

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 Special Meeting of April 17, 2021 1
- 2) Approval of the Minutes of the Regular Meeting of May 17, 2021 24

C. Unfinished Business:

- 1) City of Shelby's Ames Copper Natural Gas System Infrastructure Improvements Project 33
 - a. Consideration of a budget ordinance amendment for the City of Shelby's Ames Copper Natural Gas System Infrastructure Improvements Project: Ordinance No. 20-2021 39
 - b. Consideration of a resolution awarding the construction of natural gas lines along Old Boiling Springs Road and Highway 74 West: Resolution No. 33-2021 41
- 2) Consideration of a resolution approving the participation of the City of Shelby in the Foothills NC Home Consortium and authorizing the City Manager to enter into and execute a Joint Cooperation Agreement for the Home Investment Partnership Program: Resolution No. 34-2021 42

D. New Business:

- 1) Consideration of a resolution of tentative award for the aerial Sewer line at Randolph Road to Clark Ledbetter Grading & Hauling, Inc.: Resolution No. 35-2021 55
- 2) Consideration of a resolution of tentative award for the aerial sewer line at Rocky Creek Road to Two Brothers Utilities, LLC: Resolution No. 36-2021 61
- 3) Consideration of a resolution awarding the contract for the City of Shelby Stormwater Infrastructure Assistance Program Project at 326 Whisnant Street in Shelby, North Carolina: Resolution No. 37-2021 65

E. City Manager's Report 84

F. Council Announcements and Remarks 84

G. Budget Session – Utility Funds: Proposed Fiscal Year (FY) 2021-2022 Annual Operating Budget for the City of Shelby 84

H. Adjournment:

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

- 1) Motion to adjourn 84

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

B. Consent Agenda:

Agenda Item: B-1

- 1) Approval of the Minutes of the Special Meeting of April 17, 2021

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Special Meeting of April 17, 2021

City Manager's Recommendation / Comments

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

MINUTES

Special Meeting – Annual Planning Retreat
Earl Scruggs Center

April 17, 2021
Saturday, 8:00 a.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick (arrived at 9:32 a.m.), David W. White, David Causby, Violet Arth Dukes, Charles Webber (left at 11:35 a.m.), 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, Assistant Director of Finance Sam Clark, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Water Resources David W. Hux, Director of Engineering Services Benjamin (Ben) Yarboro, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Director of Parks and Recreation Charlie Holtzclaw, Director of Planning and Development Services Walter (Walt) Scharer, AICP, and Lead for North Carolina Fellow Shelby Holmes

Mayor Anthony called the meeting to order at 8:16 a.m. and welcomed all who were in attendance.

Mr. Howell provided an overview of the day:

- 2020 in Review and What's ahead for 2021-2022
- Fiscal Year 2021-2022 Preliminary Budget Assumptions
- Discussion of Council Priorities

ENERGY SERVICES – Electric and Natural Gas

LED (Light Emitting Diode) STREET LIGHTING UPGRADES

Mrs. McMurry described the project which includes replacing high pressure sodium street lights with LED street lights through an annual budget of \$100,000. The 2020 locations included Hampton, Northern, Reed, Tracy, Thompson, Gardner, and Sherrill; Spann, Floyd, Atlantic, Hobbs, Webb, and Northside; and Concord, Lenoir, Newton, Durham, and Monroe.

The WEST MARION STREET LIGHTING PROJECT included the installation of 11 decorative lights along West Marion Street and was completed in December 2020.

The UPGRADES TO SUBSTATION 10 included the update of breakers, switches, regulators, and remote transmitting units (RTUs), additional lighting, and security cameras. The breakers, switches, RTUs, additional lighting, and security cameras are complete. One set of regulators will be completed in

Spring 2021.

To continue the implementation of the 2016 Electrical Distribution System Planning Study, Mrs. McMurry described the **ELECTRIC SYSTEM UPGRADES** which include the addition of a circuit in Substation 8, RTU upgrades, and substation improvements at Substation 8 and 9. The upgrades are in progress and to be completed by Spring 2022:

- **Additional Circuit from Substation 8** – This is a recommendation from the Planning Study, increasing the number of circuits from 3 to 4 allows load balancing and ability to tie circuits together during large outages to repair damage.
- **Remote Transmitting Unit (RTU) upgrades** at the Atrium Health Cleveland Hospital, City Hall, Wastewater Treatment Plant, and Substation 11.
- **Substation 8 and 9 Improvements** – also identified by the System Planning Study with the following items to be replaced and/or added: batteries and chargers, pole replacement and fence repairs, HVAC in control buildings, and converting breakers to 48V trip.

Mrs. McMurry stated **FIBER INSTALLATION TO SUBSTATIONS** eliminates the need for radio communication and cell-based Digi boxes, which are monthly recurring charges and allows for cameras in the City's substations for security.

Fiber installation has been completed to Substations 10 and 11. The upcoming project includes Substation 8, the Walmart generator, and the Lowes Home Improvement generator.

ELECTRIC VEHICLE STRATEGIC PLANNING

Mrs. McMurry stated **ElectriCities** is encouraging its members to take a long-term look at electric vehicles by offering **Electric Vehicle Strategic Plan** matching grants to Power Agency members. The plan has been developed for Shelby in February 2021 and provides the City with a road map on how to manage these new electric loads and promote the benefits of electric vehicles.

NATURAL GAS LINE REHABILITATION

Mrs. McMurry described the annually budgeted project as the replacement of 1955 natural gas steel pipe. The locations included in 2020 and 2021: Charles/Lackey; Kenmore/Grover; Glendale/Grover; North Morgan/Marion; North Washington/Grover; Hobbs Avenue; Atlantic, Spann, Webb, and Piedmont; and Windsor Drive and Montrose Drive.

NATURAL GAS SYSTEM STUDY PROJECTS

The City received the final report from the Natural Gas Distribution System

Assessment conducted by Rummel, Klepper & Kahl LLP (RK&K) in February 2020. From this study, items were identified, prioritized, and broken into manageable sized projects:

- **Corrosion Control Improvements** – The City’s original natural gas system was coated steel pipe and steel pipe is still installed in applicable areas. Cathodic protection has been applied since the 1970s. Cathodic protection measures, when applied correctly, are the most effective means of mitigating damage resulting from corrosion of steel pipe. RK&K reviewed the effectiveness of our corrosion control measures and determined if our cathodic protection systems were functioning properly to provide adequate safeguards. RK&K noted areas of concern and provided a two-year schedule to address them. After completion of the high-pressure system, it is recommended to complete a DCVG and CIS study of the 150 lb. system.
- **Regulator Station painting** – Regulator stations control the pressure of natural gas throughout the system. The City currently has 34 regulator stations. These regulator stations are above ground and subject to atmospheric corrosion. Standard protection from atmospheric corrosion is painting. The System Assessment identified the need to remediate the coating systems of many of the regulator stations, some minor and others requiring removal of all coating and the installation of new coating. Twenty-seven stations need attention with a three-year implementation schedule focusing on the most needed first.
- **Digs and repairs from DCVG/CIS Survey** – In late 2019, the City had its high-pressure lines surveyed and completed two surveys on the lines to determine deficiencies: 1 – Direct Current Voltage Gradient (DCVG) and 2 – Close Interval Survey (CIS). As part of the System Assessment, the results from the surveys were analyzed. There are indications of coating anomalies. To determine the severity of the anomalies, each area must be exposed. Repairs will be made once the Gas Department staff can see the integrity of the pipe.
- **Non-compliant cover** – The Code of Federal Regulations (CFR) 49 Part 192.327 requires that every main be installed with a minimum of twenty-four (24) inches of cover. The System Assessment identified locations that did not meet the minimum requirement. RK&K provided a five-year plan to address the areas of concern.
- **Gas System Model** – A natural gas system model would allow the City to create scenarios to determine if replacements and/or additional gas lines would benefit the City’s system. It would also allow us to add flows in particular areas and determine if current system would meet the needs of a customer at that location. Currently, Heath and Associates has a model

of the City's system with limited nodes and the City relies on Heath and Associates staff to run scenarios when needed. RK&K recognized the benefit of having a full model in-house to run scenarios for ongoing maintenance as well as economic development.

WATER RESOURCES – Water Treatment Plant, Water Distribution System, Wastewater Treatment Plant, and Wastewater Collection System

Mr. Hux began his presentation by discussing the focus of Water Resources for both systems, Water and Wastewater:

- Water quality
- Continuous service
- Age and infrastructure; maintenance
- Growth
- Manage capacity
- Short term goals; long term focus
- Rules and regulations

Mr. Hux reviewed the 2020 completed projects as follows:

- Water Plant upgrades
- Wastewater Biosolids upgrades
- Shell Building No. 3 sewer extension
- Linton Barnette water extension
- Brookwood water and sewer repairs
- Various manhole replacements

Mr. Hux reviewed ongoing projects and initiatives as follows:

- Continue to identify sewer inflow and infiltration sources
- Continue water and sewer rehabilitation
 - Three aerial sewer crossings
 - Manhole and sewer point repairs
 - Street repaving project areas
- NC Department of Transportation relocation projects
 - Bypass relocation
 - Peach and Marion Streets interchange
 - Joe's Lake Road and South Post Road

Mr. Hux discussed the issues and focus of the Phase 1 Water Treatment Plant upgrades:

- New clear wells
- New finished water pump station
- Filter valve replacements
- Sedimentation basin repairs
- Replaced windows and building ventilation

Mr. Hux discussed the upgrades at the First Broad River Wastewater Treatment Plant – Biosolids Improvements Project:

- Installed new digester complex with dewatering and storage
- Replaced failing composting operations
- Improved treatment capacity

Mr. Hux mentioned other ongoing projects which include:

- NC Department of Transportation relocation funded projects
 - 74 Bypass Section C – water and sewer
 - Peach and Marion Streets Interchange – water and sewer
 - Joe’s Lake Road and South Post Road – water and sewer
- Meter and galvanized water line replacements
- Inflow and infiltration evaluations
- Windsor Drive/Hickory Creek Sewer – sewer design on hold

Mr. Hux discussed the future focus for the Water Resources Department as follows:

- Continue to address inflow and infiltration
- NC Department of Transportation relocation projects – 74 Bypass Section D both water and sewer
- Water Plant filter evaluation
 - Update future rehabilitation projects planning – Phase II
- Windsor Drive/Hickory Creek Outfall
- Altitude valves for North and South tanks – push water to East
- Continue water main distribution improvements to East Shelby
- Highway 74 Bypass Interchange Service Availability Assessment
- 2010-2011 Water and Sewer Asset Management Plan update

Mr. Hux addressed the issue of water loss over a five-year history. Data from 2017 shows that 29 percent of all water produced was lost due to leakage within the system. Data from subsequent years shows that staff made progress in reducing this loss but completion of the Water Treatment Plant project in 2020 shows a large drop in water loss to 12 percent and as of February 2021 that loss is down to 10 percent. It was noted the industry standard is 15 percent loss.

At this point, Mr. Howell mentioned Congress passed the American Rescue

Plan. Part of that plan provides funding to states, counties, and municipalities for specific purposes. Detailed guidance from the US Treasury is still being developed and should be available soon. Some broad guidance is available and staff is aware that it can be spent on water, sewer, and broadband infrastructure. According to the NC League of Municipalities, cities and towns in North Carolina will receive up to \$1.3 billion. The City of Shelby's share of that is \$5.86 million. As he learns more, Mr. Howell will be developing a recommendation for Council that complies with guidance issued by the US Treasury. It was noted that funds used inappropriately as to issued guidelines would have to be paid back.

ENGINEERING SERVICES – Engineering, Airport, Stormwater, and GIS

Mr. Yarboro began his presentation with a review of completed projects as follows:

- **Shelby Cleveland County Regional Airport T-Hangar Construction Project**
 - Construction of three 10-unit T-Hangar buildings
 - Site grading allowed for four total T-Hangar buildings
 - All 30 spaces currently rented by private pilots: 2019 Based aircraft – 41; 2020 Based aircraft – 62
- **Fallen Heroes Memorial Park**
 - The project was completed in Spring 2019 with the goal of providing a dedicated space to memorialize the Fallen Heroes.
- **Washington Street Streetscape Project**
 - This project was the precursor to the larger Uptown Streetscape Project.
 - Changed the look and feel of Washington Street between Warren Street and Graham Street.
- **2020 Resurfacing Project**
 - The City owns and maintains approximately 125 miles of public street.
 - Asphalt typically lasts 15 to 35 years depending on traffic, drainage, maintenance, etc.
 - The City has resurfaced an average of 2.44 miles per year over the last 10 years or a 50-year cycle and an average of 3.2 miles per year over the last 5 years or a 39-year cycle.
- **Uptown Streetscape Project**
 - Construction started August 2019 and construction was completed November 2020 – a largely successful project which added many amenities and safety features for vehicular traffic and pedestrian traffic, while becoming bicyclist friendly in Uptown Shelby.

Mr. Yarboro mentioned the West Marion Street Streetscape Project where construction activities began in October 2020 and were completed in November 2020. The project took place in front of the newly renovated TGS Building from

Morgan Street to Clyde Street. The significance of this project is that it links to the streetscaping completed at the Bobby Bell Pavilion and will ultimately tie into the Rail Trail Project in Uptown Shelby.

Regarding stormwater system maintenance, Mr. Yarboro discussed the following stormwater projects:

- **Sumter Street stormwater and curb replacement**
- **Johnsfield Road culvert linings**
- **June Road culvert replacement**
- **Buffalo Street culvert replacement**

And the following Stormwater Infrastructure Assistance Program projects:

- **110 Shady Ridge Lane**
- **The Clock Restaurant**

Mr. Yarboro discussed the completion of construction of Shell Building No. 3 on Plato Lee Road which features a 100,000 SF building with parking, utilities, and a truck court. The building is now available for purchase and when sold, will allow for the construction of the next shell building for economic development purposes.

Regarding the Airport Layout Plan (ALP) Update Project, Mr. Yarboro stated an ALP is a 20-year airport development plan which the NC Department of Aviation requires to be updated every five to seven years. The State awarded a grant of \$250,000 for the project. The City's existing ALP was completed in 2007.

Mr. Yarboro discussed the ALP update tasks:

- **General aviation activity growth**
- **Runway needs**
- **Runway protection zones and safety areas**
- **Lighting and NAVAIDS**
- **Terminal and hangar area alternatives**
- **Obstruction identification and mitigation**
- **Land acquisition needs**

Mr. Yarboro stated the City's consultant, WK Dickson, will submit a draft plan in the very near future and the completion of the ALP update is anticipated by the Summer/Fall 2021.

Regarding the Transportation Asset Management Plan Update, Mr. Yarboro stated the plan is a strategic and systematic process of operating, maintaining, and upgrading the City's assets which include:

- Streets – approximately 125 miles
- Culverts – 75
- Public parking lots – 6

Mr. Yarboro stated a third-party engineering firm, Withers Ravenel, the City’s consultant, collects and evaluates data that shows the overall conditions, along with a priority order of the assets. Withers Ravenel will, through the plan, help guide maintenance of assets through condition ratings, cost estimates, and professional solutions to problem areas. Withers Ravenel also develops a 10-year Capital Improvement Plan and funding models to maintain/upgrade assets. He anticipates this project to be complete in November 2021.

FIRST BROAD RIVER TRAIL PEDESTRIAN BRIDGE REPLACEMENT PROJECT

As a reminder, Mr. Yarboro stated Shelby’s First Broad River Trail was one of many areas across North and South Carolina that sustained significant damage due to the flooding that occurred on February 6, 2020. The trail’s suspension bridge was heavily damaged and one of the small bridges along the trail was destroyed. In addition, the area was also impacted by a substantial amount of soil erosion.

The reconstruction project has begun:

- Removing the remains of the damaged bridge
- Repairing trail and wooden bridges between Grover Street and US 74 Bypass
- Constructing a new suspension bridge across First Broad River eight (8) feet above top of bank and with a release system to raise, if required
- Completion date and reopening of trail is yet to be determined

HANNA PARK GRADING BY ES WAGNER

Mr. Yarboro provided an update as follows:

- Easements completed
- Erosion control completed
- Earthwork in progress
 - Approximately 45,000 CY placed to date
- Project anticipated to be completed by Fall 2022

ENGINEERING SERVICES UPCOMING PROJECTS

RAIL TRAIL PHASE I

As background information, Mr. Yarboro recalled that Phase I is a portion of the 10.2 mile Cleveland County Rail Trail to convert the historic rail corridor into a

safe trail for cyclists and pedestrians. The proposed trail will connect the existing Grover Street shared use path and the First Broad River Trail to the intersection of West Marion Street and North Morgan Street at the Bobby Bell Pavilion. This 12-foot wide, .81-mile section of the multi-use rail trail will be constructed within the existing right-of-way and/or on City of Shelby owned property.

Items to be determined in the very near future include:

- Design proposals
- Grant applications
- Funding

SHELL BUILDING NO. 4

Mr. Yarboro stated the next shell building is proposed at 2215 Randolph Road Industrial Park on approximately 30 acres:

- Grading site for the following:
 - 100,000 SF building and parking
 - Future 100,000 SF expansion
- Utility improvements
 - Sewer extension to serve site
- Site improvements for the 100,000 SF building
 - Utilities
 - Employee parking lot
 - Truck court
- Construction of 100,000 SF building
 - Pending sale of Shell Building No. 3
 - Continue partnership with Cleveland County
 - Design project – Summer 2021; Construction begins – Fall 2021; and Construction completion – Summer 2022
 - Conceptual site plan – utilizing approximately 30-32 acres for proposed building and approximately 30 acres for future building

T-HANGAR NO. 4 CONSTRUCTION PROJECT

Mr. Yarboro discussed the construction of one 10-unit T-Hangar building set to begin construction in July 2021 with completion anticipated by January 2022. The grading and site improvements were completed during the 2019 T-Hangar Project. Currently, 24 pilots are on the waiting list for future T-Hangar space.

TRAFFIC SIGNAL UPGRADES

Mr. Yarboro described the replacement of obsolete traffic signal equipment at three City owned intersections with LED signal heads at:

- Sumter Street and North Washington Street
- West Sumter Street and North Morgan Street
- Suttle Street and Carolina Avenue

The project was designed by Timmons Group and completed in March 2021 in response to the Intersection Analysis prepared by TGS Engineers in 2014. Construction is anticipated to be completed by Fall 2021.

GRAHAM STREET 3-LANE CONVERSION FROM DEKALB STREET TO MORGAN STREET

Mr. Yarboro discussed the project which proposes to convert the existing 4 and 5 lane traffic patterns to a 3-lane with on street parking. It will improve pedestrian and bicycle safety, provide additional Uptown parking, and improve safety for left turns.

COUNTY HOME ROAD REALIGNMENT

Utilizing a review drawing site plan, Mr. Yarboro stated the project involves the construction of a new road segment that is perpendicular to Kings Road and US 74 Service Road. The roadway will be constructed following the completion of the new State Employees Credit Union building under consideration.

Mayor Anthony declared a recess at 10:59 a.m. and reconvened the meeting at 11:13 a.m.

PARKS AND RECREATION – City Park, Holly Oak Park, Hanna Oak, Cemeteries

Mr. Holtzclaw discussed 2020, the year of the pandemic, in the Parks and Recreation Department. Following all the NC Department of Health and Human Services Guidelines, Shelby Parks and Recreation was able to offer a significant number of activities at reduced capacity, including:

- Parks, trails, fishing, and the community garden were open
- Golfing at Royster Memorial Golf Course
- Baseball, softball, basketball, and soccer games
- Summer Day Camp
- Aquatics including swimming lessons
- City playgrounds were open
- Certain facility rentals were available

Mr. Holtzclaw also stated that Shelby Parks and Recreation also held a significant number of special events, including:

- Multiple sports tournaments such as Carolina Champions League Soccer with over 90 teams at Hanna Park in October 2020
- Several golf tournaments
- Fireworks Extravaganza in July 2020; will return July 2, 2021
- Three swim meets at Shelby Aquatics Center
- Halloween and Easter events at City Park and Holly Oak Park
- Carrousel Christmas and Toy Drive

However, Mr. Holtzclaw mentioned the pandemic did cause the closure of some venues and events in 2020 including:

- The Carrousel and Rotary train – recently reopened
- Clarence Palmer Activity Center and Game room – recently reopened
- Foothills Merry Go Round Festival
- Dramatically reduced the use of rental shelters and facilities including the Bobby Bell Pavilion

Mr. Holtzclaw stated as the Shelby Parks and Recreation Department looks forward to 2021, he anticipated great opportunities for the public. The department believes the public will be more anxious than ever to enjoy healthy, safe opportunities once again to “Play at the Park”.

SHELBY AQUATICS CENTER – NEED FOR RENOVATIONS

Mr. Holtzclaw stated the Shelby Aquatics Center opened in 1996 and has now been in operation for 25 seasons. Age and heavy use have caused significant issues with the pools, deck, bathhouse, filtration system, and plumbing system. The pool is currently losing about 30,000 gallons of water a day or around 1 million gallons per month. Water has now completely saturated the surrounding earth banks and is running across a parking lot. The deterioration is accelerating each season.

ESTIMATED COSTS TO RENOVATE

Mr. Holtzclaw further stated the cost for a complete restoration of Shelby Aquatics Center is currently estimated to be approximately \$1 million to \$1.2 million. This includes renovation of pools, deck, filtration, and the plumbing system as well as major interior and exterior repairs to the bathhouse, concession, and shelter buildings including the roofs. Also, included in the high-end estimate are pool slides. For comparison’s sake, the cost to build an all-new facility similar to the existing could cost in the neighborhood of \$4 million.

SPORTS TOURISM OPPORTUNITY AND THE 2021 SPORTS TOURNAMENT SCHEDULE

First, Mr. Holtzclaw said tournament organizers are looking at a few key items

when deciding where they will bring their events:

- Facilities
- Customer care
- Location
- Nearby restaurants and hotels
- Affordable fees

Mr. Holtzclaw reported currently there are 48 weekends booked for youth and adult baseball/softball at City Park. The Carolina Champions League will have more than 90 soccer teams at Hanna Park on February 21 and April 17, 2021. They will also hold their State semi-finals and championships on May 22 and May 23, 2021. There is potential for another major event in September 2021. Shelby will host the 2021 Tar Heel Leagues Girls' State Softball Tournaments on July 22 through July 25, 2021 at City Park. The Sharks Aquatics Club will host at least two major meets during the Summer of 2021.

PUBLIC SAFETY

Chief Ledford began his presentation with the City's 2020 crime rate stands at 737 compared to 909 five years ago and to 1116 ten years ago. Several factors came into play in 2020 for the Police Department including the pandemic, social issues, and others. However, the Department's focus has been on community engagement and communication as well as use of and access to guns since juvenile crimes were more prominent this year.

Chief Ledford stated 2020 was significant for the Police Department in many ways due to COVID-19 and the effects on law enforcement while bringing its challenges and adjustments, as discussed:

- Dealing with protective equipment
- Staffing issues and building security
- Continuity of service and handling of calls
- Less face-to-face interactions with the public and groups
- Tele-reporting was put into place for certain calls
- Mental well-being of staff and families

In addition to the pandemic, Chief Ledford stated in May 2020 with the death of George Floyd, law enforcement was challenged to rethink how to operate and to respond:

- While cities across the country and within our region experienced riots, protests, and property damage, the Shelby Police Department saw something different.
- Rallies and marches were organized but the Police Department was

included and asked to speak at almost all those events.

- The Shelby Police Department met with many small groups and had open dialogue about what was needed, what had worked, and how things could be done differently.
- The Police Department made sure to be visible and approachable to allow for more conversations within Shelby's neighborhoods.
- The Police Department learned that the investments made for years paid off and allowed us an opportunity to address issues, answer questions, and be viewed as a key player in moving forward.
- Internally, the Police Department revisited policies, procedures, and mindset as it relates to serving our community.
- And all throughout, keeping tabs on officers' health as well as families and kids.
- Suicide rate among police officers.

Chief Ledford discussed community outreach efforts and going forward:

- Community Watch Groups-more than 15 active
- Business Watch
- Faith Watch
- Partnership for Change
- Neighborhood notifications
- Cop Camp
- Citizens Police Academy
- Landlord/Property Manager monthly meetings
- Focus Group meetings
- Housing Assistance-Section 8
- Work and life skills placement
- Reset Program (Re-Entry)
- Call-in Program for offenders
- Peer Group Mentoring in high schools
- Community based mentoring

Additionally:

- Partnership for Change will resume once it is safe but with a different focus and format.
- The Police Department has implemented a Community Engagement Team comprised of officers and citizens that will meet quarterly to discuss what is going on within the community as well as the Police Department.
- The Citizens Police Academy will resume soon with an emphasis being placed on neighborhoods and allowing people to come and learn more about their Police Department.
- Leadership classes will continue to have sections on diversity and inclusion, so it is understood as a core part of our mission, not just a

reaction.

- The Police Department will have a more deliberate approach to dealing with the younger generation (25 and younger) to ensure they have the resources they need as well as guidance and support.

Chief Ledford concluded by stating what the Shelby Police Department is doing is a continuation of what it has always done and not a reaction to what just happened.



Mayor Anthony declared a recess at 12:26 p.m. for lunch and reconvened the meeting at 12:59 p.m.

Next, Mr. Scharer introduced Shelby Holmes as the presenter of “Housing in Shelby – The Current State of Housing”. Miss Holmes stated the purpose of this presentation is to evaluate the housing needs of Shelby and to recommend priorities and strategies to address such housing needs. Bowen National Research conducted a comprehensive Housing Needs Assessment on behalf of Cleveland County in September 2019 which also provided analysis of three submarkets including the City of Shelby.

Miss Holmes said all data was collected June through September 2019 by Bowen National Research. The median income for the City is \$36,811 with 18.5 percent of the households earning \$60,000 to \$100,000 annually and 15.8 percent of the households earning \$10,000 to \$20,000. In 2019, there were 8,704 households with 50.5 percent being owner-occupied and 49.5 percent being renter occupied.

Miss Holmes explained housing (cost of rent/mortgage plus energy and utilities) is affordable when it does not cost more than 30 percent of a family income. Families spending 30 percent or more of their income on housing are cost burdened. Families spending 50 percent or more of their income on housing are severely cost burdened. Over 60 percent of renter-occupied households in Shelby earn less than \$30,000 annually.

With regard to Housing Supply, 86 percent of the total housing stock in Shelby was occupied. Of the occupied housing stock in Shelby, 55 percent was owner-occupied, and 44 percent was renter occupied.

The share (44.7%) of renter-occupied units in Shelby is significantly higher than the overall share (21.8%) of renter-occupied units in Cleveland County. Note that most rental units (52.2%) in Shelby are single-family homes, with the next largest share (18.7%) contained within two- to four-unit structures. A notable share (14.7%) of rental units in Shelby are within buildings containing 10 units or more.

The largest share (30.0%) of rental units in Shelby were built in the 1970s, while the next largest share of rental units (22.2%) was built between 1950 and 1969. Owner-occupied units in Shelby are generally older, as the largest share (36.4%) of owner-occupied units was built between 1950 and 1969. Over 90.0% of owner-occupied units in Shelby are single-family detached units.

Mr. Scharer reported new single family building permits issued as follows:

- 2018 – 18 permits
- 2019 – 31 permits
- 2020 – 30 permits
- 2021 – 18 permits

He also mentioned several upcoming developments including The Palisades of Shelby, two subdivisions under review, and single-family projects in the discussion stages.

Miss Holmes provided potential strategies for telling the Shelby story:

- Avoid being the best kept secret
 - Take the opportunity to articulate what makes Shelby unique
- Outreach/marketing to potential new residents –
 - Resident interest; developer interest
 - Work with a community branding firm to advertise, direct outreach, refresh media presence, etc.
- Direct developer communication
 - Modeled on partnership with Retail Strategies
 - Work with a residential brokerage firm
 - Promotion of complementary incentives

Mr. Scharer discussed several prospects for laying the ground work such as:

- Increase opportunities for mixed use development
- Increase opportunities for higher density development
- Provide front-end financial support for development and redevelopment

Mr. Scharer explained performance zoning can increase density caps for whole districts and/or strategically develop incentives that benefit public good while

also increasing profitability for developers.

Miss Holmes presented a recommendation focused on pre-development and site control costs. A housing development loan pool can be utilized for strategic development in designated areas of the City of Shelby.

Miss Holmes discussed preserving existing housing with the following:

- Support existing weatherization and preservation programs
- Finance retrofits and urgent repairs

Miss Holmes suggested coordinating efforts through:

- Revising the mission of the Shelby Housing Development Corporation
- Reinstating 501(C)3 status for the Shelby Housing Development Corporation
- Bolstering Shelby Housing Development Corporation's continued work through funds, time, and resources

Mr. Scharer concluded by stating staff is looking forward to updating the Shelby Comprehensive Land Use Plan which was last updated in 2009. He stated good land use plan practice includes a review of the Plan five years from date of adoption and a review of the Plan ten years from adoption. In 2021, the City's dynamics have changed including housing needs, a future Bypass, and Rail Trail Corridor. The new plan will better reflect the conditions on the ground and what City Council and the community want.

SHELBY FIRE AND RESCUE

Chief Hunt reviewed the timeline of the Shelby Fire and Rescue Department's initial accreditation in August 2014 through its accredited agency status for a second five-year term, 2019 through 2024. The Fire and Rescue Department filed its 2020 accredited agency annual compliance report which was approved.

Next, Chief Hunt explained the Insurance Services Office (ISO) provides advisory services to insurance companies for underwriting risk and establishing insurance rates in communities. ISO evaluates municipal fire-protection efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data using the Fire Suppression Rating Schedule (FSRS) and assigns a Public Protection Classification (PPC) from 1 to 10. In each community, the ISO individually evaluates the fire suppression force (50%), the water delivery system (40%), and the 911 communications (10%) using the Fire Suppression Rating Schedule (FSRS), and then assigns an overall public protection classification from one (1) to ten (10) based on the compiled data. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program does not meet ISO's minimum

criteria. After summarizing the PPC rating and grading components and reviewing the City of Shelby Fire ISO Radius Map and its current performance measures to performance benchmarks, Chief Hunt stated there is a correlation between the improved ISO-Class 2 Fire District rating in 2019 from the previously held ISO-Class 4 Fire District rating in 2008 and the Award of Accredited Agency status by the Commission on Fire Accreditation International (CFAI) through the Center for Public Safety Excellence (CPSE) in 2019.

Chief Hunt presented the elements of response time in fire suppression and emergency medical services (EMS) as follows:

- Alarm handling – Time elapsed from call coming into 911 to completed dispatch message
- Turnout – Time elapsed from firefighters notified until responding to call
- Travel – Distribution – Time elapsed for the first arriving crew
- Travel – Concentration – Time elapsed until the last arriving unit to make up effective response force (ERF) assembly
- Total Response Time – Summary of all time segments

In conjunction with above criteria, Chief Hunt explained the baseline and benchmark response times.

Chief Hunt stated the Shelby Fire & Rescue Department's response and deployment standards are based upon the suburban and rural population densities, and the fire demand of the community. The Department's baseline service level performance for 2020 at 90 percent of the time was reviewed for fire suppression and emergency medical services (EMS).

Chief Hunt discussed incidents by major type, including:

- Rescue and emergency medical service
- False alarms and false calls
- Hazardous condition
- Service calls
- Good intent calls
- Fires
- Overpressure rupture, explosion, overheat
- Severe weather and natural disaster
- Special incident type

Chief Hunt reviewed Community Risk Reduction, which is the prevention and mitigation of hazards and risks rather than response:

- Safety Education – industry training, fire prevention week, safety education, and special events

- Demographics – children, adults, and seniors
- Occupancies by type – assembly, business, educational, factory, institutional, mercantile, residential, storage, foster care homes, daycare facilities, and churches
- Fire Code compliance – compliance, enforcement, tenant change, courtesy, certificate of occupancy, tenant certificate of occupancy, foster home, residential care, and other

Chief Hunt discussed fire causes and origins:

- Unintentional
- Failure of equipment or heat source
- Cause under investigation
- Intentional
- Cause undetermined after investigation
- Cause, other

Chief Hunt concluded with a collage of Shelby Fire and Rescue Department photographs which included staff and equipment.

HUMAN RESOURCES 2020 OVERVIEW

Mrs. Jolly began her presentation by discussing the two notable events of 2020 that affected the City of Shelby's labor force namely the COVID-19 pandemic and the ransom malware attack against the City's entire computer system.

She stated the US Department of Labor enacted the Families First Coronavirus Response Act on April 1, 2020 which required certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. Mrs. Jolly further stated 64 employees used a total of 12 weeks of that leave. At the height of the pandemic absences, the City had 38 employees out of work plus the number of vacant positions.

Mrs. Jolly presented the City of Shelby Annual Labor Force Stability Report for fulltime employees and reviewed the 2020 turnover percentage, noting it was 9.7 percent or 33 employees out of 340 total budgeted positions.

Next, Mrs. Jolly discussed the 2020 department separations totaling 33 employees based on the number of budgeted fulltime employees per department. She noted the following departments to monitor: Housing, Police, Fire and Rescue, and Water Resources.

Mrs. Jolly reviewed the 2020 City separations by various reasons:

- Another job or higher pay

- Relocation
- Termination
- Retirements – increasing
- Disability, Workers’ compensation, death, or other

Mrs. Jolly concluded with the 2020 City separations by length of service, noting greater than three years for retirement at 30 percent and greater than three years for non-retired at 30 percent, where the City is losing experience.

Mr. Nuhrah produced and presented a video, which is a compilation of the City’s completed projects over approximately the last 18 months.

FISCAL YEAR (FY) 2021-2022 BUDGET ASSUMPTIONS

Mr. Howell presented and discussed the following:

GENERAL FUND

- Evaluate the property tax rate relative to Cleveland County’s 2021 property revaluation; City is required to publish the revenue-neutral rate as the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no revaluation had occurred. Revaluation will be effective January 1, 2021 for FY 2021-2022.
- No increases in fees and charges.
- Sales tax growth – the City is guaranteed since July 1, 2019 a minimum of 12.97 percent through 2035 as negotiated through an economic development agreement with Cleveland County.
- Utility sales tax will be flat.
- Implement Year 3 of the Pay and Classification Plan which was delayed in 2020.
- Group health insurance – City has been notified of no premium increase despite high loss ratio.
- Installment financing of capital equipment and vehicles will be flat
- Capital improvements are needed at the Aquatics Center, City Hall campus, Samuel A. Raper Public Works Facility (building); and the acceleration of the Street Resurfacing Program through a bond referendum voting process that gives voters the power to decide if the City should be authorized to raise funds through the sale of general obligation (GO) bonds.
- Recycling Program – in discussions with Recyclops, an independent recycling company that contracts directly with residents by offering a subscription service.

Mr. Howell presented and discussed the following:

NATURAL GAS FUND

- No increase in the margin rate
- Clearwater Paper S1 (Site 1) qualifies and may opt to go on City's Transport Rate
- Implement Year 3 of the Pay and Classification Plan which was delayed in 2020.
- Group health insurance – City has been notified of no premium increase despite high loss ratio.
- Installment financing of capital equipment and vehicles will be flat
- Completion of Natural Gas System Asset Management Plan and initial implementation of recommendations
- Continue replacement of original 1955 system lines
- Preliminary planning for City utility service at new US Highway 74 Bypass interchanges (NC Highway 18 and NC Highway 150)

Mr. Howell presented and discussed the following:

ELECTRIC FUND

- No increase in rate until 2023
- Load growth less than 1 percent
- Implement Year 3 of the Pay and Classification Plan which was delayed in 2020.
- Group health insurance – City has been notified of no premium increase despite high loss ratio.
- Installment financing of capital equipment and vehicles will be flat
- Continue implementation of Electric System Asset Management Plan
- Continue implementation of LED Street Light Replacement Program
- Preliminary planning for City utility service at new US Highway 74 Bypass interchanges (NC Highway 18 and NC Highway 150)

Mr. Howell presented and discussed the following:

WATER FUND

- 4 percent increase in consumption rate
- Year 2 of new Water Treatment Plant debt service
- Implement Year 3 of the Pay and Classification Plan which was delayed in 2020.
- Group health insurance – City has been notified of no premium increase despite high loss ratio.

- Installment financing of capital equipment and vehicles will be flat
- Some reduction of system improvements and capital outlay in operational budget
- Preliminary planning for City utility service at new US Highway 74 Bypass interchanges (NC Highway 18 and NC Highway 150)

Mr. Howell presented and discussed the following:

SEWER FUND

- 4 percent increase in consumption rate
- Year 1 of new Wastewater Biosolids debt service
- Implement Year 3 of the Pay and Classification Plan which was delayed in 2020.
- Group health insurance – City has been notified of no premium increase despite high loss ratio.
- Installment financing of capital equipment and vehicles will be flat
- Some reduction of system improvements and capital outlay in operational budget
- Preliminary planning for City utility service at new US Highway 74 Bypass interchanges (NC Highway 18 and NC Highway 150)

CITY COUNCIL DISCUSSION TOPICS AND LIST OF PRIORITIES:

- Neighborhood revitalization – Develop a model and a plan for the redevelopment of low to moderate housing in target neighborhoods, possibly along the Rail Trail, utilizing assistance from other agencies such as Foothills Regional Commission formerly known as Isothermal Planning and Development Commission (IPDC) through Foothills NC Home Consortium
- Completion of the Rail Trail
 - Seek funding and financing through grants and private donations
 - Integrate Housing – Rail Trail – Neighborhoods to connect people to places: Housing, shopping, employment, etc., Rail Trail is not just a walking path but rather a trail system for the interconnectivity of Shelby
- Recycling Program – considering alternatives, possibly with an independent company
- Traffic Calming Policy – revisit policy to resolve issues such as responses, resolutions, and transparency
- Street Resurfacing Program to make improvements to pedestrian and transportation infrastructure through a bond referendum voting process that gives voters the power to decide if the City should be authorized to raise funds through the sale of general obligation (GO) bonds for streets, sidewalks, and connectivity improvements

- Gateway sign – Complete construction and installation of the City's gateway sign at the intersection of East Marion Street and East Dixon Boulevard/US 74 Bypass – explore and discuss
- Aquatics Center pool – priority to renovate or replace

The agenda and presentation including staff reports from the 2021 Shelby City Council Planning Retreat are hereby incorporated by reference and made a part of these Minutes.

ADJOURNMENT

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted unanimously to adjourn the meeting at 4:03 p.m.

Respectfully submitted,

Bernadette A. Parduski
City Clerk

O. Stanhope Anthony III
Mayor

Special Meeting Minutes of April 17, 2021

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

B. Consent Agenda:

Agenda Item: B-1

- 1) Approval of the Minutes of the Special Meeting of April 17, 2021

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Special Meeting of April 17, 2021

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

May 17, 2021
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members 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, Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services David W. Hux, Fire Chief William P. Hunt, MPA, EFO, Director of Planning and Development Services Walter (Walt) Scharer, AICP, Stan Lowery, Executive Director, Don Gibson Theatre; and Jennipher H. Harrill, Social Media Manager, Blue Eyes Social Media Connections

Absent: Council Member Eric B. Hendrick

Mayor Anthony called the meeting to order at 6:00 p.m. and delivered the invocation.

Mr. White 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. Public Comment:

- 1) Dennis Wise, Vice President of Sales for Recyclops, spoke in support of this independent company that contracts directly with residents for at-home pick-up recycling services. The sign-up process is online and will launch in a community once Recyclops reaches 100 pre-sign-ups, usually within weeks of the announcement by the company. The cost is \$12 per month for bi-monthly pick-up services. Recyclops provides the bags for accepted materials and utilizes technology and local drivers with pick-up trucks to carry out their services. As an environmental company, Mr. Wise stated Recyclops will provide certification of the waste dropped off at the Materials Recovery Facility (MRF). If a MRF is not available in a location, Recyclops will not operate.

- 2) **Dicky Amaya who resides at 610 Schenck Street in Shelby, North Carolina expressed his concerns regarding the safety of Shelby streets. Mr. Amaya specifically mentioned the lack of all-way stop intersections in the City of Shelby. He cited examples where all-way stop signs would allow drivers to take turns entering the intersection, resulting in safer conditions for all. Mr. Amaya also mentioned a very dangerous tree exists on Lafayette Street. It is dropping limbs and needs to be addressed.**

C. Consent Agenda:

Mayor Anthony presented the consent agenda. Mrs. Arth Dukes moved to approve the consent agenda and the following items were unanimously adopted:

- 1) **Approval of the Minutes of the Regular Meeting of May 3, 2021**
- 2) **Approval of Special Event Permit Application:**
 - a. **Memorial Run, requested date: May 22, 2021**
- 3) **Approval of a resolution honoring Nicholas Daniel Hamrick on the occasion of his retirement from employment with the City of Shelby: Resolution No. 29-2021**
- 4) **Approval of a resolution authorizing the selection of Integrity Solutions Field Services based on qualifications for corrosion control remediation on the City of Shelby Natural Gas Pipeline: Resolution No. 30-2021**
- 5) **Adoption of a budget ordinance amendment for the City of Shelby's Ames Copper Natural Gas System Infrastructure Improvements Project: Ordinance No. 19-2021**
- 6) **Approval of a resolution authorizing the submittal of the City of Shelby's application for North Carolina Industrial Development Fund Utility Account (IDF) Grant for the Randolph Road Industrial Park Sewer Project: Resolution No. 31-2021**
- 7) **Approval of a resolution authorizing selection of McGill Associates, PA based on qualifications for the Randolph Road Industrial Park Sewer Project: Resolution No. 32-2021**

D. Unfinished Business: None

E. New Business: None

F. City Manager's Report: None

G. Council Announcements and Remarks:

- 1) Mayor Anthony mentioned the City hosted the Carolinas Airstream Club “Shining in Shelby” event in Uptown Shelby on May 5 through 9, 2021 and he received several notes of appreciation from the members and visitors. The Mayor read one of the notes from Bruce Thompson, Carolinas Airstream Club President.**
- 2) Mrs. Arth Dukes expressed appreciation to Mr. Wise of Recyclops for his interest to provide recycling services in Shelby.**
- 3) Mr. Hopper expressed appreciation to City staff for the planning efforts involved with two recently held events:**
 - The Ribbon Cutting Ceremony at Shell Building No. 3 on May 14, 2021**
 - The Peace Officers Memorial Day Service at the Fallen Heroes Memorial on May 15, 2021**

Mayor Anthony declared a recess at 6:15 p.m. and reconvened the meeting at 6:20 p.m.

H. Budget Session – General Fund: Proposed Fiscal Year (FY) 2021-2022 Annual Operating Budget for the City of Shelby

Mr. Howell began his presentation by stating this session would be limited to the review of the City's General Fund revenues and expenditures.

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

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

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

Mr. Howell stated the General Fund is the primary location of funding for the general operations of the City. It is termed "general" because transactions that are not related to any utility or other specific purpose fund are accounted for within this budget.

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

- **Major General Fund Revenue Streams**

- Ad valorem property tax includes two components: Tax Base and Tax Rate (per \$100 of valuation set by City Council)

The components of Tax Base include: Assessed valuation of all real and personal property as provided by the Cleveland County Tax Assessor

Tax Levy equals Tax Base valuation multiplied by the Tax Rate

- **2021 is a tax revaluation year**

- Current tax rate is 52.25 cents per \$100 valuation
- Revenue neutral tax rate is 48.37 cents per \$100 valuation
- Recommended tax rate is 51.75 cents per \$100 valuation

Mr. Howell presented the Property Tax Rate Comparison of Municipalities (peer cities) with Comparable Populations graph chart as of July 1, 2020.

Mr. Howell also presented the Property Tax Rate Comparison of Neighboring Municipalities graph chart as of July 1, 2020.

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

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

Cleveland County and the municipalities receive approximately \$26,900,000 annually in gross collections

The City of Shelby now receives approximately \$3,500,000 plus a hold harmless amount

Levied by Cleveland County Commissioners as allowed by North Carolina General Statute

Cleveland County Commissioners determine how sales tax is distributed by the North Carolina Department of Revenue; the current method remains as ad valorem distribution

- **Utilities Sales Taxes – The Department of Revenue quarterly distributes sales tax from four separate utilities – electricity, piped natural gas, telecommunications to cities, and telecommunications service and video programming service to counties and cities**

Mr. Howell projected the amount of utilities sales taxes to be distributed at \$2 million per year.

Mr. Howell presented the General Fund revenues comparison between the current Fiscal Year 2020-2021 and the proposed Fiscal Year 2021-2022, showing a 11.28 percent change for an overall increase of \$2,919,165 million. He noted property tax revenue is trending upward by 7.93 percent due to commercial and industrial growth. However, he is not recommending the revenue neutral tax rate as that money will be programmed elsewhere. Sales tax revenue overall is also trending upward by 43.75 percent due to a better economy through the pandemic because of local shopping. Mr. Howell stated there are no increases in General Fund fees and service charges.

GENERAL FUND EXPENDITURES

Regarding General Fund expenditures, Mr. Howell provided and summarized charts by category including personnel, operating, capital, and debt service costs and by department including personnel, operating, capital, and debt service. He commented the overall amount of change for General Fund expenditures is an increase of 11.28 percent or \$2,919,165.

Mr. Howell recommended the funding of Year 3 of the Classification and Compensation Plan which was delayed in 2020 due to the economic uncertainty brought about by the pandemic. The adjustments for Year 3 equal a 2 percent base adjustment for all City employees and an additional .167 percent per year of service to relieve compression within job classifications and to recognize the value of employees' experience with the City.

Mr. Howell stated the next phase of the Classification and Compensation Plan will include a review of one-third of the City's positions in a market study. A recommendation from this analysis will be brought to City Council for consideration.

Mr. Howell summarized his presentation by reiterating the overall increase in the General Fund budget is \$2,919,165 or 11.28 percent. He discussed the notable changes as follows:

- Implementation of Year 3 of the approved compensation plan is included after being delayed due to the revenue uncertainty created by the pandemic. The total increase is \$1,251,145.
- Capital spending through the annual 59-month financing program will increase by \$1,079,357:
 - The largest part of this increase reflects the purchase of a new fire engine at a cost of approximately \$775,000. This purchase allows a 2004 engine to be rotated to reserve and allows the retirement of a 1987 reserve engine.
 - The remaining increase allows for replacement of a solid waste collection truck and leaf vacuum truck.
- Operating spending reflects an increase of \$658,663. The most significant increase in operating spending is a one-time \$345,000 which has been set aside for a roof replacement project at City Hall.
- A decrease in annual debt service payments of \$70,000 is also reflected in the General Fund budget.

Mr. Howell reviewed the General Fund Expenditures by Department as follows:

- Special Appropriations – 57 retirees receive City’s health insurance coverage under current City policy. Individuals who retire from the City with 22 or more years of continuous, uninterrupted full-time service may continue the City’s health insurance plan without charge to the employee until the retired employee reaches Medicare eligibility. The definition of retire from the City, for purposes of this benefit under the policy, means that the retiring employee will begin drawing a retirement check in the month immediately following his/her date of retirement from the City and will continue to receive a monthly retirement check from the North Carolina Local Government Employees Retirement System.
- Debt Service includes payments for Hanna Park and the acquisition of the Rail Trail Corridor. Staff continues to pursue and secure the Transportation Alternatives Program (TAP) Grant from the Federal Highway Administration (FHA) and the NC Department of Transportation awarded to the City for Rail Trail Corridor purchase.

- Finance (which includes Accounting, Purchasing, Customer Service, Information Technology, Meter Services, and City Hall Facility) capital reflects the roof replacement at City Hall.
- Police reflects 75 sworn officers and two civilian positions.
- 911 Communications now separated out from the Police Department reflects 11 positions.
- Fire and Rescue capital reflects the purchase of the fire engine.
- Public Works capital reflects the purchase of the solid waste collection truck and a leaf vacuum truck.
- Airport reflects a slight decline in fuel sales.

Mr. Howell reiterated his tax rate recommendation of 51.75 cents and explained that due to the necessary General Fund expenditures including Year 3 of the Classification and Compensation Plan, the increase in capital spending for the purchase of a fire engine and solid waste equipment, and the increase in operating funds including the City Hall roof replacement project, the tax rate slightly higher than the revenue neutral tax rate is essential to fund these requests. To further his reasoning for the tax rate, Mr. Howell added staff was careful not to overestimate revenues such as sales tax distribution.

Mr. Howell noted the Aquatics Center pool replacement is not budgeted at this point. Staff is considering the funding options and putting together a plan for Council to consider. However, in the interim, he stated the pool will open and operate this year.

Mayor Anthony initiated a discussion about returning to City Hall Council Chamber for Council meetings. By consensus, Council decided to return to City Hall Council Chamber for their meetings beginning Monday, June 7, 2021, at 6:00 p.m. A public notice will announce the limitations as to the capacity of Council Chamber and the mandate for masks to be worn by the public who wish to attend.

Mayor Anthony announced the Annual Firefighters' Memorial Service will be held on Tuesday, May 25, 2021, at 12 Noon, Fallen Heroes Memorial.

I. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 7:33 p.m.

Respectfully submitted,

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

**O. Stanhope Anthony III
Mayor**

Minutes of May 17, 2021

DRAFT

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

C. Unfinished Business
Agenda Item C-1

- 1) City of Shelby's Ames Copper Natural Gas System Infrastructure Improvements Project
 - a. Consideration of a budget ordinance amendment for the City of Shelby's Ames Copper Natural Gas System Infrastructure Improvements Project: Ordinance No. 20-2021
 - b. Consideration of a resolution awarding the construction of natural gas lines along Old Boiling Springs Road and Highway 74 West: Resolution No. 33-2021

Unfinished Business Item: (Rick Howell, City Manager and Julie McMurry, Energy Resources Director)

- Memorandum dated June 1, 2021 from Julie McMurry, Energy Resources Director to Rick Howell, City Manager
- Letter of Recommendation
- Bid Tabulation Sheet
- Ordinance No. 20-2021
- Resolution No. 33-2021

City Manager's Recommendation / Comments

Ordinance No. 20-2021 is presented for City Council consideration at this time. If approved this ordinance would amend Ordinance No. 36-2020 previously adopted by City Council by appropriating an additional \$48,588 from the Natural Gas Fund reserves for use in constructing approximately 8,200 lf of new 8" steel natural gas main from a point on Polkville Road along US Hwy 74 to the intersection of Old Boiling Springs Road and then 1,600 lf of new 6" steel natural gas main on Old Boiling Springs Road to the Ames Copper facility. Bids received exceeded the estimate of probable cost prepared by the project engineer, Heath Associates. The Natural Gas Fund reserves do have adequate resources to appropriate the additional funding.

Resolution No. 33-2021 is also presented for City Council consideration at this time. If approved this resolution would authorize the award of a contract to construct the aforementioned natural gas line to Dawn Development Company, Inc in the amount of \$674,057.30. The City received four (4) competitive bids meeting statutory and City bidding requirements.

Continued on next page.

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

Ames Copper is constructing a 40,000 square foot expansion to house a new natural gas powered furnace that is used in the recycling of scrap copper material for reuse in various products. The company is investing approximately \$26.3 million and will create 46 new jobs. A reminder that this new investment is exempt from local property taxes under state law as it qualifies as a recycling business. It is initially estimated that based upon information provided by Ames Copper that this will be a 3 ½ year payback on the capital outlay. The City generally has required a 5 year payback or less when considering natural gas extensions.

It is my recommendation that Ordinance No. 20-2021 and Resolution No. 33-2021 be adopted and approved by City Council at this time.



Memorandum

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

From: Julie R. McMurry, Director of Energy Services *JRM*

RE: Natural Gas- Natural Gas Improvements
Hwy 74 and Old Boiling Spring Rd Project Award/PBO
Amendment

Date: June 1, 2021

Background

On May 17, 2021, Council approved the project budget ordinance for natural gas system improvements needed to meet the needs of the new AMES Copper facility on Old Boiling Springs Road in the amount of \$625,470.00. The project includes installation of approximately 8,200' of 8" steel gas main along Highway 74 from Polkville Road to Old Boiling Springs Road and 1,600' of 6" steel gas main along Old Boiling Springs Road to the AMES Copper facility and the meter set for the facility.

Heath and Associates, Inc. developed the specifications and provided estimates. The project was advertised, and bids were received and opened on Tuesday, June 1, 2021 at 11:00 AM. Four bids were received, they were as follows:

Dawn Development Company, Inc	\$ 674,057.30
Appling Boring Company	\$ 734,200.00
Pike Electric, LLC	\$1,063,318.26
Directional Services, Inc.	\$1,181,697.50

Recommendation

Bids were reviewed by Scott Heath with Heath and Associates, Inc. We have received their letter of recommendation to award to the lowest bidder, Dawn

Development Company, Inc. The letter of recommendation and the bid tabulation is attached.

It is also requested that we amend the project budget ordinance in the amount of \$48,587.30 to adjust the construction amount allocated for this project to \$674,057.30.

Please let me know if more information is required.

Attachments:

- Letter of recommendation
- Project bid tabulation



June 1, 2021

Ms. Julie McMurry
Director of Energy Services
City of Shelby
824 W. Grover Street
Shelby, North Carolina 28150

**Re: City of Shelby – AMES Copper Extension
Heath and Associates, Inc. Project # 22018**

Dear Julie,

Bid proposals for the City of Shelby's AMES Copper Extension Project were received on June 1, 2021 at the City's Operations Office from contractors. Eleven contractors were invited to submit proposals and the project was publically advertised. There were a total of four bids submitted.

Dawn Development Co. Inc., submitted the lowest bid of \$674,057.00. Attached is the bid tabulation from the proposals submitted. The second lowest price was submitted by Appling Boring for \$734,200.00.

It is our opinion that you have received a good proposal for this project from a reputable Contractor and therefore, recommend that the City select Dawn Development for the above project. Dawn Development has a good history working with Heath and Associates and we expect will perform the work professionally and to your satisfaction.

If you have any questions or comments, please do not hesitate to contact us.

Sincerely,

Heath and Associates, Inc.

A handwritten signature in black ink, appearing to read "E. Scott Heath".

E. Scott Heath, PE
President

ESH/ds
enclosure

cc: Tony Palmer, Dawn Development

CITY OF SHELBY AMES Copper Extension PN 22018		6/1/2021		DAWN DEVELOPMENT MONROE, NC		APPLING BORING FOREST CITY, NC		DIRECTIONAL SERVICES HOPE MILLS, NC		PIKE ELECTRIC LLC. MOUNT AIRY, NC		ENGINEER'S ESTIMATE	
ITEM	UNITS	NUM OF UNITS	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	TOTAL PRICE
1.1	6" STL PIPE, X-52, 188 WALL	FT	76.00	296,000.00	96.00	231,000.00	97.00	336,500.00	87.82	342,370.00	83.50	222,250.00	
1.2	6" STL PIPE, X-52, 188 WALL	FT	65.00	130,000.00	56.00	112,000.00	81.00	182,000.00	91.35	182,700.00	52.10	104,200.00	
1.3	4" STL PIPE, X-52, 237 WALL	FT	55.00	840.00	40.00	600.00	85.00	1,275.00	192.61	2,439.15	40.00	600.00	
2.1	8" HDD - BRUSHY CREEK HDD (STA. 19+25)	LS	128,094.00	128,094.00	125,000.00	125,000.00	198,800.00	198,800.00	249,115.08	249,115.08	98,000.00	98,000.00	
2.2	8" HDD - HWY 74 HDD (STA. 32+50)	LS	15,343.00	15,343.00	100,000.00	100,000.00	144,900.00	144,900.00	70,363.78	70,363.78	52,000.00	52,000.00	
3.1	6" SLICK BORE	FT	30.00	1,500.00	60.00	3,000.00	180.00	9,000.00	155.67	7,783.50	80.00	4,000.00	
4.1	8" STL WxW VALVE w/ GEAR BOX & VALVE BOX (Kerotest)	EA	7,000.00	7,000.00	7,500.00	7,500.00	8,500.00	8,500.00	10,802.60	10,802.60	6,550.00	6,550.00	
4.2	6" STL WxW VALVE & VALVE BOX (Kerotest)	EA	2,250.00	4,500.00	5,000.00	10,000.00	5,000.00	15,000.00	5,985.68	11,971.36	4,390.00	8,780.00	
4.3	4" STL WxW VALVE & VALVE BOX (Kerotest)	EA	1,100.00	2,200.00	2,500.00	5,000.00	5,000.00	10,000.00	4,226.31	8,452.62	2,550.00	5,100.00	
5.1	8" CLASS 150 MUELLER BOF H-47280	EA	7,000.00	7,000.00	12,000.00	12,000.00	7,000.00	7,000.00	11,756.22	11,756.22	10,650.00	10,650.00	
5.2	4" CLASS 150 MUELLER BOF H-47260	EA	10,000.00	10,000.00	6,500.00	6,500.00	5,500.00	5,500.00	8,068.72	8,068.72	6,625.00	6,625.00	
6.1	8" WELD-END INSULATOR, ANSI 150	EA	2,500.00	2,500.00	3,500.00	3,500.00	4,500.00	4,500.00	7,221.95	7,221.95	4,000.00	4,000.00	
6.2	4" WELD-END INSULATOR, ANSI 150	EA	1,500.00	1,500.00	1,700.00	1,700.00	3,400.00	3,400.00	5,658.65	5,658.65	2,100.00	2,100.00	
7.	PAD FOR M&R STATION	LS	-	-	-	-	-	-	-	-	-	-	
8.	METER AND REGULATOR STATION	LS	75,000.00	75,000.00	90,000.00	90,000.00	218,000.00	218,000.00	110,680.63	110,680.63	78,535.00	78,535.00	
9	ASPHALT CUT	FT	50.00	2,500.00	-	-	85.00	4,250.00	37.50	1,875.00	35.00	1,750.00	
10	CONCRETE CUT	FT	50.00	2,500.00	-	-	125.00	6,250.00	25.00	1,250.00	65.00	3,250.00	
11	ROCK	YD ³	200.00	4,000.00	300.00	6,000.00	145.00	2,900.00	225.00	4,500.00	175.00	3,500.00	
12	GRAVEL	TN	50.00	3,000.00	60.00	3,600.00	120.00	7,200.00	75.00	4,500.00	40.00	2,400.00	
13	RIP RAP	TN	50.00	1,500.00	50.00	1,500.00	150.00	4,500.00	75.00	2,250.00	50.00	1,500.00	
14	WATTLE	FT	5.00	500.00	15.00	1,500.00	20.00	2,000.00	75.00	7,500.00	12.00	1,200.00	
15	EC BLANKET	SC. YD	6.00	8,580.00	10.00	14,300.00	5.75	8,225.00	8.44	12,068.20	6.00	8,580.00	
	TOTAL			\$ 674,057.00		\$ 734,200.00		\$ 1,181,697.50		\$ 1,063,318.26		\$ 625,470.00	

ORDINANCE NO. 20-2021

A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S
AMES COPPER NATURAL GAS SYSTEM INFRASTRUCTURE IMPROVEMENTS PROJECT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its capital project ordinance and budgets for the City of Shelby's Ames Copper Natural Gas System Improvements Project; and

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve the same for implementation and compliance with the North Carolina Local Government Budget and Fiscal Control Act;

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

Section 1. Ordinance No. 36-2020, the City's Ames Copper Natural Gas System Improvements Project, is hereby amended as follows to provide for Budget Amendment No. 2 for said project:

Appropriating Natural Gas Fund Balance:

Fund Balance Appropriated	64006000-39900	\$48,588
Transfer to Natural Gas Cap. Projects	640741-49641	\$48,588

Ames Copper Natural Gas System Improvements Project

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

Transfer from Natural Gas Fund	64106000-39640-64887	\$48,588
--------------------------------	----------------------	----------

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

Construction	641746-53000-64887	\$48,588
--------------	--------------------	----------

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

Ames Copper Natural Gas System Improvements Project

	<u>Current Budget</u>	<u>Amendment No. 2</u>
Revenues		
Transfer from Natural Gas Fund	\$ 673,470	\$722,058
Expenditures		
Engineering	\$ 48,000	\$ 48,000
Construction	\$ 625,470	\$674,058

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

Ordinance No. 20-2021
June 7, 2021
Page 2

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

Adopted and approved this the 7th day of June 2021.

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. 33-2021

**A RESOLUTION AWARDING THE CONSTRUCTION OF NATURAL GAS LINES
ALONG OLD BOILING SPRINGS ROAD AND HIGHWAY 74 WEST**

WHEREAS, in accordance with applicable provisions of G.S. 143-129, as amended, the City of Shelby has received quotes for construction for the natural gas line improvements along Old Boiling Springs Road and Highway 74 West; and,

WHEREAS, bids for the installation of 8" steel gas main along Highway 74 West and 6" steel gas main along Old Boiling Springs Road and a meter set have been reviewed by Heath and Associates, Inc. and recommendation of award for this work is to Dawn Development Company, Inc out of Monroe, North Carolina; and,

WHEREAS, the City Council now desires to proceed with award of project as recommended by Heath and Associates, Inc. with the improvements anticipated by this action; 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 awards the contract for construction of natural gas lines along Old Boiling Springs Road and Highway 74 West to Dawn Development Company, Inc. in the amount of \$674,057.30.

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

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

Adopted and approved this the 7th day of June 2021.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

Agenda Item C-2

- 2) Consideration of a resolution approving the participation of the City of Shelby in the Foothills NC Home Consortium and authorizing the City Manager to enter into and execute a Joint Cooperation Agreement for the Home Investment Partnership Program: Resolution No. 34-2021

Unfinished Business Item: (Rick Howell, City Manager and Justin Merritt, Asst City Manager)

- Foothills NC Home Consortium Frequently Asked Questions
- Joint Cooperation Agreement for Home Investment Partnership Act
- Resolution No. 34-2021

City Manager's Recommendation / Comments

Resolution No. 34-2021 is presented for City Council consideration at this time. If approved this resolution would offer support for the creation of the Foothills NC Home Consortium and further authorizes the City Manager in consultation and with approval of the City Attorney to negotiate and enter into an agreement with other units of local government in the four (4) county region in creating the consortium. It further authorizes the City Manager to sign all contracts, grant agreements, certifications with the US Department of Housing and Urban Development, the State of North Carolina or other agencies as may be required to carry out the activities of the consortium.

As a reminder the creation of the HOME consortium provides an opportunity for federal block grant funding to be used toward the development of affordable housing opportunities within the Foothills Regional Commission four county region. This covers Cleveland, McDowell, Polk and Rutherford. This action does not commit the City to providing funding whatsoever. The only time a funding commitment may be required is if the City were to pursue grant funding through the consortium for an affordable housing initiative.

It is my recommendation that Resolution No. 34-2021 be adopted and approved by City Council at this time.

FOOTHILLS NC HOME CONSORTIUM

FREQUENTLY ASKED QUESTIONS

What is the Home Investment Partnership Program?

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions. The program’s flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

In what ways can HOME funds be used?

HOME funds can be used in a variety of ways to support a consortium’s homeownership activities: home-owner occupied rehabilitation programs, direct homebuyer assistance (down payment and/or closing costs), development of for-sale housing and low-income rental housing, rental assistance, or for other reasonable and necessary expenses related to the development of non-luxury housing including site acquisition or improvement, and demolition of dilapidated housing.

What are the income requirements for eligible beneficiaries?

The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90% of the benefitting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80% of the area median. HOME income limits are published each year by HUD.

Why is there a need to form a Consortium?

Generally, units of local government form consortia to access direct formula allocations of HOME funds to support housing activities and programs.

States are automatically eligible for HOME funds and receive their formula allocation or \$3million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula also can receive a direct allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

Those communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding.

Those communities who do not receive a direct allocation or who are not part of a consortium can participate in HOME by applying for program funds made available by their State. In North Carolina the HOME program funds are made available through the North Carolina Housing Finance Agency (NCHFA). It should be noted, that the same communities that receive direct allocations and those that receive allocations through a consortium can also access the NCHFA programs.

What will be the HOME funding level for the consortium?

Under current funding levels the proposed consortium would have funding of approximately \$800,000. The net funding level after deducting administrative fees used to run the program would be approximately \$720,000.

Will there be a match requirement for participating local jurisdictions?

There is a 25% on-going match requirement on all funds drawn from the consortium's HOME Investment Trust Fund treasury account in that fiscal year. The 25% non-federal match can be in the form of cash, assets, labor or other services valuable to the HOME program. The 25% match will be the responsibility of the recipient accessing the funds on a project by project basis.

No money is required from local governments to join the consortium.

Will there be a need for a consolidated plan?

Yes. Forming a consortium enables local governments to work together to develop collaborative approaches to local and regional housing needs that cross town and county lines. Prior to receiving HOME funds every consortium must develop a three to five-year consolidated plan that will describe community needs, resources, priorities, and proposed activities to be undertaken with the HOME program funding.

What will be the governance structure of the consortium?

- Consortium Members
 - The proposed consortium will consist of the four counties and 23 towns representing the Isothermal Region in western North Carolina
- Lead Entity
 - A consortium can organize and govern themselves as they choose, however, they must designate one jurisdiction as the “lead entity” and must execute a legally binding consortium agreement that formally organizes the consortium. The lead entity retains primary responsibility for ensuring consortium compliance with all HOME Program rules and reporting to HUD. The lead entity must have the capacity to administer program requirements either directly or jointly with another entity. The lead entity in the proposed consortium will be McDowell County.
- Administrative Agent
 - As the lead entity, McDowell County will enter into a written agreement with the Isothermal Planning & Development Commission (Administrative Agent) to carry out most of the administrative responsibilities of the HOME program. The Administrative Agent will accept project recommendations from all HOME consortium members and will make final funding decisions consistent with the Consolidated Plan.
- Consortium Committee
 - The consortium committee will have one representative from each member of the consortium and will meet quarterly to receive consortium updates and to review progress made towards consolidated plan goals.

When will the program start?

The program start date for the consortium will be July 1, 2022 for the three-year period 2022 to 2024. The agreement will automatically renew for participation in successive three-year periods.

Please direct any questions to Steve Lockett, IPDC Interim Executive Director, slockett@regionc.org, 828-351-2373

FOOTHILLS NC HOME CONSORTIUM

JOINT COOPERATION AGREEMENT FOR HOME INVESTMENT PARTNERSHIP ACT

THIS AGREEMENT, entered into this _____ day of _____, 2021, by and between the County of McDowell (herein called the “Lead Entity”), County of Polk, County of Rutherford, County of Cleveland, (herein called the Counties) and all other municipalities within McDowell County (including Marion and Old Fort), Polk County (including Columbus, Saluda, and Tryon), Rutherford County (including Bostic, Chimney Rock Village, Ellenboro, Forest City, Lake Lure, Ruth, Rutherfordton, and Spindale), and Cleveland County (including Belwood, Boiling Springs, Earl, Fallston, Grover, Kings Mountain, Kingstown, Lawndale, Polkville, and Shelby), herein known as Members, said parties to the agreement being geographically contiguous units of general local government of the State of North Carolina, and is made pursuant to North Carolina Statutes, Article 20 of Chapter 160A.

WITNESSETH THAT:

WHEREAS, the Cranston-Gonzales National Affordable Housing Act of 1990 (herein called the “Act”) makes provisions whereby units of general local government may enter into cooperation agreements and form a Consortium to undertake or assist in undertaking affordable housing pursuant to the HOME Investment Partnership Program (HOME Program); and

WHEREAS, it is the desire of the parties that the Lead Entity will act in a representative capacity for the Members as well as itself. The Members desire that the Lead Entity assume overall responsibility for ensuring that the Consortium is carried out in compliance with the requirements of the Act, state and federal regulations’ program requirements and the Consolidated Plan for the Consortium. The Lead Entity through written agreement is utilizing the Isothermal Planning and Development Commission (Administrative Agent) to assist in carrying out the daily

administration responsibilities of the Consortium. That written agreement specifies the duties and responsibilities of the Administrative Agent to carry out the administrative and other functions necessary, required and desirable to fulfill the requirements of the Act, its regulations, United States Department of Housing and Urban Development directives and state and federal law.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. The parties agree to cooperate to undertake or to assist in undertaking housing assistance activities for the HOME program. The Members hereby authorize the Lead Entity to apply for and receive HOME funding from the United States Department of Housing and Urban Development. The Lead Entity is authorized to act in a representative capacity for all Members for purposes of the HOME program.

2. The Members hereby authorize the Lead Entity to establish a local HOME Investment Trust Fund for receipt and disbursement of HOME funds and repayments.

3. The Lead Entity and Members shall cooperate in the implementation of the HOME Program and shall cooperate in the preparation of the Consolidated Plan by providing information to the Lead Entity. The Members shall execute and submit the required certifications, and shall prepare and submit plans for monitoring compliance with the Consolidated Plan. The Lead Entity, through the Administrative Agent, assumes overall responsibility for ensuring that the Consortium's HOME Program is carried out in compliance with the requirements of the HOME Program, including requirements concerning a Consolidated Plan in accordance with HUD regulations in 24 CFR Parts 91 and 92, respectively, and the requirements of 24 CFR 92.350.

4. The Lead Entity and each Member shall be responsible for providing matching funds required by federal regulations for any funds allocated for that jurisdiction. No Member shall refuse to provide matching funds required by its projects for the period of time that the participation of that Member is required in the Consortium by HUD regulations and this Agreement. Each Member

shall reimburse the Lead Entity immediately and in full for any and all expenses incurred by Lead Entity as a result of the failure of any Member to provide the matching funds. Matching funds will not be required when the Member does not have a project within its jurisdiction.

5. The Consortium agrees, that unless this requirement is suspended by HUD, that a minimum of fifteen percent (15%) of all HOME funds received will be set aside for the use of Community Housing Development Organizations (CHDOs) which have 501(c)(3) tax status as required by federal law.

6. The Lead Entity and the Administrative Agent will be paid an administrative fee totaling ten percent (10%) of the overall HOME funds allocation for the performance of their duties administering the HOME program in accordance with the applicable requirements of 24 CFR part 92. Said fee will be shared between the parties as stipulated in a separate administrative agreement. Only costs associated with the management and administration of the HOME program will be charged against HOME administrative allocations.

7. The Members do hereby agree to inform the Lead Entity through the Administrative Agent, in writing, of any income generated by the expenditure of HOME funds received by the Members, and that such program income must be paid to the Lead Entity for deposit into the Trust Fund or may be retained by the Members only if its use is defined in a separate agreement and approved by the United State Department of Housing and Urban Development.

8. The Members and Lead Entity shall affirmatively advance fair housing. And make all benefits of the program available in accordance with fair housing regulations.

9. The Members, as parties to the Consortium, agree that they shall direct all activities, with respect to the Consortium, to the alleviation of housing problems in the State of North Carolina.

10. This section shall not be construed as waiving any defense or limitation which any party may have against any claim or cause of action by any person not a party to this agreement.

11. The terms of this agreement will cover the period necessary to carry out all activities that will be funded from funds awarded for three federal fiscal years. The units of general local government which join the Consortium will remain in the Consortium for this entire period. The qualification period is Federal Fiscal Years 2021 -2023. The time for which this agreement remains in effect is until the HOME funds from each of the Federal Fiscal Years set out above are closed out pursuant to 24 CFR 92.507. No Consortium member may withdraw from the agreement while the agreement remains in effect.

12. This agreement will automatically renew for participation in successive three-year qualification periods. By the date specified in HUD's consortia designation notices, the Consortium's Lead Entity, through the Administrative Agent, will notify each participating unit of general local government in writing of its right not to participate for the successive three-year qualification periods. A copy of the notification to each jurisdiction must be sent to the HUD Field Office by the date specified in the consortia designation notice. The Lead Entity shall have the authority to amend the HOME consortium agreement on behalf of the consortium's members. The Lead Entity will incorporate all changes necessary to meet the requirements for cooperation agreements set forth in a Consortia Qualification Notice applicable for a subsequent three-year period, and will submit the amendment to HUD as specified in the Consortia Qualification Notice for that period, and failure to comply will void the automatic renewal of the consortia agreement.

13. The Members and Lead Entity agree that this Cooperation Agreement may require modifications when final regulations on HOME and Consolidated Plan are provided by the United States Department of Housing and Urban Development and will cooperate in executing a revised or amended written agreement acceptable to all parties.

14. Should disputes arise between any participants in the Consortium resulting in legal action, such actions shall be filed in the appropriate courts of Haywood County. All parties hereto located in Counties outside Haywood County specifically waive any alternate venue.

15. The program start date for the Consortium is July 1, 2022 – June 30, 2023, and all units of general local government are on the same program year.

16. A Consortium Committee has been formed with one representative from each Member. The Consortium Committee will meet quarterly to receive Consortium updates and to review progress made towards Consolidated Plan goals. The Lead Entity, through the Administrative Agent, shall establish all policies, determine funding allocations, and control all activities of the consortium. The Administrative Agent will accept project recommendations from all HOME consortium members, but reserves the right to make final funding decisions consistent with the Consolidated Plan.

IN WITNESS WHEREOF, the Lead Entity and the Members have caused this Agreement to be executed by a duly authorized officer of each party.

CITY OF SHELBY, NORTH CAROLINA

By: _____
CITY MANAGER

ATTESTED:

By: _____ SEAL

STATE OF NORTH CAROLINA
CITY OF SHELBY

I, a Notary Public of the City of Shelby and State of North Carolina, certify that Rick Howell personally came before me this day and acknowledge that he is the City Manager of the City of Shelby, a North Carolina municipal corporation, and that by authority duly given and as the act of the Shelby City Council, the foregoing instrument was signed in its name and by its City Manager, sealed with its corporate seal and attested by himself as its City Manager.

Witness my hand and seal this _____ day of _____, 20____.

(Signature)
_____, Notary Public
(Printed Name)

SEAL

My Commission Expires: _____

APPROVED AS TO FORM:

(Signature)

(Printed Name)

Attorney for City of Shelby, North Carolina

RESOLUTION NO. 34-2021

A RESOLUTION APPROVING THE PARTICIPATION OF THE CITY OF SHELBY
IN THE FOOTHILLS NC HOME CONSORTIUM AND AUTHORIZING THE CITY
MANAGER TO ENTER INTO AND EXECUTE A JOINT COOPERATION
AGREEMENT FOR THE HOME INVESTMENT PARTNERSHIP PROGRAM

WHEREAS, the City of Shelby, North Carolina has determined that the health and welfare of its jurisdiction may benefit from increasing the availability of safe, affordable, and standard housing; and,

WHEREAS, the City of Shelby has determined that providing safe, affordable, and standard housing will benefit work force productivity and area economic development; and,

WHEREAS, a cooperative approach to providing housing in Polk, Rutherford, McDowell, and Cleveland Counties will avoid duplication of effort and promote more effective delivery of housing services; and,

WHEREAS, a consortium of local governments may be entitled to receive funds from the US Department of Housing and Urban Development, that they would be unqualified to receive individually; and,

WHEREAS, Title II of the Cranston-Gonzalez National Affordable Housing Act makes provisions whereby units of general local governments may enter into cooperation agreements and form consortia to undertake or assist in undertaking affordable housing pursuant to the HOME Investment Partnership Program; and,

WHEREAS, the City of Shelby along with the other units of general local governments, with the County of McDowell as the lead entity, desire to form the Foothills NC Home Consortium to undertake or assist in undertaking affordable housing under Title II of the Cranston-Gonzalez National Affordable Housing Act; and,

WHEREAS, Article 20 of Chapter 160A of the North Carolina General Statutes authorize units of local government to enter into contracts or agreements with each other to execute any undertaking.

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

SECTION 1. The City of Shelby hereby supports the Foothills NC Home Consortium.

SECTION 2. The City of Shelby authorizes an agreement with the other participating units of general purpose local governments in Polk, Rutherford, and Cleveland Counties to sustain this Consortium.

SECTION 3. The City Manager is further authorized to sign all contracts, grant agreements, including certifications, approved by the City Attorney, with the Department of Housing and Urban Development, the State of North Carolina or other agencies as may be required to carry out activities of the Consortium.

Adopted and approved this the 7th day of June 2021.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

D. New Business

Agenda Item D-1

- 1) Consideration of a resolution of tentative award for the aerial Sewer line at Randolph Road to Clark Ledbetter Grading & Hauling, Inc.:
Resolution No. 35-2021

New Business Item: (Rick Howell, City Manager and David Hux, Director or Water Resources Director)

- Memorandum dated May 27, 2021 from David Hux, Director or Water Resources to Rick Howell, City Manager
- Letter of Recommendation
- Aerial photo of Project Area
- Resolution No. 35-2021


City Manager's Recommendation / Comments

Resolution No. 35-2021 is presented for consideration at this time. Adoption of this resolution would authorize the tentative award of the bid to repair and replace an aerial sewer line crossing near the Randolph Road Lift Station to Clark Ledbetter Grading and Hauling, Inc. in the amount of \$26,290.00. The City received four (4) competitive bids meeting statutory and City requirements under the informal bidding standards. This project was previously funded within the Sewer Fund budget for system repairs.

It is recommended that Resolution No. 35-2021 be adopted by City Council at this time.

Memorandum

To: Rick Howell, City Manager

From: David Hux, Director of Water Resources 

Date: May 27, 2021

Subject: Aerial Sewer Line at Randolph Road and Rocky Creek Road - Contracts Award

Background

The City of Shelby is required by the Wastewater Collection Permit to inspect and maintain one hundred and fifty (150) sewer aerial stream crossings that are a part of the sewer collection system. During recent inspections, staff found that there are two (2) aerial crossings with piers that need repair/replacement.

Increased flooding in Shelby over the past couple of years has caused major erosion along stream banks where sewer aerials are located. The erosion has allowed for piers which support the sewer aerials to begin to pull away from the bank causing the sewer lines to begin to sag. Without repairs it is likely that the sewer lines will break causing sewer spills into the streams where these aerials cross. The two (2) aerials that need to be repaired/replaced are the 24" aerial crossing located near Rocky Creek Road and the 8" aerial crossing located over Brushy Creek at Randolph Road.

Review

The City of Shelby contacted Odom Engineering to complete design for the Aerial Sewer Lines at Randolph Road and Rocky Creek Road. Plans were developed and bids were taken for the project.

City staff along with Odom Engineering have reviewed the bids for each project.

The City received four (4) bids for the Aerial Sewer at Randolph Road. The lowest bid for the Randolph Road Aerial project was submitted by Clark Ledbetter Grading & Hauling, Inc in the amount of \$26,290.00.

The City received two (2) bids for the Aerial Sewer at Rocky Creek Road. The lowest bid for the Rocky Creek Road Aerial project was submitted by Two Brothers Utilities, LLC in the amount of \$98,890.00.

Recommendation

City staff has reviewed the bids and recommends that City Council approve the resolution, awarding the bid for the Aerial Sewer at Rocky Creek to the lowest bidder, Two Brother Utilities, LLC in the amount of \$98,890.00 and Aerial Sewer at Randolph Road to the lowest bidder, Clark Ledbetter Grading & Hauling, Inc in the amount of \$26,290.00. Funds are budgeted in the sewer budget for FY 2020/2021.

Please let us know if you need any further information.

May 13, 2021

Mr. Cameron Howell
City of Shelby
P.O. Box 207
Shelby, NC 28151

RE: Contractor Recommendation for the Aerial Sewer Line Randolph Road Project

Dear Mr. Howell,

Bids were received on Thursday, May 13, 2021 at 2:00 p.m. via email for the Aerial Sewer Line Randolph Road project.

	<u>BID AMOUNT</u>
• Clark Ledbetter Grading & Hauling, Inc.	\$ 26,290.00
• Two Brothers Utilities	\$ 92,070.00
• Father and Son Enterprises, LLC	\$ 96,250.00
• Piedmont Utility Group, Inc.	\$131,929.04

*Contractors submitted a document indication their willingness to submit a price for the project due to their current workload.

The low bidder was Clark Ledbetter Grading & Hauling, Inc. with a bid amount of \$26,290.00.

ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
Aerial Crossing Repair	1	LS	\$23,900.00	\$23,900.00
SUB-TOTAL				\$23,900.00
10% CONTINGENCY				\$2,390.00
TOTAL				\$26,290.00

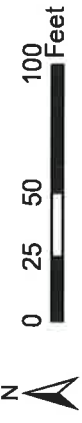
We recommend awarding the contract to Clark Ledbetter Grading & Hauling, Inc. in the amount of \$26,290.00 to complete the project.

Sincerely,



David Odom, P.E.

Aerial Sewer Line at Randolph Road Project Area



Prepared by City of Shelby GIS
Date: 5/27/2021

- Aerial Span
- Gravity Main
- Aerial Placement
- Manholes
- Lift Station
- Parcel Lines

RESOLUTION NO. 35-2021

**A RESOLUTION OF TENTATIVE AWARD FOR THE
AERIAL SEWER LINE AT RANDOLPH ROAD
TO CLARK LEDBETTER GRADING & HAULING, INC.**

WHEREAS, the City of Shelby, North Carolina has designed and bid a project entitled Aerial Sewer Line at Randolph Road and has held a competitive public bid opening on May 13, 2021 consistent with the applicable North Carolina General Statutes for bidding of public construction contracts; and,

WHEREAS, the City of Shelby received bids from four (4) qualified contractors for the completion of the Aerial Sewer Line at Randolph Road; and,

WHEREAS, the City's consulting engineer, Odom Engineering and City have reviewed the bids and now recommend tentative award of the construction contracts for the work described to Clark Ledbetter Grading & Hauling, Inc. in the amount of \$26,290.00.

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

Section 1. The City Council of the City of Shelby hereby awards the contract to Clark Ledbetter Grading & Hauling, Inc. for the construction of the Aerial Sewer Line at Randolph Road.

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

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

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

Adopted and approved this 7th day of June 2021.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

Agenda Item D-2

- 2) Consideration of a resolution of tentative award for the aerial sewer line at Rocky Creek Road to Two Brothers Utilities, LLC: Resolution No. 36-2021

New Business Item: (Rick Howell, City Manager and David Hux, Director or Water Resources)

- Memorandum dated May 27, 2021 from David Hux, Director or Water Resources to Rick Howell, City Manager
- Letter of Recommendation
- Aerial photo of Project Area
- Resolution No. 36-2021

City Manager's Recommendation / Comments

Resolution No. 35-2021 is presented for consideration at this time. Adoption of this resolution would authorize the tentative award of the bid to repair and replace an aerial sewer line crossing near the intersection of Earl Road and Rocky Creek Road to Two Brothers Utilities, LLC in the amount of \$98,890.00. The City received two (2) competitive bids meeting statutory and City requirements under the informal bidding standards. This project was previously funded within the Sewer Fund budget for system repairs.

It is recommended that Resolution No. 36-2021 be adopted by City Council at this time.



169 Oak Street • Forest City, NC 28043
office 828. 247.4495 • fax 828.247.4498

May 13, 2021

Mr. Cameron Howell
City of Shelby
P.O. Box 207
Shelby, NC 28151

RE: Contractor Recommendation for the Aerial Sewer Line Rocky Creek Road Project

Dear Mr. Howell,

Bids were received on Thursday, May 13, 2021 at 2:00 p.m. via email for the Aerial Sewer Line Rocky Creek Road project.

	<u>BID AMOUNT</u>
• Two Brothers Utilities	\$ 98,890.00
• Father and Son Enterprises, LLC	\$107,250.00

*Contractors submitted a document indication their willingness to submit a price for the project due to their current workload.

The low bidder was Two Brothers Utilities with a bid amount of \$98,890.00.

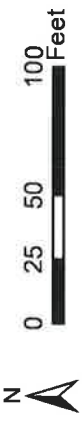
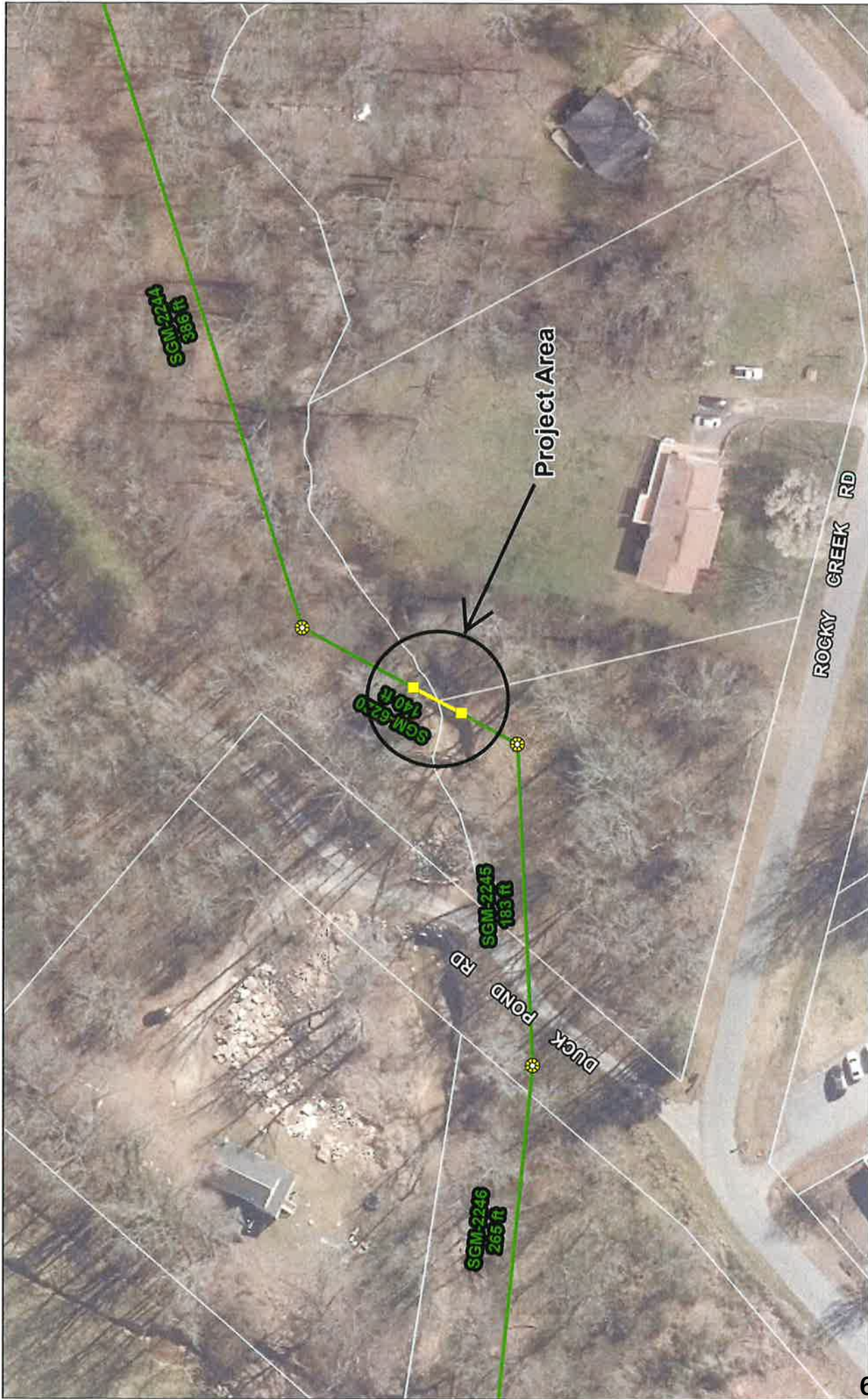
ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
Aerial Crossing Repair	1	LS	\$89,900.00	\$89,900.00
SUB-TOTAL				\$89,900.00
10% CONTINGENCY				\$8,990.00
TOTAL				\$98,890.00

We recommend awarding the contract to Two Brothers Utilities in the amount of \$98,890.00 to complete the project.

Sincerely,

David Odom, P.E.

Aerial Sewer Line at Rocky Creek Road Project Area



Prepared by City of Shelby GIS
Date: 5/27/2021

- Aerial Span
- Gravity Main
- Aerial Placement
- Manholes
- Force Main
- Parcel Lines

RESOLUTION NO. 36-2021

**A RESOLUTION OF TENTATIVE AWARD FOR THE
AERIAL SEWER LINE AT ROCKY CREEK ROAD
TO TWO BROTHERS UTILITIES, LLC**

WHEREAS, the City of Shelby, North Carolina has designed and bid a project entitled Aerial Sewer Line at Rocky Creek Road and has held a competitive public bid opening on May 13, 2021 consistent with the applicable North Carolina General Statutes for bidding of public construction contracts; and,

WHEREAS, the City of Shelby received bids from two (2) qualified contractors for the completion of the Aerial Sewer Line at Rocky Creek Road; and,

WHEREAS, the City’s consulting engineer, Odom Engineering and City have reviewed the bids and now recommend tentative award of the construction contracts for the work described to Two Brothers Utilities, LLC in the amount of \$98,890.00.

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

Section 1. The City Council of the City of Shelby hereby awards the contract to Two Brothers Utilities, LLC for the construction of the Aerial Sewer Line at Rocky Creek.

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

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

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

Adopted and approved this 7th day of June 2021.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

Agenda Item D-3

- 3) Consideration of a resolution awarding the contract for the City of Shelby Stormwater Infrastructure Assistance Program Project at 326 Whisnant Street in Shelby, North Carolina: Resolution No. 37-2021

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

- Memorandum dated June 1, 2021 from Ben Yarboro, Engineering Services Director to Rick Howell, City Manager
- Memorandum dated May 25, 2021 from Tyler Brooks, Stormwater/Engineering Coordinator to Ben Yarboro, Engineering Services Director
- Plans for Project from Odom Engineering, PLLC
- Letter of Recommendation
- Bid Sheets
- City of Shelby Stormwater Infrastructure Assistance Agreement
- Resolution No. 37-2021

City Manager's Recommendation / Comments

Resolution No. 37-2021 is presented for City Council consideration at this time. If approved this resolution would award a contract in the amount of \$11,550 to Clark Ledbetter Hauling and Grading for the construction of stormwater system improvements at 326 Whisnant Street. 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. The City will shoulder 80% of this project with the property owner paying 20%. The City's portion of this project is paid through revenue generated from existing stormwater fees. The property owner(s) is required to pay 50% up front and the remaining balance upon notification of project completion or the owner may choose to participate in the special assessment payment option by entering into a legally binding agreement filed against the property to ensure payment to the City over a period of no more than five (5) years at a statutory interest rate.

It is recommended that Resolution No. 37-2021 be adopted by City Council at this time.



Memorandum

To: Rick Howell, City Manager

From: Ben Yarboro, Engineering Services Director *BYG*

RE: 326 Whisnant St. – Stormwater Infrastructure Assistance Program Project Approval Recommendation

Date: June 1, 2021

Background

As detailed in the attached memorandum from Tyler Brooks, Stormwater/Engineering Coordinator, the City received an application for Stormwater Infrastructure Assistance outside of the public right-of-way at 326 Whisnant St. The issue at this location is a sinkhole in the driveway that has made the driveway unpassable for vehicles. It is also important to note that the stormwater system crossing this property ties directly into the system on W. Oak St. and this sinkhole has caused flooding in the public street during heavy rains.

Following the preparation of design plans by a professional civil engineering firm, five (5) bids were received for this project. The lowest responsive bidder was Clark Ledbetter Grading & Hauling, Inc. with a bid in the amount of \$11,550.00. As a reminder, the Stormwater Infrastructure Assistance Policy (Resolution No. 3-2016) states that for residential properties the City will be responsible for 80% of the construction cost and the private property owner will be responsible for the remaining 20% via a legal agreement.

Recommendation

City Staff recommends that the Shelby City Council approve the resolution awarding the bid for the Stormwater Infrastructure Assistance Program project located at 326 Whisnant St. to the lowest responsive bidder, Clark Ledbetter Grading & Hauling, Inc. for the bid price of \$11,550.00. Funding for the City's portion of this construction contract is available in the existing Stormwater Utility budget.

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

Attachments:

- Memo from Tyler Brooks including:
 - Design Plans
 - Recommendation of Award
 - Copy of Signed Stormwater Infrastructure Assistance Agreement



Memorandum

To: Ben Yarboro, Director of Engineering Services

From: Tyler Brooks, Stormwater/Engineering Coordinator

RE: 326 Whisnant Street – Stormwater Infrastructure Assistance Program Project Approval Recommendation

Date: May 25, 2021

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 August 2020, the property owner at 326 Whisnant Street applied for Stormwater Infrastructure Assistance to address failing stormwater infrastructure on the property. The owner reported a sinkhole in her driveway making it unpassable. In addition, City staff noticed this issue was causing street flooding on W. Oak Street during heavy rain events. After evaluating the current stormwater system on the property, a bad pipe connection between two different pipe materials was found.

In March 2021 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 existing catch basin to be replaced, which will be used to properly connect the two different pipe materials properly. Bids were submitted on May 13, 2021. 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 is Clark Ledbetter Grading & Hauling Inc. with a bid of \$10,500.00 with \$1,050.00 in contingency for a total project bid of \$11,550.00. The property owner desires to proceed with the project.

www.cityofshelby.com

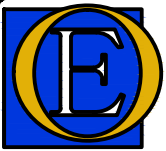
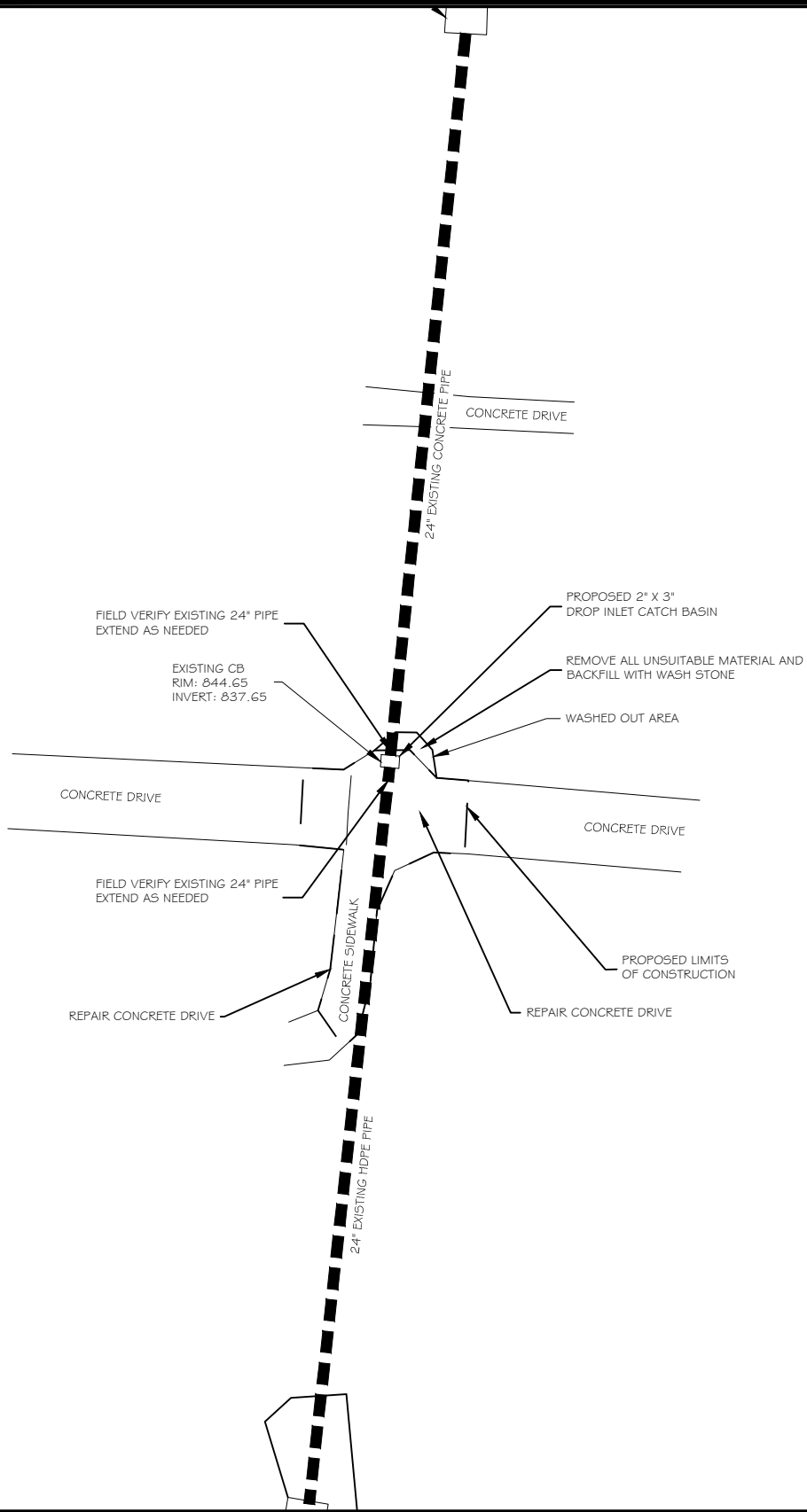
Recommendation

City Staff recommends that the Shelby City Council approve the resolution awarding the bid for the Stormwater Infrastructure Assistance Program project located at 326 Whisnant Street for Jasmin Tockes to the lowest responsive bidder, Clark Ledbetter Grading & Hauling Inc. for the bid price of \$11,550.00. 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
- Contractor Recommendation Letter
- Copy of signed Stormwater Infrastructure Assistance Agreement



Odom
Engineering
PLLC

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

326 WHISNANT STREET
 STORM DRAINAGE

MAY 14, 2021

SCALE: 1" = 20'

May 13, 2021

Mr. Tyler Brooks
City of Shelby
P.O. Box 207
Shelby, NC 28151

RE: Contractor Recommendation for the 326 Whisnant St. Stormwater Infrastructure Assistance Project

Dear Mr. Books,

Bids were received on Thursday, May 13, 2021 at 2:00 p.m. via email for the 326 Whisnant St. Stormwater Infrastructure project.

	<u>BID AMOUNT</u>
• Clark Ledbetter Grading & Hauling, Inc.	\$ 11,550.00
• Botts Grading, LLC	\$ 14,925.90
• Sugarhill Contractors, LLC	\$ 15,800.00
• Father and Son Enterprises, LLC	\$ 17,600.00
• Marvin Hoyle Construction, Inc.	\$ 35,200.00

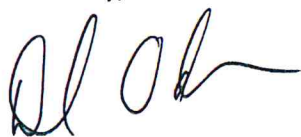
*Contractors submitted a document indication their willingness to submit a price for the project due to their current workload.

The low bidder was Clark Ledbetter Grading & Hauling, Inc. with a bid amount of \$11,550.00.

ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
CATCH BASIN REPAIR	1	LS	\$10,500.00	\$10,500.00
SUB-TOTAL				\$10,500.00
10% CONTINGENCY				\$1,050.00
TOTAL				\$11,550.00

We recommend awarding the contract to Clark Ledbetter Grading and Hauling, Inc. in the amount of \$11,550.00 to complete the project.

Sincerely,



David Odom, P.E.

BID FORM

PROJECT: **326 WHISNANT STREET STORM DRAINAGE**

CITY OF SHELBY				
326 WHISNANT STREET STORM DRAINAGE				
MAY 2021				
ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
CATCH BASIN REPAIR	1	LS	10,500.00	10,500.00
SUB-TOTAL				10,500.00
10% CONTINGENCY				1,050.00
TOTAL			\$	11,550.00

TOTAL BID including Contingency: 11,550.00
Total Bid (in words): eleven thousand five hundred-fifty

SUBMITTED on 5-13, 2021
State Contractor License No. 48245

Company Name Clark Ledbetter Grading, et al, Inc.

By Clark Ledbetter
(Signature)

Name Clark Ledbetter

Title: President

BID FORM

PROJECT: 326 WHISNANT STREET STORM DRAINAGE

CITY OF SHELBY 326 WHISNANT STREET STORM DRAINAGE MAY 2021				
ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
CATCH BASIN REPAIR	1	LS		\$13,569
SUB-TOTAL				\$13,569
10% CONTINGENCY				\$1,356.90
TOTAL				\$14,925.90

TOTAL BID including Contingency: \$14,925.90
Total Bid (in words): Fourteen Thousand Nine Hundred twenty-five + 90/100

SUBMITTED on May 13, 2021
State Contractor License No. _____

Company Name Botts Grading, LLC
By Michael Botts
(Signature)

Name Michael Botts

Title: Owner

BID FORM

PROJECT: **326 WHISNANT STREET STORM DRAINAGE**

CITY OF SHELBY				
326 WHISNANT STREET STORM DRAINAGE				
MAY 2021				
ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
CATCH BASIN REPAIR	1	LS	\$14,400 ⁰⁰	\$14,400 ⁰⁰
SUB-TOTAL				\$14,400 ⁰⁰
10% CONTINGENCY				1,400 ⁰⁰
TOTAL				15,800 ⁰⁰

TOTAL BID including Contingency: \$15,800⁰⁰
Total Bid (in words): fifteen thousand and eight hundred dollars^{00/100}

SUBMITTED on 5/13, 2021
State Contractor License No. 83859

Company Name SugarHill Contractors LLC

By 
(Signature)

Name James L. Lawing

Title: President

BID FORM

PROJECT: **326 WHISNANT STREET STORM DRAINAGE**

CITY OF SHELBY				
326 WHISNANT STREET STORM DRAINAGE				
MAY 2021				
ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
CATCH BASIN REPAIR	1	LS		\$16,000.00
SUB-TOTAL				\$16,000.00
10% CONTINGENCY				\$1,600.00
TOTAL				\$17,600.00


TOTAL BID including Contingency: \$17,600.00

Total Bid (in words): seventeen thousand six hundred dollars

SUBMITTED on May 7th, 2021

State Contractor License No. 58303

Company Name Father and Son Enterprises LLC

By 
(Signature)

Name Levi Blake

Title: Owner

BID FORM

PROJECT: 326 WHISNANT STREET STORM DRAINAGE

CITY OF SHELBY				
326 WHISNANT STREET STORM DRAINAGE				
MAY 2021				
ITEM	UNITS	QUANTITY	UNIT PRICE	TOTAL COST
CATCH BASIN REPAIR	1	LS	\$32,000	\$32,000.00
SUB-TOTAL				\$32,000.00
10% CONTINGENCY				\$3,200.00
TOTAL				\$35,200.00

TOTAL BID including Contingency: \$35,200.00

Total Bid (in words): Thirty five thousand, two hundred

SUBMITTED on May 13th, 2021

State Contractor License No. 40774

Company Name Maevin Hoyle Const. Co.

By Maevin Hoyle
(Signature)

Name Maevin Hoyle

Title: President

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 March, 2021, 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 Jasmin Leilani Toakes 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:

Repair sinkhole in driveway

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 326 Whisnant St. Storm Drainage. (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 326 Whisnant St. and described in Deed Book 1834 Page 653 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): Jasmin Leilani Tockes
Print Name: Jasmin Leilani Tockes
Title: owner

Print Name: _____
Title: _____

ATTEST: Sylvia Buzook

(Seal if appropriate)

STATE OF NORTH CAROLINA

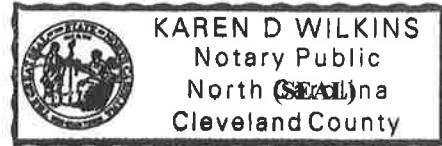
COUNTY OF Cleveland

I, Karen D Wilkins, a Notary Public of the County of Cleveland and State of North Carolina, do hereby certify that Tyler Brooks 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 March, 2021.

Karen D Wilkins
Notary Public

My Commission Expires: 9/21/2023



STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public of the County of _____ and State of North Carolina, do hereby certify that _____ 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 _____ day of _____, 20____.

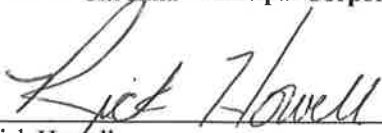
Notary Public

My Commission Expires: _____

(SEAL)

CITY OF SHELBY,

A North Carolina Municipal Corporation



Rick Howell
City Manager

ATTEST:



Bernadette Parduski, NCCMC, MMC
City Clerk

(SEAL)



RESOLUTION NO. 37-2021

**A RESOLUTION AWARDING THE CONTRACT FOR THE CITY OF SHELBY
STORMWATER INFRASTRUCTURE ASSISTANCE PROGRAM PROJECT
AT 326 WHISNANT STREET 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 Jasmine Tockes at 326 Whisnant Street 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 326 Whisnant Street in Shelby, North Carolina in accordance with priorities heretofore established by City Council; and,

WHEREAS, bids for this proposed work have been tabulated and contract award recommended for this project to the lowest responsive bidder, Clark Ledbetter Grading & Hauling, Inc., for a total bid of \$11,550.00; and,

WHEREAS, per Resolution No. 3-2016, the City agrees to pay 80 percent of the construction costs and the property owner agrees to pay 20 percent via a legal agreement; and,

WHEREAS, City Council now desires to proceed with award of 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 326 Whisnant Street in Shelby, NC, as outlined in the bid specifications for this offering, is hereby awarded to Clark Ledbetter Grading & Hauling, Inc. for a bid price of \$11,550.00 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. 37-2021
June 7, 2021
Page 2

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

Adopted and approved this the 7th day of June 2021.

O. Stanhope Anthony III
Mayor

ATTEST:

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

City of Shelby
Agenda Item Summary
June 7, 2021
City Hall Council Chamber

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 necessarily require action by Council.

Agenda Item: F

Council Announcements and Remarks

G. Budget Session – Utility Funds

A. Proposed Fiscal Year (FY) 2021-2022 Annual Utilities Operating Budgets for the City of Shelby.

This time is scheduled to allow me to present the remaining proposed budget for the enterprise funds operated by the City.

H. Adjournment:

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

- 1) Motion to adjourn