mission. As part of the consideration for receiving the CDBG advancement for building improvements in 2013, the Inter-Faith Alliance Corporation is required to obtain City of Shelby approval prior to the property being sold. The WCRM wishes to assume the non-interest loan obligation contained in the Inter-Faith Alliance Deed of Trust. The WCRM requested the City of Shelby subordinate their lien, consequently placing the City of Shelby in the second position.

Mr. Howell concluded by stating the loan was in essence a forgivable loan in equal annual amounts over a ten (10) year period ending in 2023. For WCRM to proceed, City Council must approve its assumption of the loan and agree

to subordinate this loan. The loan subordination would allow them to pursue additional bank funding for the project. After the ten (10) year period the loan would be fully forgiven and neither the City nor WCRM would have any financial liability to pay the money back to the State of North Carolina.

**ACTION TAKEN:** Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Resolution No. 7-2021 entitled, “A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN ASSUMPTION AGREEMENT AND SUBORDINATION AGREEMENT”.

**F. City Manager’s Report:**

- 1) Regarding the Cleveland County 2021 property revaluation, Mr. Howell was informed by County Manager Brian Epley that notices of value will be mailed out to property owners beginning February 12, 2021. These notices will communicate the property values following the revaluation process conducted by the Cleveland County Tax Administration Department Appraisal Division. Council members may hear from citizens about the process and values; however, the City is not directly involved, and those matters should be referred to Cleveland County for review. Property owners will have an appeal process under State law. Staff should have a more accurate starting number for the City’s budget process, subject to a slight change due to the appeal process.
- 2) Regarding the Shelby Rail Trail Depot Park Phase I Project, Mr. Howell stated the City is continuing its efforts to pursue both grant opportunities and private funding towards its construction. A public meeting to receive input for the Parks and Recreation Trust Fund (NCPARTF) grant application was held on January 26, 2021. City staff will also resubmit a stronger application for the Federal BUILD Grant in the future grant cycle.
- 3) Regarding Shelby Cleveland County Regional Airport T-Hangar No. 4, Mr. Howell stated a recommendation to City Council that will allow the City to proceed with that building is forthcoming. The estimated cost of this project is \$954,000. The City’s share is 10 percent or \$47,700 to be split with Cleveland County. The City already has funding commitments from NC Division of Aviation for approximately half of the estimated cost with the remainder to be paid back to the City over three years. The current waiting list has 16 individuals wishing to rent space in a T-Hangar building with only ten spaces. Mr. Howell added each T-Hangar generates approximately \$30,000 in rental revenue annually as well as increased fuel sales. Additionally, these planes would also be subject to property tax.
- 4) Regarding Shell Building No. 3, Mr. Howell reported a schedule update from Hickory Construction Company notified the City the construction is 95 percent complete. The items to be completed include: Paving,

seeding, painting, and systems startup and testing pending permanent power from Duke Energy. He remains cautiously optimistic about the sale of the building.

- 5) To celebrate Black History Month in February, Mr. Howell mentioned the City of Shelby will be joining the Earl Scruggs Center and Uptown Shelby Association in highlighting local Black leaders and their impacts on Shelby and Cleveland County. He commended Lead for North Carolina Fellow Shelby Holmes for her work on this project. Profiles of Reverend Samuel Raper, Aileen Ford, Therman Brooks, Edward Bass, and others can be viewed throughout the month of February via social media posts.

**G. Council Announcements and Remarks:**

- 1) Mayor Anthony discussed the vacancy created on the Alcohol Beverage Control Board with the departure of long-standing member and chair, Carl Dockery, due to health reasons and his relocation to the Raleigh area. The Mayor requested City Council consider a replacement as soon as a report can be prepared by City Clerk, Mrs. Parduski.

**H. Adjournment:**

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted unanimously to adjourn the meeting at 6:36 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC  
City Clerk

O. Stanhope Anthony III  
Mayor

Minutes of February 1, 2021