

Welcome and Call to Order by Mayor O. Stanhope Anthony III

Invocation

Pledge of Allegiance

A. Approval of Agenda

Discussion and revision of the proposed agenda, including consent agenda; adoption of an agenda.

- 1) Motion to adopt the agenda as proposed or amended

B. Special Presentations:

- 1) Recognition of Fire Chief William Hunt as 2021 Career Fire Chief of the Year by the North Carolina Association of Fire Chiefs (NCAFC) 1
- 2) Recognition of Director of Finance, Beth B. Beam, and the City of Shelby's Finance Department as recipients of the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association for Fiscal Year ended June 30, 2020 4

C. Public Comment: 10

In accordance with City Council's policy, public comment is only taken at the second regular meeting each month. Any citizen who wishes to address Council must register with the City Clerk prior to 6:00 p.m. on the meeting night. The Mayor will call upon each individual during this portion of the meeting and will allow three (3) minutes to speak.

D. Public Hearings:

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina (1855 East Dixon Boulevard): Ordinance No. 21-2021 11
- 2) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina (1100 Buffalo Street and 706 Julius Street): Ordinance No. 22-2021 24

3) Proposed Fiscal Year (FY) 2021-2022 Annual Operating Budget for the City of Shelby	37
a. Consideration of Fiscal Year (FY) 2021-2022 Budget Ordinance: Ordinance No. 23-2021	39
b. Consideration of Fiscal Year (FY) 2021-2022 Supplemental Budget Ordinance: Ordinance No. 24-2021	48

E. Consent Agenda:

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

1) Approval of the Minutes of the Regular Meeting of June 7, 2021	52
2) Approval of a resolution authorizing receipt of a donation towards Phase I of Depot Park and execution of an Irrevocable Charitable Pledge Agreement: Resolution No. 38-2021	63
3) Approval of a resolution authorizing the execution of a Building Inspection Services Mutual Aid Agreement: Resolution No. 39-2021	72
4) Approval of a resolution adopting the financial and budgetary policies of the City of Shelby: Resolution No. 40-2021	80
5) Approval of a resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission and appointing bond counsel and financial advisor in connection with the proposed issuance of street and sidewalk improvement bonds by the City: Resolution No. 41-2021	100
6) Adoption of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 11: Ordinance No. 25-2021	106
7) Adoption of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 12: Ordinance No. 26-2021	123

8) Approval of a Notice of Cancellation in the Regular Meeting Schedule of Shelby City Council	129
F. Unfinished Business: None	131
G. New Business:	
1) Consideration of a resolution authorizing selection of Kimley-Horn based on qualifications for the 24-inch water transmission line to the south tank and Forest Hill Drive: Resolution No. 42-2021	132
2) Consideration of a resolution authorizing selection of WithersRavenel based on qualifications for the Hickory Creek Sewer Outfall Replacement: Resolution No. 43-2021	138
H. City Manager's Report	144
I. Council Announcements and Remarks	144
J. Closed Session:	
1) To discuss matters relating to the location or expansion of industries or other businesses in the area served by City Council, including an agreement on a tentative list of economic development incentives that may be offered pursuant to North Carolina General Statute 143-318.11 (a) (4)	144
K. Adjournment:	
<i>To adjourn a meeting of City Council, a majority of the Council Members must vote for a motion to adjourn.</i>	
1) Motion to adjourn	144

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

B. Special Presentations:

Agenda Item B-1

- 1) Recognition of Fire Chief William Hunt as 2021 Career Fire Chief of the Year by the North Carolina Association of Fire Chiefs (NCAFC)

Presenting: (Mayor, Stan Anthony)

- Memorandum dated June 11, 2021 from David Vanhoy, Division Chief to Bernadette Parduski, City Clerk

City Manager's Recommendation / Comments

Mayor Anthony will recognize Chief Hunt at this time. This time is scheduled on City Council's agenda to recognize Fire Chief William Hunt on being named "Career Fire Chief of the Year" by the NC Association of Fire Chiefs. It goes without saying that this honor is well deserved. It is certainly even more special coming from his peers. Since being appointed Chief Hunt has strived to raise the overall level of professionalism within the department. His leadership in securing international accreditation through the Commission on Fire Accreditation International is but one example of his contributions to the City of Shelby. Chief Hunt also successfully guided the Fire & Rescue Department through the ISO rating process lowering the City's rating from a class 4 to a Class 2.

Please join me in offering a sincere congratulations to Chief Hunt.



June 11th, 2021

MEMORANDUM

To: Bernadette Parduski, City Clerk
From: David Vanhoy, Division Chief

Subject: Council recognition of Fire Chief William Hunt as recipient the *Career Fire Chief of the Year* through the North Carolina Association of Fire Chiefs.

Background

The *North Carolina Association of Fire Chiefs (NCAFC)* is an association of over 800 fire departments serving all one-hundred counties throughout North Carolina. The NCAFC offers information, advocacy and training to its membership while providing leadership and direction in a progressive manner. Each year, the association honors an individual from the career departments as its *Career Fire Chief of the Year*.

Review

This year, a member of the Shelby Fire & Rescue Department was recognized for this distinction. Fire Chief William Hunt was presented with the honor during the annual banquet which takes place at the NCAFC conference in Concord, N.C. His educational background, innovative leadership, and involvement in the fire service were considerations for his selection. William proudly served our great nation in the U.S Army. He is a graduate of the Grand Canyon University where he holds a master's degree in public administration. He also holds an undergraduate degree from the University of North Carolina Charlotte. Chief Hunt is a graduate of the prestigious National Fire Academy Executive Fire Officer Program and is a past president of the Western North Carolina Association of Firefighters.

Additionally, Chief Hunt was recognized because of his innovative leadership such as implementing and institutionalizing the accreditation model as well as his advocacy for education, certifications, and professional develop of all his staff.

Chief Hunt has served the Shelby Fire & Rescue Department with distinction since 2007, and has over 30 years served in a career fire profession.

Recommendation

Please place on the June 21st council agenda under *Special Presentations*, recognition of Fire Chief William Hunt as the North Carolina Career Fire Chief of the Year. Additionally, please consider a request for a photo opportunity for Chief Hunt with the Mayor, the City Manager, and other dignitaries as appropriate.

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item B-2

- 2) Recognition of Director of Finance, Beth B. Beam, and the City of Shelby's Finance Department as recipients of the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association for Fiscal Year ended June 30, 2020

Presenting: (Mayor, Stan Anthony)

- Memorandum dated June 11, 2021 from Beth B. Beam, Director of Finance to Rick Howell, City Manager
- Letter dated June 7, 2021 from Government Finance Officers Association
- Copy of Certificate

City Manager's Recommendation / Comments

At this time Mayor Anthony will present Beth Beam, Finance Director with the "Certificate of Achievement" awarded by the non-profit Government Finance Officers Association for excellence in preparation of the CAFR for the fiscal year ended June 30, 2020. The City has achieved this award dating back more than 20 years and is a testament to the commitment of past and present management and finance directors to full public disclosure and communication of the financial condition of the City of Shelby to the general public. As I do every year I urge you to pay close attention to the CAFR. A hard copy is routinely provided to Council at the time the audit is presented and an electronic pdf version of the CAFR is maintained on the City's website dating back at least five (5) fiscal years. It can be found at www.cityofshelby.com under the Finance Department heading.

Please join me in congratulating Ms. Beam and the Finance Department staff for their great work on behalf of the citizens of Shelby.



To: Rick Howell, City Manager

From: Beth B. Beam, Director of Finance

Date: June 11, 2021

Subject: FY20 GFOA Certificate of Achievement for Excellence in Financial Reporting

Background:

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The ultimate goal of the program is to ensure that users of the City's financial statements have the information they need to assess the financial health of the City.

Review:

In December 2020, the Director of Finance submitted application to the GFOA for the comprehensive annual financial report for Fiscal Year ending June 30, 2020. On June 7, 2021, the City was notified of the successful award for the annual financial report for FY20. The Certificate for Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This is the twenty-fourth year that the award has been received by the City of Shelby.

Recommendation:

It is recommended that the Mayor recognize the Director of Finance, Beth B. Beam and the City of Shelby's Finance Department as recipients of the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association for the Fiscal Year ended June 30, 2020.



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

6/7/2021

For more information contact:
Michele Mark Levine, Director/TSC
Phone: (312) 977-9700
Fax: (312) 977-4806
Email: mlevine@gfoa.org

(Chicago, Illinois)—Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to **City of Shelby** for its comprehensive annual financial report for the fiscal year ended June 30, 2020. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

6/7/2021

O. Stanhope Anthony
Mayor
City of Shelby, North Carolina

Dear Mayor Anthony:

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended June 30, 2020 qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. This award has been sent to the submitter as designated on the application.

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and give appropriate publicity to this notable achievement. A sample news release is included to assist with this effort.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services



The Government Finance Officers Association of
the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
City of Shelby, North Carolina



The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morill

Date: 6/7/2021



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Shelby
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

C. Public Comment:

In accordance with City Council's policy, public comment is only taken at the second regular meeting each month. Any citizen who wishes to address Council must register with the City Clerk prior to 6:00 p.m. on the meeting night. The Mayor will call upon each individual during this portion of the meeting and will allow three (3) minutes to speak.

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

D. Public Hearings:

Agenda Item: D-1 **Legislative**

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina (1855 East Dixon Boulevard): Ordinance No. 21-2021

Presenting: (Walter Scharer, Planning Director)

- Memorandum dated June 14, 2021 from Walter Scharer, Planning Director to Rick Howell, City Manager
- General Application
- Staff Report
- Location Map, Zoning Map, Future Land Use Map
- Certified Recommendation
- Notice of Public Hearing
- Planning and Zoning Board Minutes
- Ordinance No. 21-2021

City Manager's Recommendation / Comments

This time is scheduled on the agenda for City Council to conduct the required public hearing in accordance with the NC General Statutes. Following the conclusion of the hearing the Council may act on the item under consideration. A certified recommendations from the Planning and Zoning Board is included as part of the packet. I would call attention to Mr. Scharer's memorandum noting that the zoning map amendment is consistent with the City's current land use plan. I would further note that the recommendation of the Planning and Zoning Board is advisory in nature only and that as a legislative matter Council has broad discretion to take action it believes is in the best interests of the City. That being said City Council has adopted plans and established an advisory board for the purposes of providing reasonable guidance in the decision making process.

The following excerpt from the NC General Statutes is provided as a reminder as to the statutory guidance provided to Council when considering changes in zoning and development regulations.

§ 160D-605. Governing board statement.

(a) Plan Consistency. – When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive plan. The requirement for a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive plan. If a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment shall have the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment shall be required. A plan amendment and a zoning amendment may be considered concurrently. The plan consistency statement is not subject to judicial review. If a zoning map amendment qualifies as a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement describing plan consistency may address the overall rezoning and describe how the analysis and policies in the relevant adopted plans were considered in the action taken.

(b) Additional Reasonableness Statement for Rezonings. – When adopting or rejecting any petition for a zoning map amendment, a statement analyzing the reasonableness of the proposed rezoning shall be approved by the governing board. This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment. If a zoning map amendment qualifies as a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement on reasonableness may address the overall rezoning.

(c) Single Statement Permissible. – The statement of reasonableness and the plan consistency statement required by this section may be approved as a single statement. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).

After the conclusion of the public hearing City Council may act upon Ordinance No. 21-2021



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning Director
Date: June 14, 2021
Subject: Requested zoning map amendment from GB and R10 to GB at 1855 East Dixon Boulevard

Executive Summary of Issue – Background

Applicant Don Peeler is proposing a zoning change on this property in order have in entirely zoned General Business.

Review and Comments

This property has been split zoned since at least November 2001. The applicant hopes to have this property zoned one district. This may help the marketability.

Recommendation

This proposed zoning map amendment is consistent with the Comprehensive Land Use Plan. The Planning and Zoning Board recommends this proposed zoning amendment.

Please schedule a legislative public hearing for this proposed zoning amendment at the next City Council meeting on June 21, 2021.

Attachments: Application, Staff Report, Zoning Map, Notice of Public Hearing, Planning and Zoning Board May 20, 2021 minutes, Certified P&Z Recommendation, and Ordinance



City of Shelby
Planning and Development Services Department

General Application

Address of Subject Property:

185.5 EAST DIXON BLVD., SHELBY, N.C. 28150

Applicant(s) Name: JOLLY, INC.

Address: 4402 E. DIXON BLVD.

SHELBY, N.C. 28150

Email: DONPEELERNL @ AOL.COM

Phone: 704-913-1033

Owner(s) Name: JOLLY, INC.

Email: JOLLY4402 @ YAHOO.COM

Phone: 704-487-7262

Relationship to Property: [X] Owner [] Developer, Contractor, etc. [X] Other: AGENT/BROKER

Request for (Check all that apply):

- Annexation (Contiguous & Satellite)
Change in Tenant/Building Use
Site Plan Review & Zoning Permit
Street Name Change
Street/ROW Closing
Special Use Permit
UDO Text Amendment
[X] Zoning Map Amendment
Conditional Zoning Map Amendment
Zoning Permit or Home Occupation Permit

Project Information (Fill in applicable information):

Parcel Number:
Proposed Zoning:
Proposed Land Use:
Previous Use:
Approx. Building Sq. Ft.:
Approx. Project Acreage:
Business Name:
Construction Sq. Ft.:
Valuation:

Provide a detailed description of the proposed project. Attach additional pages or documentation if necessary.

TO RE-ZONE THE REAR PORTION OF THE LOT TO GB-
GENERAL BUSINESS IN ORDER FOR THE ENTIRE LOT TO
BE DEVELOPED FOR GB USE AND PREVENT USE ISSUES.

Oath: By signing, I hereby certify that all information that I have provided in this application is correct and complete to the best of my knowledge. I understand that providing false or incomplete information may be grounds for denial of my request or may result in future action by the City Council to revoke the permit.

Signature of Applicant: [Handwritten Signature]

Date: 4/26/2021

Received by:

Date:

Staff Report



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

Date: May 11, 2021
Meeting: May 20, 2021
File: #

OWNER: Jolu, Inc.

APPLICANT: Don Peeler

LOCATION: 1855 E. Dixon BLVD

PARCEL ID #s: 22240

PRESENT ZONING: R10

REQUESTED ZONING: GB

SURROUNDING ZONING: North: R10 South: GB East: GB West: GB

UTILITIES: Water: Yes Sewer: Yes Floodplain: No Watershed: No

ANALYSIS: This 1.8-acre site is currently undeveloped. The property is currently split zoned R10 and GB. The applicant is requesting the entire property be zoned GB. The applicant is seeking to eliminate the split zoning on this property. Land uses in the area include single-family dwellings and commercial uses.

The R10 Residential District is primarily intended to accommodate low density moderate density single-family detached dwellings and modular homes at a maximum density of approximately 4 dwelling units per gross acre. Public water and sewer service is generally available in areas zoned as R10. Nonresidential uses permitted within this district include customary accessory, recreational, educational, and institutional land uses that are compatible with the low-density residential character of the R10 District.

The GB Business District is established as a district in which to accommodate a wide range of retail; business, professional, and personal services; office; and limited wholesale and warehousing uses. Areas zoned as GB are generally located on the fringe of the central business district and along major highway corridors.

STAFF COMMENTS: The Comprehensive Land Use Plan designates this site is in the corridor revitalization area. Corridor revitalization areas are portions of heavily traveled corridors that either, have a large presence of automobile-oriented retail uses or declining uses that leave these areas as blighted or under-utilized. Land uses in such areas could include a mix of retail, office, and residential with higher intensity uses close to the intersection of major roads. The development form in these areas could respond to the surrounding conditions. A corridor going through an urban setting could be redeveloped as an urban arterial road with buildings fronting the street, sidewalks, and possibly on-street parking. Staff recommends approval of this proposed zoning map amendment.



Location Map

1855 E Dixon

Map Information:
Datum: NAD 1983
Coordinate: State Plane
North Carolina (Meier)
Projection: Lambert Conformal Conic
US National Grid
Grid Zone Designation (GZD): 17S
100,000m Square ID: MV/MU



Scale 1:6,000 1 inch = 500 feet

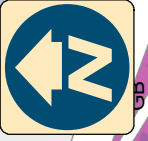
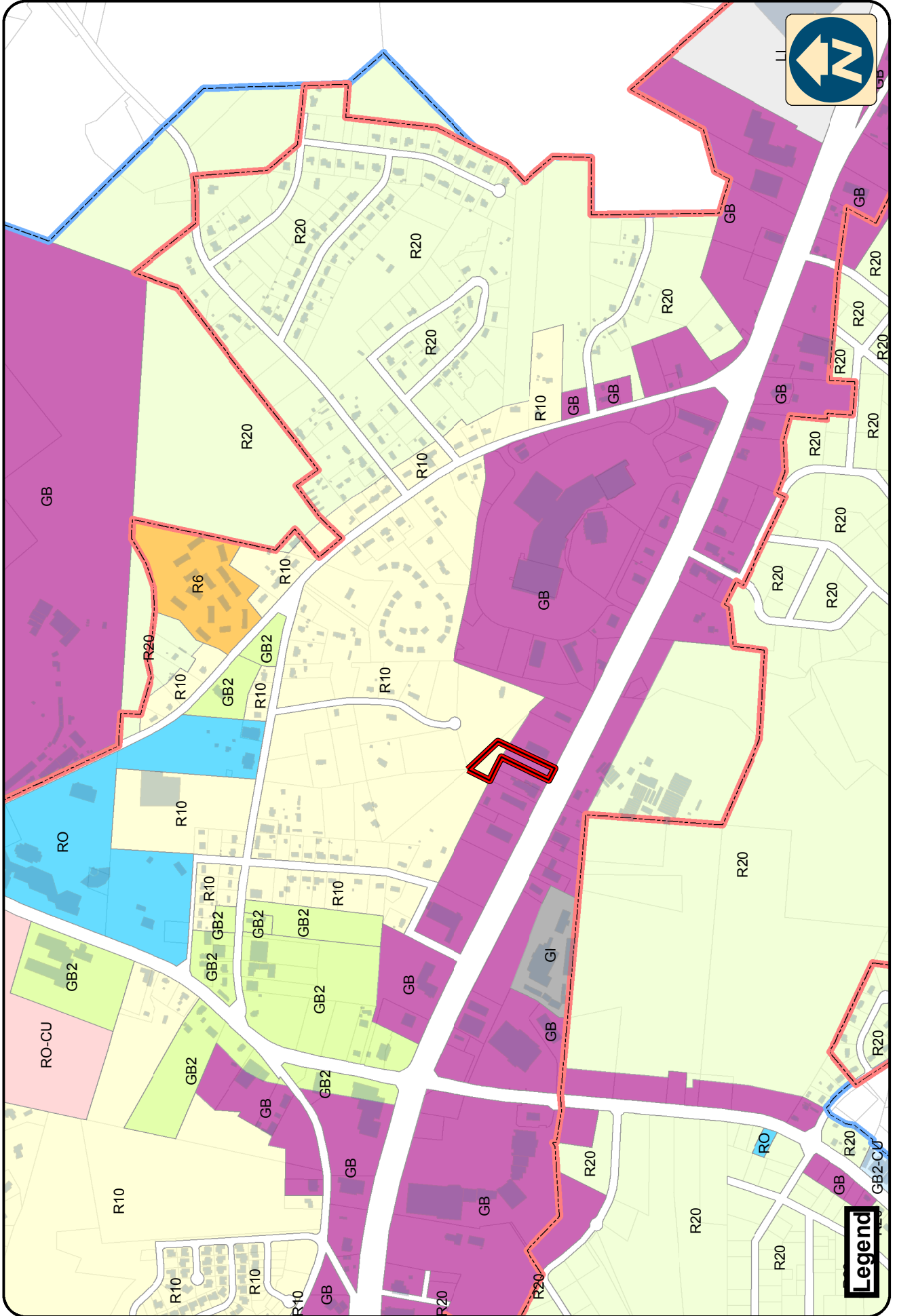


Date: 4/27/2021



Zoning Map 1855 E Dixon

Map Information:
Datum: NAD 1983
Coordinate: State Plane
North Carolina (Meier)
Projection: Lambert Conformal Conic
US National Grid
Grid Zone Designation (GZD): 17S
100,000m Square ID: MV/MU



Date: 4/27/2021

2,000 Feet

1,000

500

0

1 inch = 1,000 feet

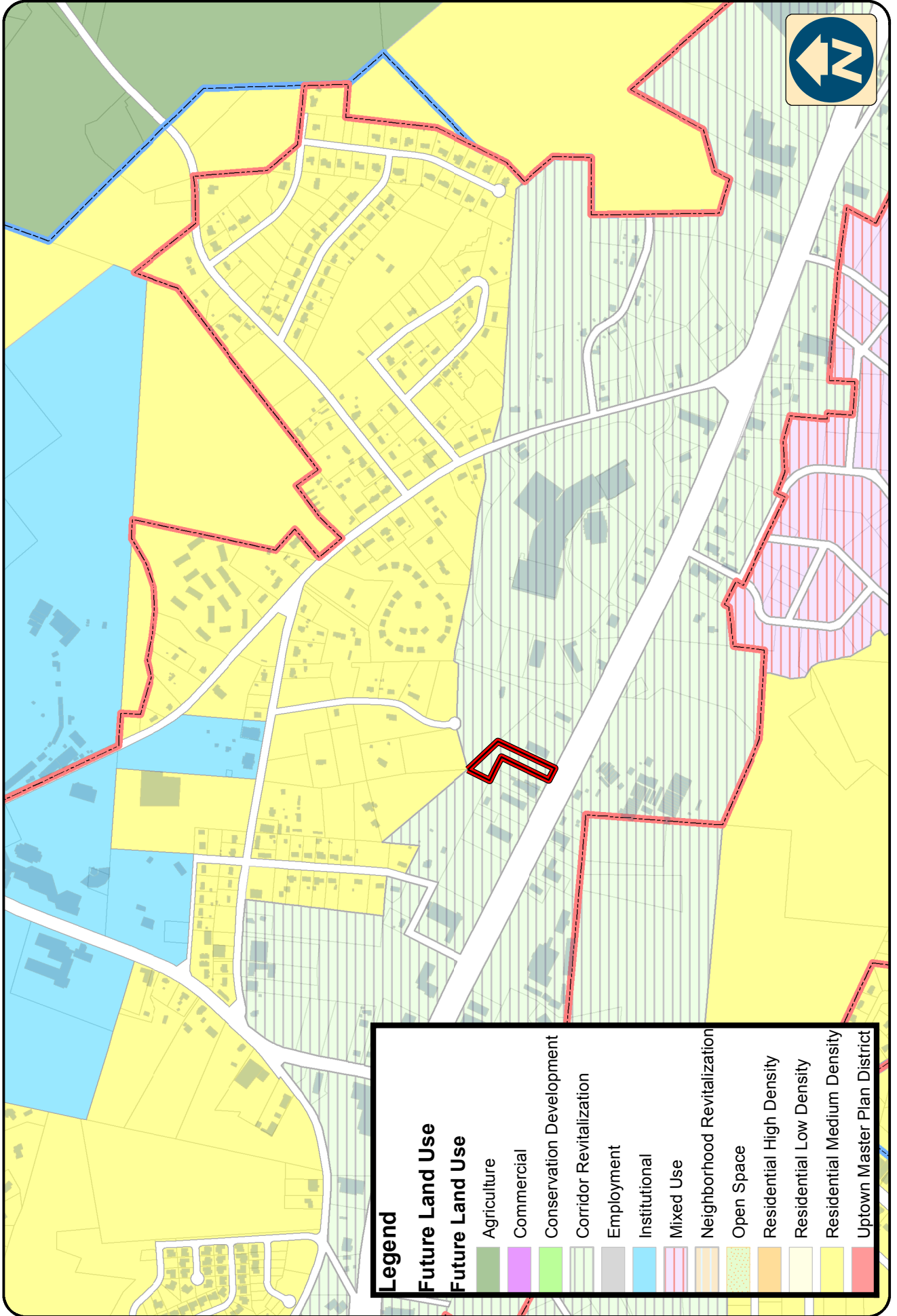
Scale

Legend



Future Land Use Map 1855 E Dixon

Map Information:
Datum: NAD 1983
Coordinate: State Plane
North Carolina (Meier)
Projection: Lambert Conformal Conic
US National Grid
Grid Zone Designation (GZD): 17S
100,000m Square ID: MV/MU



Legend	
	Future Land Use Agriculture
	Future Land Use Commercial
	Conservation Development
	Corridor Revitalization
	Employment
	Institutional
	Mixed Use
	Neighborhood Revitalization
	Open Space
	Residential High Density
	Residential Low Density
	Residential Medium Density
	Uptown Master Plan District

Scale 1:12,000 1 inch = 1,000 feet
0 500 1,000 2,000 Feet
Date: 4/27/2021



CITY OF SHELBY PLANNING AND ZONING BOARD MINUTES
May 20, 2021
Zoom Virtual Meeting

Item 1. Call to Order/Roll Call

Vice-Chair Washburn called the meeting to order at 12:15 PM and noted that a quorum was present.

Board Present: Rick Washburn, Charles Hamrick, Greg Taylor, Jeff Aderholdt, Emmanuel Hunt Jr., Mike Royster, Scott Bankhead, and Jim Martin

Staff Present: Walter Scharer, Planning Director, Alan Toney, Planner, Hatteras Stella, Planner, Andrea Fite, City Attorney and Chip Nuhrah, Public Information Officer

Applicants: Spencer Borders, Don Peeler, and Michael Woods

Item 2. Approval of the March 18, 2021 Minutes

Vice-Chair Washburn asked if there were any questions or comments about the March 18, 2021 minutes. The minutes were approved as submitted.

Item 3. Approval of the April 15, 2021 Minutes

Vice-Chair Washburn asked if there were any questions or comments about the April 15, 2021 minutes. The minutes were approved as submitted.

Item 4. Conditional Zoning Map Amendment – Cleveland County Rescue Mission

Mr. Scharer presented this proposed conditional zoning map amendment. The RO Residential-Office District is primarily intended to accommodate high density multifamily residences; offices; public and institutional; business, professional, and personal services; and limited support retail businesses. One of the objectives of this district is to encourage land uses that serve as an adequate buffer between intensive nonresidential uses and residential uses.

The conditional zoning districts are established to allow the City of Shelby City Council to consider proposed uses and tailor the zoning to accommodate those uses and promote innovative design while addressing anticipated problems that may arise from the establishment of the proposed uses. The conditional zoning district approval process allows the City Council to approve a proposal for a specific use with reasonable conditions to assure the compatibility of the use with surrounding properties. This is a voluntary procedure intended for firm development proposals. Uses that may be proposed and considered for a conditional zoning district shall be restricted to those uses permitted in the underlying general zoning district.

A discussion among board members and staff occurred.

This discussion was focused on the conditions submitted by the applicant.

- (1) The use must be operated by a resident owner or manager.
- (2) The use shall be owned and managed by a charitable or benevolent operation qualifying for tax exemption under Section 501 of the Internal Revenue Code as amended.
- (3) There shall be no compensation required for occupancy in the shelter.
- (4) There shall be a minimum of fifty square feet of sleeping space per person.
- (5) The special use permit authorizing such use shall be renewed annually (every 12 months) by the Board of Adjustment. Failure to apply for renewal within the specified time period shall render the special use permit null and void. The special use permit may be revoked by Board of Adjustment at any time upon a finding that the use has caused a habitual nuisance to adjacent properties.
- (6) There may be one unlighted sign erected, not to exceed three feet in height and three feet in sign area.

Motion: Mr. Hamrick made the motion to recommend approval of the proposed Conditional Zoning Map Amendment.

Second: Mr. Martin **Action:** This motion passed unanimously.

Item 5. **1855 E. Dixon – Zoning Map Amendment**

Mr. Toney presented this proposed zoning map amendment. This 1.8-acre site is currently undeveloped. The property is currently split zoned R10 and GB. The applicant is requesting the entire property be zoned GB. The applicant is seeking to eliminate the split zoning on this property. Land uses in the area include single-family dwellings and commercial uses.

A discussion among board members and staff occurred.

Motion: Mr. Royster made the motion to recommend approval of the proposed zoning map amendment.

Second: Mr. Hamrick **Action:** This motion passed unanimously.

Item 6. **Announcements.**

Mr. Scharer gave updates concerning potential Comprehensive Land Use Plan updates.

Item 7. **Motion to adjourn.**

Vice-Chair Washburn adjourned the meeting at 12:30 pm.



Certified Recommendation

City of Shelby Planning & Zoning Board

Case File: 1136

Amendment: A Zoning Map Amendment for property located at 1855 E. Dixon Boulevard with PIN #'s: 22240 from Residential 10 (R10) zoning district to General Business (GB) zoning district.

Recommendation: **The Planning and Zoning Board recommends approval of the proposed zoning map amendment for property located at 1855 E. Dixon Boulevard with PIN #'s: 22240 from Residential 10 (R10) zoning district to General Business (GB) zoning district.**

Findings &

Reasons: 1. The proposed zoning map amendment is consistent with the Comprehensive Land Use Plan.

Motion: Mr. Royster made the motion to recommend approval of this proposed zoning map amendment from Residential 10 (R10) zoning district to General Business (GB) zoning district.

Second: Mr. Hamrick

Action: This motion passed unanimously.

Signatures: Walter Scharer
Planning and Development Director

Marlene Peeler
Planning and Zoning Board Chair

Date: 5/20/2021

Date: 5/20/2021

**NOTICE OF PUBLIC HEARING
APPLICATION #: 1136-2020
ZONING MAP AMENDMENT**

The City Council of Shelby, North Carolina will conduct a public hearing during its regular meeting at 6:00 p.m., Monday, June 21, 2021 at 300 South Washington Street. City Council will consider a proposed zoning map amendment from Residential 10 (R10) Zoning District to General Business (GB) Zoning District for property located at 1855 E. Dixon Boulevard with the Cleveland County Parcel Numbers 22240.

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

The City Council may change the existing zoning classification of the entire area covered by the petition or any part thereof, without the withdrawal or modification of the petition or further publication of notice.

Persons interested in being heard on this matter are invited to comment on the proposed rezoning at the hearing, whether for or against. Comments may be presented orally at the hearing, in writing prior to the hearing, or both.

Members of the public with special needs wishing to attend this meeting should call the City Clerk (704 484-6800) at least 24 hours prior to the meeting to request assistance.

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

The Shelby Star:

Please publish this notice as a legal line ad on Tuesday, June 8, 2021 and again on Tuesday, June 15, 2021.

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

ORDINANCE NO. 21-2021

**A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF
THE CITY OF SHELBY, NORTH CAROLINA**

WHEREAS, the City of Shelby has received an application requesting the rezoning of property located within the City or its Area of Extraterritorial Jurisdiction; and,

WHEREAS, the Shelby Planning and Zoning Board has reviewed said application for a zoning change and has made its findings and recommendations to City Council; and,

WHEREAS, the Shelby Planning and Zoning Board found that the zoning change is consistent with the Comprehensive Land Use Plan; and,

WHEREAS, in accordance with GS 160D-602, a public hearing on this proposed rezoning was held by City Council on June 21, 2021 after due publication of said hearing as required by law; and,

WHEREAS, after hearing all who wished to be heard on this matter and upon review of the findings and recommendations of the Planning and Zoning Board, City Council now desires to act on this matter;

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

Section 1. This zoning change is inconsistent with the City of Shelby Comprehensive Land Use Plan.

Section 2. In accordance with Chapter 160D, Article 6 and Article 7 of the North Carolina General Statutes, as amended, the Shelby Unified Development Ordinance and Shelby Zoning Map (Appendix A of the Shelby City Code), 1855 East Dixon Boulevard is hereby amended from R10 Zoning District to GB Zoning District. Said area of zoning is more fully described as the parcel listed by the Cleveland County Tax Office as Parcel Identification Numbers 22240.

Section 3. The City Clerk of the City of Shelby is hereby authorized and directed to cause the provisions of Section 2 of this ordinance to be properly codified, and the City Clerk is further authorized and directed to cause her official records and the Official Zoning Map of the City of Shelby to be properly amended to reflect the approved zoning changes.

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

ADOPTED AND APPROVED this the 21st day of June 2021.

O. Stanhope Anthony III
Mayor

Ordinance No. 21-2021

June 21, 2021

Page 2

ATTEST:

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

APPROVED AS TO FORM:

Andrea Leslie-Fite
City Attorney

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item: D-2 **Legislative**

- 2) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina (1100 Buffalo Street and 706 Julius Street):
Ordinance No. 22-2021

Presenting: (Walter Scharer, Planning Director)

- Memorandum dated June 14, 2021 from Walter Scharer, Planning Director to Rick Howell, City Manager
- General Application
- Staff Report
- Location Map, Zoning Map
- Planning and Zoning Board Minutes
- Certified Recommendation
- Notice of Public Hearing
- Ordinance No. 22-2021

City Manager's Recommendation / Comments

This time is scheduled on the agenda for City Council to conduct the required public hearing in accordance with the NC General Statutes. Following the conclusion of the hearing the Council may act on the item under consideration. A certified recommendations from the Planning and Zoning Board is included as part of the packet. I would call attention to Mr. Scharer's memorandum noting that the zoning map amendment is consistent with the City's current land use plan. I would further note that the recommendation of the Planning and Zoning Board is advisory in nature only and that as a legislative matter Council has broad discretion to take action it believes is in the best interests of the City. That being said City Council has adopted plans and established an advisory board for the purposes of providing reasonable guidance in the decision making process.

The following excerpt from the NC General Statutes is provided as a reminder as to the statutory guidance provided to Council when considering changes in zoning and development regulations.

§ 160D-605. Governing board statement.

(a) Plan Consistency. – When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive plan. The requirement for a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive plan. If a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment shall have the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment shall be required. A plan amendment and a zoning amendment may be considered concurrently. The plan consistency statement is not subject to judicial review. If a zoning map amendment qualifies as a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement describing plan consistency may address the overall rezoning and describe how the analysis and policies in the relevant adopted plans were considered in the action taken.

(b) Additional Reasonableness Statement for Rezoning. – When adopting or rejecting any petition for a zoning map amendment, a statement analyzing the reasonableness of the proposed rezoning shall be approved by the governing board. This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment. If a zoning map amendment qualifies as a "large-scale rezoning" under G.S. 160D-602(b), the governing board statement on reasonableness may address the overall rezoning.

(c) Single Statement Permissible. – The statement of reasonableness and the plan consistency statement required by this section may be approved as a single statement. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).

After the conclusion of the public hearing City Council may act upon Ordinance No. 22-2021



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning Director
Date: June 14, 2021
Subject: Requested conditional zoning map amendment to RO-CZ at 1100 Buffalo Street and 706 Julius Street

Executive Summary of Issue – Background

The Cleveland County Rescue Mission is proposing a zoning change on these properties in order for the men’s shelter and the women’s shelter to be in close proximity of each other.

Review and Comments

The former men’s shelter is now the women’s and children shelter at 1100 Buffalo Street. The new men’s shelter will be at Julius Street. This amendment would allow these two shelters to be within 2000 feet of each other. Both are operated by the Cleveland County Rescue Mission. Please refer to the staff report for detailed information.

Recommendation

This proposed zoning map amendment is consistent with the Comprehensive Land Use Plan. The Planning and Zoning Board recommends this proposed zoning amendment.

Please schedule a legislative public hearing for this proposed zoning amendment at the next City Council meeting on June 21, 2021.

Attachments: Application, Staff Report, Zoning Map, Notice of Public Hearing, Planning and Zoning Board May 20, 2021 minutes, Certified P&Z Recommendation, and Ordinance



City of Shelby
Planning and Development Services Department

General Application

Address of Subject Property:

1100 Buffalo Street
706 Julius street

Applicant(s) Name: Western Carolina Rescue Ministries Inc

Address: 225 Patton Ave Asheville, NC 28801

Email: micheal@westerncarolinarescue.org

Phone: 423-791-0560

Owner(s) Name: South Post LLC

Email: john@whaleys.com

Phone: 980-295-0323

Relationship to Property: Owner Developer, Contractor, etc. Other: Tenant/Buyer

Request for (Check all that apply):

- Annexation (Contiguous & Satellite)
- Change in Tenant/Building Use
- Site Plan Review & Zoning Permit
- Street Name Change
- Street/ROW Closing
- Conditional Use Permit or Special Use Permit
- UDO Text Amendment
- Zoning Map Amendment
- Conditional Use Map Amendment
- Zoning Permit or Home Occupation Permit

Project Information (Fill in applicable information):

Parcel Number: _____

Proposed Zoning: _____

Proposed Land Use: _____

Previous Use: _____

Approx. Building Sq. Ft.: _____

Approx. Project Acreage: _____

Business Name: _____

Construction Sq. Ft.: _____

Valuation: _____

Provide a detailed description of the proposed project. Attach additional pages or documentation if necessary.

We propose a conditional zoning of R0 for the use of a homeless shelter. We also propose the development standards for this use which are attached as Appendix A to this application.

Oath: By signing, I hereby certify that all information that I have provided in this application is correct and complete to the best of my knowledge. I understand that providing false or incomplete information may be grounds for denial of my request or may result in future action by the City Council to revoke the permit.

Michael Woods

4/22/2021

Signature of Applicant

Date

Received by:

Date

Appendix A

Homeless Shelter

1. The use must be operated by a resident owner or manager.
2. The use shall be owned and managed by a charitable or benevolent operation qualifying for tax exemption under Section 501 of the Internal Revenue Code as amended.
3. There shall be no compensation required for occupancy in the shelter.
4. There shall be a minimum of 50 square feet of sleeping space per person.
5. The special use permit 2 authorizing such use shall be renewed annually (every 12 months) by the board of adjustment. Failure to apply for renewal within the specified time period shall render the special use permit null and void. The special use permit may be revoked by board of adjustment at any time upon a finding that the use has caused a habitual nuisance to adjacent properties.
6. There may be one unlighted sign erected, not to exceed three feet in height and three feet in sign area.

Staff Report



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

Date: May 4, 2021
Meeting: May 20, 2021
File: #

OWNER: Wester Carolina Rescue Ministries **APPLICANT:** Western Carolina Rescue Ministries
LOCATION: 1100 Buffalo St & 706 Julius St **PARCEL ID #s:** 19961 & 22943
PRESENT ZONING: RO, R6, & NB **REQUESTED ZONING:** RO-CZ
SURROUNDING ZONING: **North:** NB & GB2 **South:** R6 **East:** R6 & NB-CZ **West:** LI
UTILITIES: **Water:** Yes **Sewer:** Yes **Floodplain:** No **Watershed:** Partial

ANALYSIS: The 2 acres in total parcels are developed. 1100 Buffalo Street is currently being used as a homeless shelter and 706 Julius is a former warehouse. Land uses in the area include single-family dwellings, institutional uses, and industrial uses.

The RO Residential-Office District is primarily intended to accommodate high density multifamily residences; offices; public and institutional; business, professional, and personal services; and limited support retail businesses. One of the objectives of this district is to encourage land uses that serve as an adequate buffer between intensive nonresidential uses and residential uses.

The conditional zoning districts are established to allow the City of Shelby City Council to consider proposed uses and tailor the zoning to accommodate those uses and promote innovative design while addressing anticipated problems that may arise from the establishment of the proposed uses. The conditional zoning district approval process allows the City Council to approve a proposal for a specific use with reasonable conditions to assure the compatibility of the use with surrounding properties. This is a voluntary procedure intended for firm development proposals. Uses that may be proposed and considered for a conditional zoning district shall be restricted to those uses permitted in the underlying general zoning district.

STAFF COMMENTS: The Comprehensive Land Use Plan for this area designates the site as Medium Density Residential.

This proposed conditional zoning map amendment proposes all the same development standards for homeless shelters in Article 11 aside from the use separation requirements. This proposal does not remove the use separation requirement for all homeless shelters; however, this proposal does allow the properties at 706 Julius Street and 1100 Buffalo to operate within the previously required use separation. The applicant is proposing the following conditions:

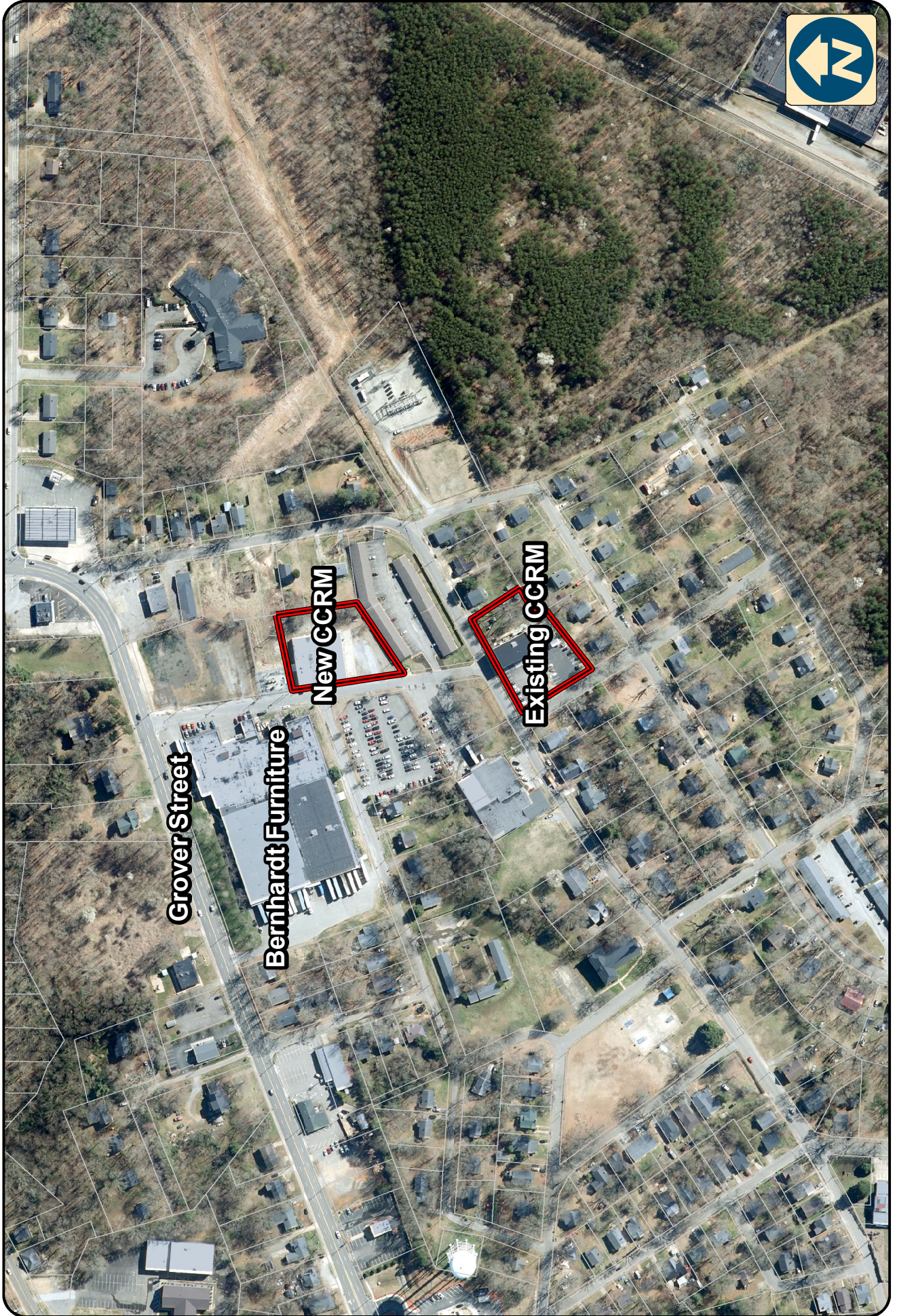
- (1) The use must be operated by a resident owner or manager.
- (2) The use shall be owned and managed by a charitable or benevolent operation qualifying for tax exemption under Section 501 of the Internal Revenue Code as amended.
- (3) There shall be no compensation required for occupancy in the shelter.
- (4) There shall be a minimum of fifty square feet of sleeping space per person.
- (5) The special use permit authorizing such use shall be renewed annually (every 12 months) by the Board of Adjustment. Failure to apply for renewal within the specified time period shall render the special use permit null and void. The special use permit may be revoked by Board of Adjustment at any time upon a finding that the use has caused a habitual nuisance to adjacent properties.
- (6) There may be one unlighted sign erected, not to exceed three feet in height and three feet in sign area.



Location Map

Homeless Shelter Project

Map Information:
Datum: NAD 1983
Coordinate: State Plane
North Carolina (Meier)
Projection: Lambert Conformal Conic
US National Grid
Grid Zone Designation (GZD): 17S
100,000m Square ID: MV/MU



Scale 1:3,757 1 inch = 313 feet



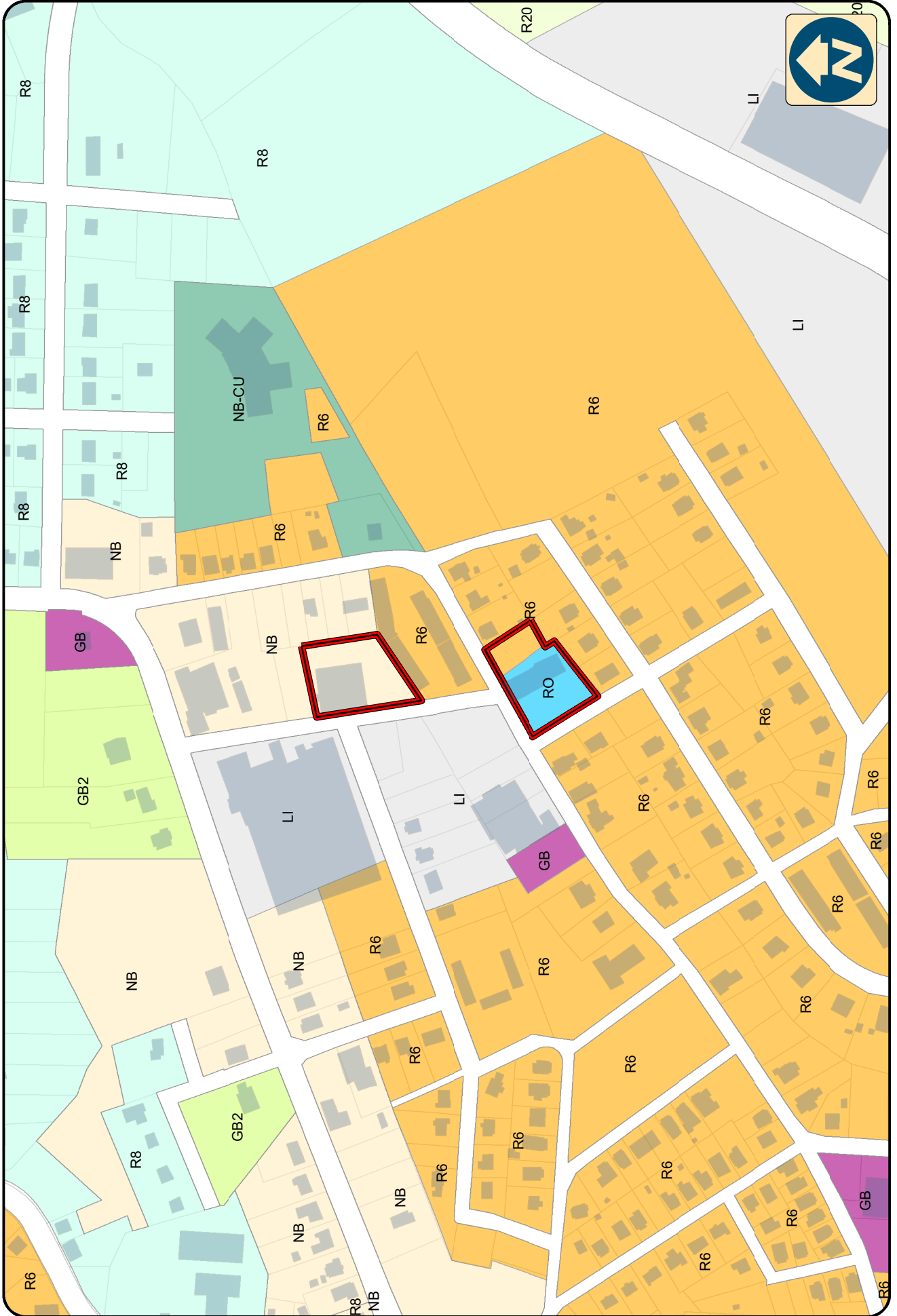
Date: 4/27/2021



Zoning Map

1100 Buffalo St and 706 Julius St

Map Information:
Datum: NAD 1983
Coordinate: State Plane
North Carolina (Meier)
Projection: Lambert Conformal Conic
US National Grid
Grid Zone Designation (GZD): 17S
100,000m Square ID: MV/MU



Scale 1:4,000 1 inch = 333 feet

0 165 330 660 Feet

Date: 5/11/2021



CITY OF SHELBY PLANNING AND ZONING BOARD MINUTES
May 20, 2021
Zoom Virtual Meeting

Item 1. Call to Order/Roll Call

Vice-Chair Washburn called the meeting to order at 12:15 PM and noted that a quorum was present.

Board Present: Rick Washburn, Charles Hamrick, Greg Taylor, Jeff Aderholdt, Emmanuel Hunt Jr., Mike Royster, Scott Bankhead, and Jim Martin

Staff Present: Walter Scharer, Planning Director, Alan Toney, Planner, Hatteras Stella, Planner, Andrea Fite, City Attorney and Chip Nuhrah, Public Information Officer

Applicants: Spencer Borders, Don Peeler, and Michael Woods

Item 2. Approval of the March 18, 2021 Minutes

Vice-Chair Washburn asked if there were any questions or comments about the March 18, 2021 minutes. The minutes were approved as submitted.

Item 3. Approval of the April 15, 2021 Minutes

Vice-Chair Washburn asked if there were any questions or comments about the April 15, 2021 minutes. The minutes were approved as submitted.

Item 4. Conditional Zoning Map Amendment – Cleveland County Rescue Mission

Mr. Scharer presented this proposed conditional zoning map amendment. The RO Residential-Office District is primarily intended to accommodate high density multifamily residences; offices; public and institutional; business, professional, and personal services; and limited support retail businesses. One of the objectives of this district is to encourage land uses that serve as an adequate buffer between intensive nonresidential uses and residential uses.

The conditional zoning districts are established to allow the City of Shelby City Council to consider proposed uses and tailor the zoning to accommodate those uses and promote innovative design while addressing anticipated problems that may arise from the establishment of the proposed uses. The conditional zoning district approval process allows the City Council to approve a proposal for a specific use with reasonable conditions to assure the compatibility of the use with surrounding properties. This is a voluntary procedure intended for firm development proposals. Uses that may be proposed and considered for a conditional zoning district shall be restricted to those uses permitted in the underlying general zoning district.

A discussion among board members and staff occurred.

This discussion was focused on the conditions submitted by the applicant.

- (1) The use must be operated by a resident owner or manager.
- (2) The use shall be owned and managed by a charitable or benevolent operation qualifying for tax exemption under Section 501 of the Internal Revenue Code as amended.
- (3) There shall be no compensation required for occupancy in the shelter.
- (4) There shall be a minimum of fifty square feet of sleeping space per person.
- (5) The special use permit authorizing such use shall be renewed annually (every 12 months) by the Board of Adjustment. Failure to apply for renewal within the specified time period shall render the special use permit null and void. The special use permit may be revoked by Board of Adjustment at any time upon a finding that the use has caused a habitual nuisance to adjacent properties.
- (6) There may be one unlighted sign erected, not to exceed three feet in height and three feet in sign area.

Motion: Mr. Hamrick made the motion to recommend approval of the proposed Conditional Zoning Map Amendment.

Second: Mr. Martin **Action:** This motion passed unanimously.

Item 5. **1855 E. Dixon – Zoning Map Amendment**

Mr. Toney presented this proposed zoning map amendment. This 1.8-acre site is currently undeveloped. The property is currently split zoned R10 and GB. The applicant is requesting the entire property be zoned GB. The applicant is seeking to eliminate the split zoning on this property. Land uses in the area include single-family dwellings and commercial uses.

A discussion among board members and staff occurred.

Motion: Mr. Royster made the motion to recommend approval of the proposed zoning map amendment.

Second: Mr. Hamrick **Action:** This motion passed unanimously.

Item 6. **Announcements.**

Mr. Scharer gave updates concerning potential Comprehensive Land Use Plan updates.

Item 7. **Motion to adjourn.**

Vice-Chair Washburn adjourned the meeting at 12:30 pm.



Certified Recommendation

City of Shelby Planning & Zoning Board

Case File: 1137

Amendment: A Zoning Map Amendment for property located at 1100 Buffalo Street and 706 Julius Street with PIN #'s: 19961 & 22943 from Residential Office (RO), Residential 6 (R6) and Neighborhood Business (NB) zoning district to Residential Office Conditional Zoning (RO-CZ) zoning district.

Recommendation: **The Planning and Zoning Board recommends approval of the proposed zoning map amendment for property located at 1100 Buffalo Street and 706 Julius Street with PIN #'s: 19961 & 22943 from Residential Office (RO), Residential 6 (R6) and Neighborhood Business (NB) zoning district to Residential Office Conditional Zoning (RO-CZ) zoning district.**

Findings & Reasons:

1. The proposed zoning map amendment is consistent with the Comprehensive Land Use Plan.

Motion: Mr. Hamrick made the motion to recommend approval of this proposed zoning map amendment from Residential Office (RO), Residential 6 (R6) and Neighborhood Business (NB) zoning district to Residential Office Conditional Zoning (Ro-CZ) zoning district.

Second: Mr. Martin

Action: This motion passed unanimously.

Signatures: Walter Scharer
Planning and Development Director

Marlene Peeler
Planning and Zoning Board Chair

Date: 5/20/2021

Date: 5/20/2021

**NOTICE OF PUBLIC HEARING
APPLICATION #: 1137-2020
ZONING MAP AMENDMENT**

The City Council of Shelby, North Carolina will conduct a public hearing during its regular meeting at 6:00 p.m., Monday, June 21, 2021 at 300 South Washington Street. City Council will consider a proposed zoning map amendment from Residential Office (RO), Residential 6 (R6) and Neighborhood Business (NB) Zoning District to Residential Office Conditional Zoning (RO-CZ) Zoning District for property located at 1100 Buffalo Street and 706 Julius Street with the Cleveland County Parcel Numbers 19961 & 22943.

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

The City Council may change the existing zoning classification of the entire area covered by the petition or any part thereof, without the withdrawal or modification of the petition or further publication of notice.

Persons interested in being heard on this matter are invited to comment on the proposed rezoning at the hearing, whether for or against. Comments may be presented orally at the hearing, in writing prior to the hearing, or both.

Members of the public with special needs wishing to attend this meeting should call the City Clerk (704 484-6800) at least 24 hours prior to the meeting to request assistance.

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

The Shelby Star:

Please publish this notice as a legal line ad on Tuesday, June 8, 2021 and again on Tuesday, June 15, 2021.

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

ORDINANCE NO. 22-2021

**A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF
THE CITY OF SHELBY, NORTH CAROLINA**

WHEREAS, the City of Shelby has received an application requesting the rezoning of property located within the City or its Area of Extraterritorial Jurisdiction; and,

WHEREAS, the Shelby Planning and Zoning Board has reviewed said application for a zoning change and has made its findings and recommendations to City Council; and,

WHEREAS, the Shelby Planning and Zoning Board found that the zoning change is consistent with the Comprehensive Land Use Plan; and,

WHEREAS, in accordance with GS 160D-602, a public hearing on this proposed rezoning was held by City Council on June 21, 2021 after due publication of said hearing as required by law; and,

WHEREAS, after hearing all who wished to be heard on this matter and upon review of the findings and recommendations of the Planning and Zoning Board, City Council now desires to act on this matter.

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

Section 1. This zoning change is consistent with the City of Shelby Comprehensive Land Use Plan.

Section 2. In accordance with Chapter 160D, Article 6 and Article 7 of the North Carolina General Statutes, as amended, the Shelby Unified Development Ordinance and Shelby Zoning Map (Appendix A of the Shelby City Code), 1100 Buffalo Street and 706 Julius Street is hereby amended from RO, R6, and NB Zoning District to RO Conditional Zoning District. Said area of zoning is more fully described as the parcels listed by the Cleveland County Tax Office as Parcel Identification Numbers 19961 and 22943.

Section 3. The City Clerk of the City of Shelby is hereby authorized and directed to cause the provisions of Section 2 of this ordinance to be properly codified, and the City Clerk is further authorized and directed to cause her official records and the Official Zoning Map of the City of Shelby to be properly amended to reflect the approved zoning changes.

Section 4. The parcels amended by this ordinance are subject to the following conditions:

1. The use must be operated by a resident owner or manager.
2. The use shall be owned and managed by a charitable or benevolent operation qualifying for tax exemption under Section 501 of the Internal Revenue Code as amended.
3. There shall be no compensation required for occupancy in the shelter.
4. There shall be a minimum of 50 square feet of sleeping space per person.
5. The special use permit 2 authorizing such use shall be renewed annually (every 12 months) by the board of adjustment. Failure to apply for renewal within the specified time period shall render the special use permit null and void. The special use permit may

be revoked by board of adjustment at any time upon a finding that the use has caused a habitual nuisance to adjacent properties.

6. There may be one unlighted sign erected, not to exceed three feet in height and three feet in sign area.

Section 5. This ordinance shall become effective upon its adoption and approval.

ADOPTED AND APPROVED this the 21st 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

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item: D-3

- 3) Proposed Fiscal Year (FY) 2021-2022 Annual Operating Budget for the City of Shelby
 - a. Consideration of Fiscal Year (FY) 2021-2022 Budget Ordinance: Ordinance No. 23-2021
 - b. Consideration of Fiscal Year (FY) 2021-2022 Supplemental Budget Ordinance: Ordinance No. 24-2021

Presenting: (Rick Howell, City Manager)

- Public Notice
- Ordinance No. 23-2021
- Ordinance No. 24-2021

City Manager's Recommendation / Comments

This time is scheduled on City Council's agenda to conduct the required public hearing prior to the adoption of the proposed budget for the fiscal year beginning July 1, 2021. I have previously provided a copy my annual budget message, the formal Budget Ordinance for the fiscal year beginning July 1, 2021, the Supplemental Budget Ordinance, the Authorized Personnel Summary, the Schedule of Fees and Charges as well as the Budget Summary. This hearing is required by NCGS 159-12 to allow the public to comment on the proposed budget. A public copy of all these documents has been provided in the administrative offices of City Hall and has been posted online for public inspection.

A formal vote on the budget and appurtenant documents can be taken tonight if Council desires to do so. As a reminder a balanced budget must be adopted by City Council no later than June 30, 2021.

PUBLIC NOTICE

On May 17 and June 7, 2021, the proposed Budget for Fiscal Year (FY) 2021-2022 for the City of Shelby, North Carolina was presented by the City Manager and has been distributed to the City Council. It is available for public inspection at City Hall Administrative Offices, 300 South Washington Street, Shelby, North Carolina in the Office of the City Clerk weekdays from 8:00 a.m. to 5:00 p.m. and available on the City of Shelby's website at www.cityofshelby.com for viewing.

The City Council will hold a Public Hearing on Monday, June 21, 2021, at 6:00 p.m. on the proposed FY 2021-2022 Budget at City Hall Council Chamber, 300 South Washington Street, Shelby, North Carolina.

The City of Shelby holds all public meetings in accessible rooms. Members of the public with special needs wishing to attend this meeting should call the City Clerk at 704 484-6800 at least 24 hours prior to the scheduled meeting to request assistance.

Bernadette A. Parduski
City Clerk

ORDINANCE NO. 23-2021
CITY OF SHELBY
FISCAL YEAR (FY) 2021-2022 BUDGET ORDINANCE

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

Sec. 1) The following amounts are hereby appropriated in the General Fund for the operation of City Government and its activities for the fiscal year beginning July 1, 2021 and ending June 30, 2022 in accordance with the chart of accounts heretofore established for this City:

Governing Board	\$85,921
Administration	719,261
Finance	656,717
Purchasing	77,710
Human Resources	273,393
Customer Service	292,079
Information Systems	329,919
Meter Services	96,082
Garage	534,715
City Hall	452,800
Police	7,671,563
Communication	794,100
Fire	5,626,296
Building Inspections	416,775
Streets	1,276,305
Airport	438,275
Solid Waste	2,144,010
GIS	54,989
Planning Services	590,950
Special Appropriations	2,948,525
Parks & Recreation	1,717,290
Maintenance Grounds & Cemetery	<u>1,596,325</u>
Total	<u>\$28,794,000</u>

Sec. 2) It is estimated that the following revenues will be available to the General Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Property Taxes	\$ 13,570,500
Local Option Sales Tax	5,175,000
Other Taxes	39,000

Unrestricted Intergovernmental Revenues	2,304,000
Restricted Intergovernmental Revenues	34,500
Permits and Fees	248,300
Sales & Services	2,586,900
Investment Revenues	40,000
Other Financing Sources	1,495,800
Fund Balance	-0-
Transfers	<u>3,300,000</u>
Total	<u>\$28,794,000</u>

Sec. 3) The following amounts are hereby appropriated in the Powell Bill Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Construction	\$ 349,325
Street Maintenance	115,675
Debt Service	<u>50,000</u>
Total	<u>\$ 515,000</u>

Sec. 4) It is estimated that the following revenues will be available to the Powell Bill Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Powell Bill	\$ 495,000
Interest Income	20,000
Proceeds from Financing	0
Fund Balance	<u>0</u>
Total	<u>\$ 515,000</u>

Sec. 5) The following amounts are hereby appropriated in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Emergency Telephone System	107,000
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Total \$ 107,000

Sec. 6) It is estimated that the following revenues will be available to the Emergency Telephone System Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

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

Total \$ 107,000

Sec. 7) The following amounts are hereby appropriated in the Economic Development Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Services	<u>\$ 687,000</u>
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Total \$ 687,000

Sec. 8) It is estimated that the following revenues will be available to the Economic Development Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

MSD Property Taxes	\$ 124,500
Local Occupancy Tax	180,000
Investment Revenues	2,500
Other Income	3,000
Transfers	377,000
Fund Balance Appropriated	<u>0</u>

Total \$ 687,000

Sec. 9) The following amounts are hereby appropriated in the Housing Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Conventional	<u>\$ 1,836,751</u>
--------------	---------------------

Total \$ 1,836,751

Sec. 10) It is estimated that the following revenues will be available to the Housing Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Subsidies	\$ 470,000
HUD CFP Income	465,476 41

Rent Income	649,000
Other Income	9,000
Fund Balance	<u>243,275</u>
Total	<u>\$ 1,836,751</u>

Sec. 11) The following amounts are hereby appropriated in the Cemetery Perpetual fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

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

Sec. 12) It is estimated that the following revenues will be available to the Cemetery Perpetual Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

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

Sec. 13) The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Administration	\$ 3,641,898
Line Operation	843,190
Plant	<u>1,953,083</u>
Total	<u>\$ 6,438,171</u>

Sec. 14) It is estimated that the following revenues will be available to the Water Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Fees	\$ 5,693,640
Proceeds From Financing	70,000
Transfers	399,000
Fund Balance	214,0342

Other Income	<u>61,500</u>
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Total	<u>\$ 6,438,171</u>
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Sec. 15) The following amounts are hereby appropriated in the Sewer Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Administration	\$ 3,568,004
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Line Operation	1,008,340
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Plants	<u>2,366,300</u>
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Total	<u>\$6,942,644</u>
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Sec. 16) It is estimated that the following revenues will be available to the Sewer Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Fees	\$ 6,057,801
------	--------------

Other Income	36,500
--------------	--------

Proceeds From Financing	243,200
-------------------------	---------

Transfers	544,000
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Fund Balance	<u>61,143</u>
--------------	---------------

Total	<u>\$ 6,942,644</u>
-------	---------------------

Sec. 17) The following amounts are hereby appropriated in the Electric Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Administration	\$ 2,560,638
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Purchase/Generation	16,220,000
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Line Operation	<u>3,258,817</u>
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Total	<u>\$22,039,455</u>
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Sec. 18) It is estimated that the following revenues will be available to the Electric Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Fees	\$21,668,000
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Proceeds From Financing	355,000
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Other Income	16,455
Fund Balance	<u>0</u>
Total	<u>\$22,039,455</u>

Sec. 19) The following amounts are hereby appropriated in the Gas Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Administration	\$ 4,654,910
Gas Purchases	9,370,000
Line Operation	<u>2,213,690</u>
Total	<u>\$16,238,600</u>

Sec. 20) It is estimated that the following revenues will be available to the Gas Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Fees	\$15,991,000
Other Income	14,600
Proceeds From Financing	120,000
Transfers	113,000
Fund Balance	<u>0</u>
Total	<u>\$16,238,600</u>

Sec. 21) The following amounts are hereby appropriated in the Stormwater Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Administration	840,520
Total	<u>\$ 840,520</u>

Sec. 22) It is estimated that the following revenues will be available to the Stormwater Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022:

Fees	\$ 840,520
Proceeds From Financing	<u>0</u>
Total	<u>\$ 840,520</u>

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

General Fund	\$28,794,000
Powell Bill Fund	515,000
Emergency Telephone System	107,000
Economic Development Fund	687,000
Housing Fund	1,836,751
Cemetery Perpetual Fund	30,000
Utilities-Water Fund	6,438,171
Utilities-Sewer Fund	6,942,644
Utilities-Electric Fund	22,039,455
Utilities-Gas Fund	16,238,600
Utilities-Stormwater Fund	<u>840,520</u>
Total	\$84,469,141
Less Interfund Transfers	<u>4,733,000</u>
Total FY 2019-20 Budget	<u>\$79,736,141</u>

Sec. 24) There is hereby levied a tax at the rate of fifty-one and seventy-five one hundredths cents (\$0.5175) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2021 for the purpose of raising the revenue listed as property taxes in the General Fund in Section 2 of this ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of \$2,676,193,677 and an estimated collection rate of 97.12%. The estimated rate of collection is based on the actual rate of collection for fiscal year 2020-21. The calculated revenue neutral tax rate is forty-eight and thirty-seven one hundredths cents (\$0.4837) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2021.

Sec. 25) There is hereby further levied an additional tax at the rate of twenty-five cents (\$0.25) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2021 within the boundaries of the Uptown Shelby Municipal Service District for the purpose of raising the revenue listed as uptown district tax in the Economic Development Fund in Section 8 of this ordinance. This rate is based on an estimated total valuation of property for the purposes of taxation of \$51,184,095 and an estimated collection rate of 98.13%. The estimated rate of collection is

based on the actual rate of collection for fiscal year 2020-21. The calculated revenue neutral tax rate is twenty-three and seventy-eight one hundredths cents (\$0.2378) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2021.

Sec. 26) Copies of the Budget Ordinance shall be furnished to the City Manager (Budget Officer) and Finance Officer to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code and the General Statutes of the State of North Carolina.

Sec. 27) The following authorizations and restrictions shall apply to the adoption and enactment of this budget:

- A. The City Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditure as he believes necessary.
- B. The City Manager shall be authorized to effect interdepartmental transfers in the same fund not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced.
- C. The City Manager shall be authorized to effect transfers between capital projects that are budgeted in the same capital project fund.
- D. The City Manager shall be authorized to transfer any remaining balances from any Capital Project upon its completion to the corresponding reserve fund. Interfund transfers from operating funds shall be accomplished by City Council authorization only.
- E. The budget adopted herein may be amended to reflect encumbrance balances for expenditures properly committed but unpaid at the end of the prior fiscal year and increasing fund balances appropriated by a similar amount.

Adopted and approved this the 21st 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

ORDINANCE NO. 24-2021

CITY OF SHELBY
FISCAL YEAR (FY) 2021-2022 SUPPLEMENTAL BUDGET ORDINANCE

WHEREAS, in accordance with applicable provisions of the North Carolina Local Government Budget and Fiscal Control Act, the City of Shelby has enacted the FY 2021-22 Budget Ordinance, providing for the annual operating budget of the City for the stated fiscal year; and,

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

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

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

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

- a) The number of full-time positions authorized for employment by the City is confirmed as set forth in the Personnel Summary for a total of 342 positions. See Attachment A.
- b) During FY 2021, several positions were reclassified and must now be ratified as presented in the Reclassification Summary. See Attachment B.
- c) The City's fee schedule effective July 1, 2021 is attached.

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

Section 3. This ordinance shall become effective with its adoption and approval, while all applicable budgetary authorizations subject to fiscal year requirements set forth herein are to be effective on July 1, 2021.

Adopted and approved this the 21st 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

Attachment A
Personnel Summary

**FY 2021-
2022**

General Fund	
Mayor/Council	
Administration	6.00
Finance	5.00
Purchasing	3.00
Human Resources	3.00
Customer Service	10.00
Information Services	2.00
Meter Services	5.00
Garage	10.00
Police	90.00
Fire	54.00
Building/Zoning	3.00
Streets	10.00
Airport	1.00
Sanitation	16.00
GIS	3.00
Planning	6.00
Parks & Recreation	8.00
Park Maintenance	18.00
Total General Fund	253.00
Powell Bill	1.00
Housing	8.00
Utilities	
Water	20.00
Sewer	22.00
Electric	16.00
Gas	19.00
Stormwater	3.00
Total Utilities	80.00
Total Personnel	342.00

Attachment B
 City of Shelby
 Position Reclassification Summary

DEPARTMENT	PREVIOUS JOB TITLE	PREVIOUS PAY GRADE & MINIMUM OF SCALE	AMENDED or NEW JOB TITLE	NEW PAY GRADE & MINIMUM OF SCALE
Police Department	Police Captain	Grade 25 Min = \$27.11	Police Lieutenant	Grade 23 Min = \$24.59
Police Department	Police Officer	Grade 17 Min = \$18.35	Police Lieutenant	Grade 23 Min = \$24.59
Water Resources	Water Plant Operator I	Grade 14 Min = \$15.85	Water Plant Operator III	Grade 18 Min = \$19.26
Police Department	Telecommunications Supervisor	Grade 19 Min = \$20.23	Telecommunicator	Grade 11 Min = \$13.69

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

E. Consent Agenda:

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

Agenda Item: E-1

- 1) Approval of the Minutes of the Regular Meeting of June 7, 2021

Consent Agenda Item: (Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of June 7, 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
City Hall Council Chamber

June 7, 2021
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Violet Arth Dukes, Charles Webber, and Andrew Hopper, Sr.; City Manager Rick Howell, MPA, ICMA-CM, 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 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, Battalion Chief Quentin Cash MPA, CFO, Lead for North Carolina Fellow Shelby Holmes, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Social Media Connections

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

Mr. Hendrick 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. Consent Agenda:

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

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

C. Unfinished Business:

- 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**

As background, Mr. Howell stated 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. He also reminded Council 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 3.5-year payback on the capital outlay. The City generally has required a 5-year payback or less when considering natural gas extensions.

Mr. Howell introduced Ordinance No. 20-2021 Council's consideration. If approved, the ordinance would amend Ordinance No. 36-2020 previously adopted by Council by appropriating an additional \$48,588 from the Natural Gas Fund for use in constructing approximately 8,200 linear feet of new 8-inch steel natural gas main from a point on Polkville Road along US Highway 74 to the intersection of Old Boiling Springs Road and then 1,600 linear feet of new 6-inch steel natural gas main on Old Boiling Springs Road to the Ames Copper facility. He explained 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.

ACTION TAKEN: Upon a motion made by Mr. Hopper, City Council voted unanimously to approve and adopt Ordinance No. 20-2021 entitled, "A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S AMES COPPER NATURAL GAS SYSTEM INFRASTRUCTURE IMPROVEMENTS PROJECT".

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**

Resolution No. 33-2021 was also presented for Council's consideration at this time. The bids were reviewed by Scott Heath with Heath and Associates, Inc. and the City received Mr. Heath's letter of recommendation to award to the lower bidder. If approved, the resolution would authorize the award of a contract to construct the natural gas lines to Dawn Development Company, Inc. of Monroe, North Carolina in the amount of \$674,057.30.

ACTION TAKEN: Upon a motion made by Mr. Hopper, City Council voted unanimously to approve and adopt Resolution No. 33-2021 entitled, "A

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

- 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 and execute a Joint Cooperation Agreement for the Home Investment Partnership Program: Resolution No. 34-2021

Mr. Howell introduced Resolution No. 34-2021 Council’s consideration. If approved, the 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-county region in creating the Consortium. It further authorizes the City Manager to sign all contracts, grant agreements, and 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.

Mr. Howell explained 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, covering Cleveland, McDowell, Polk, and Rutherford. This action does not commit the City to providing funding. 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.

ACTION TAKEN: Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Resolution No. 34-2021 entitled, “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”.

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

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

He further stated 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. Respectively, the two aerials that need to be repaired/replaced are the 24-inch aerial crossing located near Rocky Creek Road and the 8-inch aerial crossing located over Brushy Creek at Randolph Road. City staff 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.

Mr. Howell introduced Resolution No. 35-2021 for Council's consideration. The adoption of the 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. of Shelby, North Carolina in the amount of \$26,290.00. He noted the City received four 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.

ACTION TAKEN: Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Resolution No. 35-2021 entitled, "A RESOLUTION OF TENTATIVE AWARD FOR THE AERIAL SEWER LINE AT RANDOLPH ROAD TO CLARK LEDBETTER GRADING & HAULING, INC."

- 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

Mr. Howell introduced Resolution No. 36-2021 for Council's consideration. The adoption of the 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 of Shelby, North Carolina in the amount of \$98,890.00. He noted the City received two 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.

ACTION TAKEN: Upon a motion made by Mr. Causby, City Council voted unanimously to approve and adopt Resolution No. 36-2021 entitled, "A RESOLUTION OF TENTATIVE AWARD FOR THE AERIAL SEWER LINE AT ROCKY CREEK ROAD TO TWO BROTHERS UTILITIES, LLC"

- 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

Mr. Howell introduced Resolution No. 37-2021 for Council's consideration. If approved, the resolution would award a contract in the amount of \$11,550 to

Clark Ledbetter Grading and Hauling, Inc. of Shelby, North Carolina for the construction of stormwater system improvements at 326 Whisnant Street. The City received an application for Stormwater Infrastructure Assistance outside of the public right-of-way at 326 Whisnant Street. Mr. Howell stated the issue at this location is a sinkhole in the driveway that has made the driveway impassable for vehicles. It is also important to note that the stormwater system crossing this property ties directly into the system on West Oak Street. The sinkhole has caused flooding in the public street during heavy rains.

Mr. Howell further stated following the preparation of design plans by Odom Engineering PLLC of Forest City, North Carolina, five bids were received for this project. The lowest responsive bidder was Clark Ledbetter Grading and Hauling, Inc. As a reminder, the Stormwater Infrastructure Assistance Policy states that for residential properties the City will be responsible for 80 percent of the construction cost and the private property owner will be responsible for the remaining 20 percent via a legal agreement.

Mr. Howell noted 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's portion of this project is paid through revenue generated from existing stormwater fees.

Next, Mr. Yarboro reviewed the basics of the City's Stormwater Infrastructure Assistance Policy, stating the program was established to assist private property owners within the jurisdictional limits of Shelby with the costs of making drainage improvements, including driveway pipes, and correcting illicit discharges and/or illicit connections on private property. Ongoing funding for this program is considered each fiscal year with the adoption of the City's operating budget. He further stated assistance will be evaluated individually, based on established priorities, subject to available funds, and awarded in the order they are received. In the event of imminent structural damage, the City reserves the right to alter the order in which assistance funding is distributed.

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted unanimously to approve and adopt Resolution No. 37-2021 entitled, "A RESOLUTION AWARDED THE CONTRACT FOR THE CITY OF SHELBY STORMWATER INFRASTRUCTURE ASSISTANCE PROGRAM PROJECT AT 326 WHISNANT STREET IN SHELBY, NORTH CAROLINA".

E. City Manager's Report:

- 1) Mr. Howell addressed the problems with the air conditioning unit in City Council Chamber by forewarning of its ongoing repairs or possible

replacement, which would necessitate Council meetings to relocate back to the Don Gibson Theatre.

- 2) Mr. Howell reported the First Broad River Trail remains temporarily closed until further notice due to previous flood damage which occurred in February 2020. The contractor continues the trail work and ongoing repairs to the bridges. Mr. Howell requested continued patience with the project.
- 3) Due to questions and concerns voiced by the public about a recent mailing, Mr. Howell clarified the City of Shelby has partnered with Service Line Warranties of America (SLWA) to offer protection for homeowners for external water and sewer lines. The coverage is voluntary and available at affordable monthly or annual prices. SLWA mailed detailed information about this program to City of Shelby's customers at the end of May 2021. This program is offered at no cost to the City and no public funds are used to promote or administer the program. The City of Shelby has no responsibility for the program being offered by SLWA and does not guarantee the performance of the work provided by SLWA. All agreements are between a homeowner and SLWA. He added SLWA is the trusted source of utility line protection programs endorsed by the National League of Cities and the North Carolina League of Municipalities.
- 4) Mr. Howell reported Mrs. Fite has finalized the agreement for the generous, substantial private donation toward Depot Park. Documents authorizing the City's acceptance of this donation will be prepared for Council's consideration.

F. Council Announcements and Remarks:

- 1) Due to the current circumstances of the Council Chamber, Mr. White proposed moving back to the Don Gibson Theatre to conduct their Council meetings until such time as the repairs and/or remodeling of the room are complete. Discussion followed and Council agreed, by consensus, to remain in the Council Chamber for the duration.
- 2) Mayor Anthony announced the City of Shelby's Business Starter Guide Kick-off and Launch will take place on June 9, 2021, at 7:30 a.m., Don Gibson Theatre. A light breakfast will be served.
- 3) Mayor Anthony also announced that Bobby Bell Day in Shelby has been agreed to and confirmed by Mr. and Mrs. Bell for August 28, 2021. The activities for that day are in the planning stages and will be publicized.

- 4) Mayor Anthony congratulated Fire Chief William Hunt on being selected as the North Carolina 2021 Career Fire Chief of the Year by the North Carolina Association of Fire Chiefs.

Mayor Anthony declared a recess at 6:26 p.m. and reconvened the meeting at 6:30 p.m.

G. Budget Session – Utility Funds: 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 Utility Funds: Sewer, Water, Stormwater, Natural Gas, and Electric revenues and expenditures.

Mr. Howell stated the overview of the sewer, water, stormwater, natural gas, and electric funds will include a description and explanation of revenue sources, discussion of significant budget drivers, description and explanation of services provided, and breakdown by utility department and function. He further stated that all City utility funds are self-sustaining enterprise funds.

As a reminder, 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 commented the reserve funds in all City utilities (except for Sewer) are relatively healthy. Use of these reserve funds should be limited

largely to emergency situations, protection of the City's credit rating with bondholders in accordance with our legally binding bond covenants, cash flow for day-to-day operations, and capital projects deemed important by City Council. These monies are not limitless and unnecessary use to fund annually recurring operational or expenses only puts the City at enhanced financial risk.

It is also important to note that while the General Fund budget addressed the basic needs for Fiscal Year 2021-2022, it is still too reliant on transfers of Natural Gas and Electric Funds.

SEWER FUND

Mr. Howell stated the Sewer Fund increases 15.92 percent in overall spending in Fiscal Year Budget 2020-2021 at \$5,519,729 to \$6,398,644 in Fiscal Year 2021-2022. Staff was requested to reduce capital spending and system improvements to account for an increase in new debt service related to the Wastewater Treatment Plant Biosolids Project completed in the Fall of 2020. Debt service will increase by \$982,000 to account for new debt service payments due beginning in May 2022 associated with the 20-year, 0 percent interest loan from the State Revolving Fund for the newly completed Wastewater Treatment Plant Biosolids Project.

Mr. Howell recommended a 4 percent increase for the coming fiscal year to meet the new debt service requirement. The rate increase will generate approximately \$214,000 of the new revenue expected. Additional customer revenue growth is expected to generate approximately \$397,000. He anticipates additional rate increases for the next 3 to 5 years to build cash to afford capital expenditures and system improvement appropriations.

WATER FUND

Mr. Howell stated the Water Fund is down slightly, less than 1 percent, in overall spending from Fiscal Year Budget 2020-2021 from \$6,050,138 to \$6,039,171 in Fiscal Year 2021-2022. Staff was requested to reduce capital spending and system improvements to account for an increase in new debt service related to the Water Treatment Plant Clearwell Improvement Project completed in the Fall of 2020. Debt service will increase by \$91,000 to account for debt service payments associated with the 20-year, 1.53 percent interest loan from the State Revolving Fund for the newly completed Grover Street Water Treatment Plant Upgrades Project.

Mr. Howell recommended a 4 percent increase for the coming fiscal year to meet the debt service requirement. The rate increase will generate approximately \$200,000 of the new revenue expected.

ELECTRIC FUND

Mr. Howell stated the Electric Fund is down slightly, 2.2 percent, in overall spending from Fiscal Year Budget 2020-2021 from \$22,538,388 to \$22,039,455 in Fiscal Year 2021-2022.

Mr. Howell further stated no rate increase is recommended for the coming fiscal year and none is expected until 2023. Revenue is expected to decline approximately 1.5 percent or \$324,000 based upon the current year's receipts.

Mr. Howell explained the North Carolina Municipal Power Agency Number 1 (NCMPAI) Rate Committee provides technical review and recommendations concerning wholesale rate levels and structure to the ElectriCities Board of Directors and NCMPA1 Board of Commissioners. After several successful years from an operating standpoint, the Power Agency has built cash over the last two years. The Power Agency's Board of Commissioners recommended to the ElectriCities Board of Directors to pay down debt service and to return cash, in the form of a rebate, to the 19 member cities, including Shelby, proportionately. This rebate is added to the City's Electric Fund reserves.

Mr. Howell added this enterprise fund is weather dependent.

NATURAL GAS FUND

Mr. Howell stated the Natural Gas Fund is down slightly, less than 1 percent, in overall spending from Fiscal Year Budget 2020-2021 from \$16,137,600 to \$16,125,600 in Fiscal Year 2021-2022.

Mr. Howell further stated no increase for the margin rate schedule is recommended for the coming fiscal year. Revenues are expected to remain flat for the coming fiscal year.

Mr. Howell added this enterprise fund is weather dependent.

STORMWATER FUND

Mr. Howell stated the Stormwater Fund is down 3 percent in overall spending from Fiscal Year Budget 2020-2021 from \$868,220 to \$840,520 in Fiscal Year 2021-2022.

Mr. Howell further stated no rate increase is recommended for the coming fiscal year. Revenues are expected to increase by 3.36 percent due to growth in customer charges of \$27,000 for the coming fiscal year.

To clarify, Mr. Howell mentioned departments that provide service or support for utilities receive utility allocations.

Mr. Howell reiterated his proposal to implement the final phase of the Classification and Compensation Plan in this budget for all City employees. Year 3 of the Plan was delayed in 2020 due to the economic uncertainty brought about by the COVID-19 pandemic. The adjustments for Year 3 equal a 2 percent base adjustment 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 concluded by stating the budget covering all funds for the Fiscal Year beginning July 1, 2021 is balanced and has been presented for Council's consideration. It meets all statutory requirements. A public hearing on the proposed budget will be scheduled for June 21, 2021.

H. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 7:34 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of June 7, 2021

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item: E-2

- 2) Approval of a resolution authorizing receipt of a donation towards Phase I of Depot Park and execution of an Irrevocable Charitable Pledge Agreement: Resolution No. 38-2021

Consent Agenda Item: (Rick Howell, City Manager and Andrea Leslie-Fite, City Attorney)

Summary of Available Information:

- Letter dated June 15, 2021 from Andrea Leslie-Fite, City Attorney to Rick Howell, City Manager
- Draft of Irrevocable Charitable Pledge Agreement
- Resolution No. 38-2021

City Manager's Recommendation / Comments

Resolution No. 38-2021 is presented for City Council consideration via the Consent Agenda. If approved this resolution would authorize the City Manager to execute the Irrevocable Charitable Pledge Agreement. Specifically this agreement accepts a private donation of \$1,000,000 in equal amounts over a 10 year period for the purpose of construction of the proposed "Depot Park" (Exhibit A). The private donor is not being publicly identified at this time and will not be identified until such a time as an agreement is executed and the donor is consulted to allow for a future public announcement.

As a reminder the proposed "Depot Park" is part of the overall City of Shelby Parks and Recreation Master Plan as adopted in 2020. A specific plan for this park was also adopted and is illustrated and described in Exhibit A of the agreement. The City is also seeking grant funding from the NC Parks and Recreation Trust Fund in the amount of \$420,000. Funding awards will be made by the Trust Fund board in late fall.

It is recommended that Resolution No. 38-2021 be adopted and approved via the Consent Agenda.



To: Rick Howell, City Manager

From: Andrea Leslie-Fite, City Attorney

Date: June 15, 2021

Subject: Shelby Rail Trail Depot Park Pledge

Background:

The City of Shelby's Shelby Rail Trail Depot Park Segment is an estimated 1.7-million-dollar project which proposes to include focused development of approximately 4.5 acres within the rail trail corridor in Uptown Shelby. Phase I development includes a ¼ mile 14-foot-wide concrete rail trail, an open lawn with trellis or live vegetative shade, an event stage, a six-stall restroom facility, a large shelter, splash pad, and adventure playground.

The City has received a pledge of One Million Dollars (\$1,000,000.00) to be paid in ten annual installments to the City of Shelby in support of this project. The donation is subject to the City's agreement to an Irrevocable Charitable Pledge Agreement.

Recommendation

The recommendation is for City Council to approve acceptance of this donation and authorize the City Manager, in consultation with the City Attorney to negotiate and execute the proposed Irrevocable Charitable Pledge Agreement.

IRREVOCABLE CHARITABLE PLEDGE AGREEMENT

This IRREVOCABLE CHARITABLE PLEDGE AGREEMENT (the “Agreement”) is entered into as of June ___, 2021, by and between the **JOHN DOE**. (the “Donor”) and the **CITY OF SHELBY NORTH CAROLINA**, a North Carolina municipal corporation (the “Recipient”), in reference to the following facts:

WHEREAS, the Recipient is a governmental entity identified as a political subdivision of the State Charter of North Carolina;

WHEREAS, the Recipient plans to build a four-acre park with trails to connect to the 10-mile hiking trail known as the Shelby Rail Trail, such project identified as the “Shelby Rail Trail Depot Park”;

WHEREAS, the Donor desires to make a charitable donation to the Recipient which shall be acknowledged on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties as set forth herein, the parties hereto agree as follows:

1. Gift. Subject to the terms and conditions set forth herein, the Donor hereby irrevocably pledges and agrees to pay One Million and 00/100 Dollars (\$1,000,000.00) to Recipient (the “Gift”). The Gift shall be paid in ten (10) annual installments with the first installment occurring June 30, 2021 and each successive payment made on the first day of June of each year thereafter.

2. Purpose and Use of Gift. Recipient shall direct the Gift to be used solely for the purpose of the construction and maintenance of the project known as the Shelby Rail Trail Depot Park and the related maintenance of the connecting trails, such project described in detail in Exhibit A attached hereto. If for any reason the project is terminated and the Recipient is in possession of any unexpended funds from the Gift, the Recipient agrees it shall use such remaining funds only towards public parks or walking trails located in Shelby County, North Carolina. Further, if at any time the Recipient abandons or terminates the Shelby Rail Trail Depot Park project, Donor shall be relieved of any obligation to make any remaining outstanding installments.

3. Qualifying Organization. Recipient is a qualifying organization and understands the Gift is being made for an exclusively public purpose with no goods or services being furnished to Donor as part of or in return for this contribution. The Recipient has provided a 4076C Letter from the Internal Revenue Service confirming the taxpayer identification number for the City of Shelby is 56-6001333.

4. Reliance. Donor understands Recipient intends to rely on this Agreement and the amounts pledged pursuant to this Agreement for budget and programming allocations and future planning expenditures. Such reliance will be to the detriment of Recipient absent the performance of this Agreement as set forth herein.

5. Public Announcements. No announcement of the Gift shall be made without the prior written approval of the Donor, which approval may be withheld in Donor’s sole discretion. If the Donor agrees in writing to any announcement, then the Donor will have prior approval rights as to any and all references to the Donor in connection with the Gift.

6. Representations and Warranties of Recipient. Recipient represents and warrants as follows:

a. Authority. Prior to signing this Agreement, Recipient shall have obtained all required authority from its governing body to enter into this Agreement and each of the officers and representatives of Recipient executing this Agreement on Recipient's behalf shall be duly empowered and authorized to do so.

b. No Violation. The execution, delivery and performance by Recipient of this Agreement will not violate Recipient's organizational and governing documents or the terms of any provision of any agreement or instrument which is binding upon Recipient or any law to which Recipient is subject.

7. Recipient Obligations. Recipient will manage and utilize the Gift in accordance with the Purpose and Use of Gift as set forth in Section 2. Recipient will provide annual reports to Donor on the use of funds and the progress of the project annually until such time as the funds delivered under this Agreement have been expended.

8. Indemnification. Recipient shall indemnify and hold harmless the Donor and its successors, assigns, agents and representatives from and against any and all losses, claims, demands, costs, damages, liabilities, expenses of any nature (including reasonable attorneys' fees (at market rates)), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that may arise or which relate to or arise from this Agreement, the Gift, or the breach of any of Recipient's representations, warranties or covenants set forth in this Agreement.

9. Miscellaneous.

a. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior and contemporaneous agreements, representations and understandings, both written and oral. No other agreements that have been entered into between the parties shall, in any way, effect or alter this Agreement.

b. Applicable Law; Venue; Legal Fees. This Agreement and all acts and transactions hereunder and all rights and obligations of each of the Recipient, the Donor and their respective successors will be governed, construed and interpreted in accordance with the internal laws of the State of North Carolina. Any legal proceedings relating directly or indirectly hereto will take place in Nassau County, Florida, and such parties consent to the jurisdiction of the Federal and State courts located therein. If any legal action or other proceeding is brought for the enforcement of this Agreement, including, but not limited to, the enforcement of the Gift, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party will be entitled to recover reasonable attorneys' fees (at market rates) and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

c. Amendment. The terms and provisions of this Agreement may not be waived, altered, modified or amended except in a writing executed by the parties hereto.

d. Section Headings. Section headings are used herein for convenience only, and

they shall not be used in any manner to interpret any provision hereof.

e. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties' respective legal heirs, successors and assigns.

f. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

g. Waiver. None of the provisions, warranties, terms or conditions of this Agreement shall be deemed to have been waived except in a writing signed by the party against whom waiver is claimed.

h. Notices. All notices to be given hereunder will be in writing and will be effective when they are served either personally or by depositing the same in the United States mail, first class postage prepaid, by registered or certified mail addressed as follows:

to the Donor:
John Doe
Address Line 1
Address Line 2
Attention: Donor or Donor's Representative

to Recipient:
City of Shelby
P.O. Box 207
Shelby North Carolina 28151-0207
Attention: City Manager

i. Further Assurances. Each of the Donor and Recipient agrees to do or to cause to be done such further acts and things and to execute and deliver or to cause to be executed and delivered such additional assignments, agreements and instruments as the other party may reasonably request to carry into effect the purposes of this Agreement.

j. Non-Assignment. Neither party shall assign, pledge or otherwise encumber this Agreement or any rights or obligations hereunder without the prior written consent of the other party, which consent may not be unreasonably withheld.

k. No Joint Venture. This Agreement is not intended to create, and shall not be construed as creating, any partnership, joint venture or other entity between or including Recipient and the Donor.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above

written.

“DONOR”

JOHN DOE

By: _____
Name: JOHN DOE

“RECIPIENT”

City of Shelby North Carolina

ACCEPTED AND AGREED TO:

By: _____
Rick Howell: _____
City Manager: _____

DRAFT

**City of Shelby – NC Parks and Recreation Trust Fund Grant Application
Description and Justification for Shelby Rail Trail Depot Park Segment - Phase I
Local Government: City of Shelby**

Description:

The Shelby Rail Trail Depot Park Segment - Phase I project will include a focus on development of the Depot Park segment of the Shelby Rail Trail, located on an approximately 4.5 acre parcel within the rail trail corridor in Uptown Shelby. Phase I development includes a 1/4 mile 14 foot wide concrete rail trail, open lawn with trellis or live vegetative shade structure, event stage, six stall restroom facility, large shelter, splash pad, and adventure playground. The railroad corridor is generally flat and the area is mostly void of vegetation except for areas along the southwest edge of the old train depot site where there is a small stand of hardwoods that vary in condition. The budget for Phase I of the Depot Park Segment is shown below.

**SHELBY DEPOT PARK
PARTF Grant Application Budget**

Phase 1: Depot Park Implementation				
Site Prep and Grading	LS	1	\$75,000.00	\$75,000.00
Concrete Trail (14' wide)	LF	1400	\$225.00	\$280,000.00
Adventure Playground	LS	1	\$125,000.00	\$125,000.00
Water Feature/Splash Pad	LS	1	\$275,000.00	\$275,000.00
Stage	SF	1800	\$105.00	\$189,000.00
Restrooms	LS	1	\$260,000.00	\$260,000.00
Large Shelter (20' x 40')	LS	1	\$80,000.00	\$80,000.00
Open Space Lawn w/ Shade Structure	LS	1	\$145,000.00	\$145,000.00
Total				\$1,429,000.00
Engineering (15%)				\$214,350.00
Contingency (5%)				\$71,450.00
Grand Total				\$1,714,800.00
LS=Lump Sum	LF=Linear Foot			SY=Square Yard
CY=Cubic Yard	SF=Square Foot			Allow=Allowance

Justification:

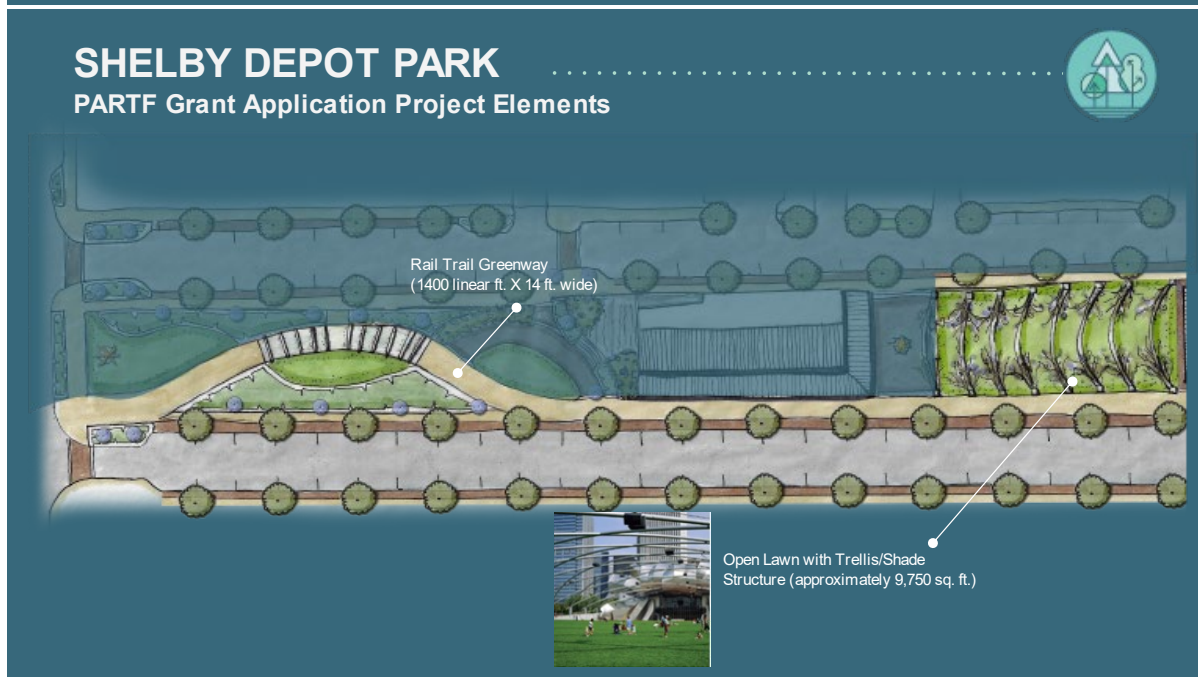
An intensive planning process has effectively engaged citizens and garnered enthusiastic support for the Shelby Rail Trail and more specifically the Depot Park segment. Planning began in 2018 with the Cleveland County Rail Trail Master Plan. Over 80 individuals participated in a public planning workshop providing ideas and suggestions on maps, responding to a project questionnaire, and sharing feedback with consultants. Due to this support, the City was able to purchase the rail corridor from Norfolk Southern Corporation using a \$4.16 million grant from NCDOT as well as \$1.34 million from City capital reserve funds to complete acquisition of the rail trail corridor. The transaction was completed in December 2019.

Planning continued in 2020 as part of the City of Shelby’s Comprehensive Parks and Recreation Master Plan and Depot Park Master Plan processes. A project steering committee, community survey, multiple community meetings, and public input workshop allowed citizens to share their vision for the new rail trail and ideas for how to improve parks and recreation facilities throughout the City. More than 150 citizens attended community meetings and the public input workshop to offer input. The survey, which featured questions pertaining to general recreation needs and specifically the rail trail, received 750 responses. Nearly 75% of respondents considered the rail trail as “important” or “very important” when compared to other city recreation projects.

The City of Shelby has begun the process of fully engineering the 3 +/- miles of rail trail located within the city limits in order to show granting agencies the City's commitment to the project. This section is a priority for implementation due to the major recreation, economic, transportation, and health and wellness implications it presents for significant portions of the City's population. The Depot Park segment offers the opportunity to create much more than just a trail. It provides an opportunity to establish a destination with recreational amenities and green infrastructure within the core of the City.

The rail trail also provides an opportunity for renewal and revitalization of Uptown Shelby, particularly as former rail-oriented industrial areas give way to new commercial and residential infill development opportunities. The Shelby Rail Trail will not only expand recreational opportunities in the area, it will strengthen community connections and spur economic growth by creating a significant recreation, community, and tourism asset that attracts residents and visitors to Shelby, southern Cleveland County, and the region.

Depot Park Segment Elements



RESOLUTION NO. 38-2021

A RESOLUTION AUTHORIZING RECEIPT OF A DONATION TOWARDS
PHASE I OF DEPOT PARK AND
EXECUTION OF AN IRREVOCABLE CHARITABLE PLEDGE AGREEMENT

WHEREAS, the City of Shelby's Shelby Rail Trail Depot Park Segment is an estimated 1.7-million-dollar project which proposes to include focused development of approximately 4.5 acres within the rail trail corridor in Uptown Shelby; and,

WHEREAS Phase I development includes a ¼ mile 14-foot-wide concrete rail trail, an open lawn with trellis or live vegetative shade, an event stage, a six-stall restroom facility, a large shelter, splash pad, and adventure playground; and,

WHEREAS, the proposed development is intended to enhance the quality of life and services for citizens of the City of Shelby; and

WHEREAS the City of Shelby has received a pledge of One Million Dollars (\$1,000,000.00) to be paid in ten annual installments to the City of Shelby in support of this project, subject to the City's agreement to an Irrevocable Charitable Pledge Agreement; and

WHEREAS N.C. Gen. Stat. §160A-461 authorizes cities to contract and be contracted with in conformity with the city charter and the general laws of the State of North Carolina; and

WHEREAS, The purpose of this Irrevocable Charitable Pledge Agreement is to establish the terms and conditions by which the Donor shall make the charitable donation and the conditions associated receipt of said donation; and

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

SECTION 1. The Irrevocable Charitable Pledge Agreement, a copy of which is attached hereto as ATTACHMENT A, and made a part of this resolution, is hereby adopted.

SECTION 2. The City Manager of the City of Shelby or his designee is hereby authorized and directed to execute the Irrevocable Charitable Pledge Agreement 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 21st 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 21, 2021
Council Chamber

Agenda Item: E-3

- 3) Approval of a resolution authorizing the execution of a Building Inspection Services Mutual Aid Agreement: Resolution No. 39-2021

Consent Agenda Item: (Rick Howell, City Manager)

Summary of Available Information:

- Mutual Aid Agreement between Cleveland County and City of Shelby for Building Inspection Services
- Resolution No. 39-2021

City Manager's Recommendation / Comments

Resolution No. 39-2021 is presented for City Council consideration via the Consent Agenda. If approved this resolution would authorize the City Manager to execute a Mutual Aid Agreement with Cleveland County for Building Inspection Services. The agreement is reciprocal and costs incurred by either party will be fully reimbursed by the other.

This agreement is necessary due to staff limitations experienced by both entities from time to time as it relates to providing service by qualified and certified building inspectors in a timely manner.

It is recommended that Resolution No. 39-2021 be adopted and approved via the Consent Agenda.

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

MUTUAL AID AGREEMENT

between

CLEVELAND COUNTY

and the

CITY OF SHELBY

for

BUILDING INSPECTION SERVICES

THIS MUTUAL AID AGREEMENT is dated the ___ of _____ 2021 (the “Agreement”) and is between the **CLEVELAND COUNTY** (“Cleveland County”) a body of politic and corporate organized and existing under the laws of the state of North Carolina and the **CITY OF SHELBY** (“City of Shelby”) a municipal corporation organized under the laws of the State of North Carolina (hereinafter, collectively, the “Parties”)

WITNESSETH:

WHEREAS, from time to time, it may become necessary for each party to request building inspection services from the other; and

WHEREAS N.C. Gen. Stat. §160A-461 authorizes any local government in North Carolina and any one or more other units of local government in North Carolina to enter into contracts or agreements with the other in order to execute any undertakings; and

WHEREAS such agreement shall be ratified by resolution of the participating governing boards; and

WHEREAS N.C. Gen. Stat. §160D-1107 provides any two or more cities or counties may enter into contracts with each other to provide mutual aid assistance in the administration and enforcement of State and local laws pertaining to the North Carolina State Building Code; and

NOW WHEREFORE, in consideration of the respective rights, powers, duties, and obligations hereinafter set forth, the Parties agree as follows:

ARTICLE 1: RECITALS AND PURPOSE

1.01 Recitals. The Recitals are incorporated into this Agreement.

1.02 Purpose. The purpose of this Agreement is to establish the terms and conditions under which each Party may request building inspection services from the other Party. This will allow, among other things, the Requesting Party to continue building inspection and permitting processes should the Requesting Party’s inspectors be unavailable. This Agreement updates and replaces any prior building inspection services agreements between Cleveland County and the City of Shelby.

ARTICLE 2: TERM, AMENDMENT and TERMINATION

2.01 Term. This Agreement shall become effective upon the properly authorized execution of the Agreement by both Parties and shall continue until superseded or terminated by either Party (“Term”).

2.02 Amendment. This Agreement may only be amended in writing by the Parties and in accordance with the North Carolina General Statutes governing this Agreement. To propose an amendment to this Agreement, either Party may submit a proposed amendment and the reasons for the proposed amendment in writing to the other Party per the Notice provisions contained herein. If the Parties agree to the proposed amendment, a written amendment to the Agreement shall be executed. The Parties may enter into amendments that do not have financial implications for either Party with the approval of and execution by their respective Managers. All other amendments shall require approval by the respective governing boards of the Parties.

2.03 Disputes. Notwithstanding any other provision of this Agreement, either Party may contest any decision, action, or inaction of the other Party, or an alleged failure of the other Party to comply with the terms of this Agreement.

2.04 Termination. Either party may terminate this Agreement for any reason, or for no reason, upon thirty (30) days written notice to the other Party per the Notice provisions contained herein. Notwithstanding the foregoing, the Terminating Party shall also a resolution terminating this Agreement in the same manner as set forth in N.C. Gen. Stat. §160A-461.

2.05 Notices. Any notice required by this Agreement shall be in writing and delivered to the Parties at the following addresses:

For Cleveland County: Cleveland County Permits and Inspections Director

311 East Marion Street
Shelby, NC 28150

For the City of Shelby: City of Shelby Permits and Inspections Director

300 South Washington Street
Shelby, NC 28150

2.06 Prior Agreements Superseded. Upon the execution and delivery of this Agreement, this Agreement shall supersede any and all other prior agreements, if any, and shall constitute the definitive Agreement between the parties regarding all matters regarding this undertaking.

2.07 Survive Termination. These obligations concerning enforcement of warranties and representation by their nature survive the termination of this Agreement.

2.08 Responsibilities of the Parties.

a. Cleveland County agrees to:

1. Perform, subject to availability of inspectors, building, electrical, plumbing, and HVAC inspections on behalf of the City of Shelby on an as needed basis within twenty-four (24) hours of receiving a request for the same from the Building, Planning, and/or Zoning Department staff of the City of Shelby.
2. Promptly invoice the City of Shelby for each inspection performed pursuant to this Agreement. Such invoice shall include the type of inspection performed, the date of inspection, the fee, and any applicable discounts on total fees, as well as a copy of any written notices, permits, or comments provided by the inspector.

3. Pay the City of Shelby the rate contained in the City of Shelby's fee schedule for inspections, which both Parties understand may be increased or otherwise amended from time to time and would impact the amount paid by the City of Shelby under this Agreement, for each inspection conducted pursuant to this Agreement.

4. Cleveland County agrees to remit payment to the City of Shelby's Permits and Inspections Department within 30 days upon receipt of an invoice for services rendered.

b. City of Shelby agrees to:

1. Perform, subject to availability of inspectors, building, electrical, plumbing, and HVAC inspections on behalf Cleveland County on an as needed basis within twenty-four (24) hours of receiving a request for the same from the Building, Planning, and/or Zoning Department staff of the City of Shelby.

2. Promptly invoice Cleveland County for each inspection performed pursuant to this Agreement. Such invoice shall include the type of inspection performed, the date of inspection, the fee, and any applicable discounts on total fees, as well as a copy of any written notices, permits, or comments provided by the inspector.

3. Pay Cleveland County the rate contained in Cleveland County's fee schedule for inspections, which both Parties understand may be increased or otherwise amended from time to time and would impact the amount paid by the City of Shelby under this Agreement, for each inspection conducted pursuant to this Agreement.

4. The City of Shelby agrees to remit payment to Cleveland County Permits and Inspections Department within 30 days upon receipt of an invoice for services rendered.

ARTICLE 3: EXHIBITS AND RELATED DOCUMENTS

3.01 Exhibits. The following exhibits are attached hereto and incorporated by reference into this Agreement as if fully set forth herein:

a. Exhibit A: Cleveland County's current fee schedule for inspections, which both Parties understand may be increased or otherwise amended from time to time and impact the amount paid by the City of Shelby.

b. Exhibit B: City of Shelby's current fee schedule for inspections, which both Parties understand may be increased or otherwise amended from time to time and impact the amount paid by Cleveland County.

ARTICLE 4: MISCELLANEOUS PROVISIONS

4.01 No Third-Party Beneficiaries. This Agreement is not intended to benefit any third party. The rights and obligations contained herein exclusively belong to the Parties hereto and shall not confer any rights or remedies upon any person or entity other than the Parties hereto.

4.02 Ethics Provision. The Parties acknowledge and shall adhere to the requirements of N.C.G.S. §133-32 which prohibits the offer to, or acceptance by, any state or local employee of any gift from anyone with a contract with the governmental entity from a person seeking to do business with the governmental entity.

4.03 Governing Law, Venue. The Parties acknowledge that this Agreement shall be governed by the laws of the State of North Carolina. Venue for any disputes arising under this Agreement shall be in Cleveland County, North Carolina.

4.04 Entire Agreement. The terms and provisions herein contained constitute the entire agreement by and between the Parties hereto and shall supersede all previous communications, representations, or agreements, either oral or written between the Parties hereto with respect to the subject matter contained herein.

4.05 Severability. If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.

4.06 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed as an original and one and the same instrument.

4.07 Representations and Warranties. The Parties each represent, covenant and warrant for the other's benefit as follows:

a. Each Party has all necessary power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, and this Agreement has been authorized by Resolution spread upon the minutes of each Party's governing body. This Agreement is a valid and binding obligation of each Party.

b. Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of transactions contemplated by this Agreement constitute a breach of terms, conditions and provisions of any agreement or instrument to which either Party is now a part or by which either is bound or constitutes a default under any of the foregoing.

c. To the knowledge of each Party, there is no litigation or other court, or administrative proceeding pending or threatened against such Party (or against any other person) affecting such Party's rights to execute or deliver this Agreement or to comply with its obligations under this Agreement. The Parties' execution and delivery of this Agreement and their compliance with obligations under this Agreement do not require approval of any regulatory body or any other entity of which approval has not been obtained.

4.08 Dispute Resolution. In the event of a conflict or default that might arise for matters associated with this Agreement, the Parties agree to informally communicate to resolve the conflict. If any such dispute cannot be informally resolved, then such dispute, or any other matter arising under this Agreement, shall be subject to resolution in a court of competent jurisdiction. Such disputes, or any other claims, disputes or other controversies arising out of, and between the Parties shall be subject to and decided exclusively by the appropriate general court of justice in Cleveland County, North Carolina.

4.09 No waiver of Non-Compliance with Agreement. No provision of this Agreement shall be deemed to have been waived by any Party hereto unless such waiver shall be in writing and executed by the same formality as this Agreement. The failure of any Party hereto at any time to require strict performance by the other of any provision hereof shall in no way affect the right of the other Party to thereafter enforce the same. In addition, no waiver or acquiescence by a Party hereto of any breach of any provision hereof by another Party shall be taken to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.¹¹⁴

4.10 Governing Law. The Parties intend that this Agreement be governed by the laws of the State of North Carolina.

4.11 Assignment. No Party may sell or assign any interest in or obligation hereunder without the prior express written consent of the other Party.

4.12 Liability of Officials, Employees and Agents. No official, agent, or employee of either Party will be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officials, agents, or employees will be deemed to have executed all documents in their official capacities only, and not in their individual capacities. This section will not relieve any such official, agent or employee from the performance of any official duty provided by law.

4.13 Regulatory Authority. Nothing in this Agreement shall restrict or inhibit a Party's police powers or regulatory authority. While working with the requesting County or City, a Code-enforcement official shall have the same jurisdiction, powers, rights, privileges, and immunities, including those relating to the defense of civil actions and payment of judgments, as the Code-enforcement officials of the requesting agency.

4.14 Authority to Inspect. The Parties authorize their respective permits and inspections directors to conduct inspections according to their statutory powers and internal policies and to execute such documents necessary to effectuate the spirit and intent of this Agreement.

[The remainder of this page is intentionally blank. Signatures to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

CLEVELAND COUNTY, NORTH CAROLINA

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

By: _____
Brian Epley, County Manager

Lucas Shires, Finance Officer Cleveland County

ATTEST:

This instrument is approved as to form.

By: _____
Phyliss Nowlen
Clerk to the Board of Commissioners

Tim K. Moore/Martha R. Thompson
County Attorney/Deputy County Attorney

[seal]

CITY OF SHELBY, NORTH CAROLINA

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

By: _____
Rick Howell, City Manager

Beth Beam, Finance Officer City of Shelby

ATTEST:

This instrument is approved as to form.

By: _____
Bernadette A. Parduski
Clerk to the Shelby City Council

Andrea Leslie-Fite
City Attorney

[seal]

RESOLUTION NO. 39-2021

A RESOLUTION AUTHORIZING THE EXECUTION OF A BUILDING INSPECTION SERVICES MUTUAL AID AGREEMENT

WHEREAS, from time to time, it may become necessary for each party, the City of Shelby and/or Cleveland County, to request building inspection services from the other; and,

WHEREAS N.C. Gen. Stat. §160A-461 authorizes any local government in North Carolina and any one or more other units of local government in North Carolina to enter into contracts or agreements with the other to execute any undertakings; and,

WHEREAS such agreement shall be ratified by resolution of the participating governing boards; and,

WHEREAS N.C. Gen. Stat. §160D-1107 provides any two or more cities or counties may enter contracts with each other to provide mutual aid assistance in the administration and enforcement of State and local laws pertaining to the North Carolina State Building Code; and,

WHEREAS, The purpose of this Mutual Aid Agreement is to establish the terms and conditions under which each Party may request building inspection services from the other Party. This will allow, among other things, the Requesting Party to continue building inspection and permitting processes should the Requesting Party's inspectors be unavailable. This Agreement updates and replaces any prior building inspection services agreements between Cleveland County and the City of Shelby.

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

SECTION 1. The Mutual Aid Agreement for Building Inspection Services, a copy of which is attached hereto as ATTACHMENT A, and made a part of this resolution, is hereby adopted.

SECTION 2. The City Manager of the City of Shelby or his designee is hereby authorized and directed to execute the Mutual Aid Agreement 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 21st 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 21, 2021
Council Chamber

Agenda Item: E-4

- 4) Approval of a resolution adopting the financial and budgetary policies of the City of Shelby: Resolution No. 40-2021

Consent Agenda Item: (Beth B. Beam, Director of Finance)

Summary of Available Information:

- Memorandum dated June 11, 2021 from Beth B. Beam, Director of Finance to Rick Howell, City Manager
- City of Shelby Financial and Budgetary Policies
- Resolution No. 40-2021

City Manager's Recommendation / Comments

Resolution No. 40-2021 is presented for City Council consideration via the Consent Agenda. If approved this resolution would adopt the proposed financial and budgetary policies set forth and further authorize and direct the City Manager to implement said policies.

Over the past several months staff has been working on compiling existing policies and developing new policies where no policy previously existed. These financial policies are important and link directly to our operating budget, revenue handling, revenue spending, budget expenditures, reserve/fund balance requirements, asset/liability management, capital improvements plan, debt management, accounting/auditing/financial reporting, cash management, and investments. They each set forth financial policies, procedures and goals when it comes to handling public funds.

I certainly commend Beth Beam, Finance Director, for her diligence in pulling these policies together. Her role in ensuring implementation and compliance will be key to the success of the City financial management moving forward.

It is recommended that Resolution No. 40-2021 be adopted and approved via the Consent Agenda.



To: Rick Howell, City Manager
From: Beth B. Beam, Director of Finance
Date: June 11, 2021
Subject: Financial and Budgetary Policies

Background:

The City of Shelby continually reviews its policies to ensure compliance with new/changing laws and mandates. We also review our policies to ensure that they protect the interest of the City and follow recommended best practices. Until the present time, the City's financial and budgetary policies have been only administrative in nature, often unwritten and having no approval by the City Council.

Review and Comments:

In order to compile singular administrative policies – written and unwritten – into one document, the Financial and Budgetary Policies document has been created. This document will be the source of the underlying principals used in the management of overall financial resources.

Recommendation:

The recommendation from staff is to approve the attached resolution to adopt the Financial and Budgetary Policies.

City of Shelby, NC Financial and Budgetary Policies



Effective June 21, 2021

Financial and Budgetary Policies

I. Introduction

The City of Shelby maintains comprehensive financial policies covering a broad range of the elements of the City's financial plans and financial systems that underlay the management of overall financial resources. These policies have major objectives to be achieved that include:

1. To link long-term financial planning with short-term daily operations and decision-making.
2. To maintain and improve the City's financial position.
3. To maintain and improve the City's credit ratings by meeting or exceeding the requirements of rating agencies through sound financial policies.
4. To maintain and increase investor confidence in the City and to provide credibility to the citizens of the City regarding financial operations.
5. To comply with the North Carolina Budget and Fiscal Control Act and the policies of the North Carolina Local Government Commission (the "LGC").
6. To effectively conduct asset-liability management of the City's balance sheet.

II. Operating Budget

1. The City's Annual Budget Ordinance will be balanced in accordance with the Local Government Budget and Fiscal Control Act (G.S. 159-8(a)).
2. The City's Annual Budget Ordinance will be adopted, by fund, department and category, by each July 1 (G.S. 159-13(a)).
3. In order to force a higher level of planning throughout all levels of City government, the annual budget process will focus on future needs through a Capital Improvements Plan, as discussed later in this document.
4. The annual budget process will consist of a series of public meetings where Council and staff discuss needs in relation to the City's mission statement and Council's adopted priorities.
5. Water, sewer, electric and natural gas rates will be established at the appropriate level to enable the related funds to be self-supporting.

III. Revenue Policy

1. Ad Valorem Tax – As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
 - a. Assessed valuation will be provided by the Cleveland County Tax Assessor.
 - b. The estimated percentage of collection will not exceed the actual collection percentage of the preceding fiscal year, in accordance with State law.
 - c. The property tax rate will be set each year based upon the costs of providing general governmental services, meeting debt service obligations and building or maintaining any reserves or fund balances the Council deems necessary.
2. State revenues fluctuate according to the general economic condition of the state and the county. Accordingly, the City will budget these revenues in a conservative manner using guidance from the North Carolina League of Municipalities to determine predicted rates of growth in these revenues.
3. User Fees – The City Council (the “Council”) will set user fees annually by listing such fees within a fee schedule adopted with the Annual Budget Ordinance. In the case of the water, sewer, electric and natural gas enterprise funds, the Council will use a professionally designed rate model to determine the most appropriate rates based upon current and future expenses. The natural gas utilities will use a margin basis to determine rates. User fees will maximize charges for services that can be individually identified and where costs are directly related to the provision of or to the level of service provided.
 - a. Emphasis of user fees results in the following benefits:
 1. The burden on the Ad Valorem tax is reduced.
 2. User fees are paid by all users, including those exempt from property taxes.
 3. User fees help minimize subsidization in any instance where there are requirements in order to qualify for the use of the service and the service is not provided to the general public.
 4. User fees produce information on the demand level for services and help to make a connection between the amount paid and the services received.
4. Interest Income – Interest income is subject to variability based upon changes in prevailing interest rates, which cannot be predicted with certainty. Such revenue shall therefore be budgeted in a conservative manner within the Annual Budget Ordinance and shall comply with the Asset – Liability Management section of this policy.
5. Grant Funding – Staff will pursue opportunities for grant funding. Application for grant funding will be made after a grant has been evaluated for consistency with the Council’s goals and compatibility with City programs and objectives. Staff must have Council approval to apply for a grant for any amount over \$50,000 and for any grant that requires a local dollar match which has not been previously approved within the adopted operating or capital budget. All awarded grants can only be accepted by Council action at which time the related budget shall be established.

- a. Grants that have been awarded in prior years and are recurring in nature will be included and addressed through the annual budget process.
 - b. Grants that fund operating expenditures but have a funding termination date must fully disclose that fact to the Council prior to acceptance.
 - c. The grant manager for each grant shall be the City Manager or their written designee. The grant manager is responsible to ensure that all grant monitoring, compliance, and reporting is completed in a timely manner. The Director of Finance and the department filing for the grant will maintain a grant file in hard copy or by electronic copy for each active grant.
 - d. For grants involving federal funds, the grant manager is responsible for ensuring that the list of federally debarred contractors is checked prior to awarding any contracts. The grants manager may assign this responsibility to the Purchasing Manager who maintains the listing of debarred contractors.
6. Appropriation of Fund Balance – Assigned fund balance originally appropriated with adoption of the General Fund annual operating budget shall not exceed 3% of the prior fiscal year’s budgeted expenditures, unless done per Section 2b of the Reserve/Fund Balance section of this policy.
7. Budgetary Responsibilities – The City Manager shall develop initial budget estimates of applicable revenues. Those estimates are to be supported by variables (base, rate, etc.) that comprise such revenue. Monitoring of the revenue budget shall be performed by the Director of Finance in a timely manner throughout the fiscal year and shall include an analysis of actual versus budgeted variances. Compliance of revenue with all laws and/or regulations is primarily the responsibility of the revenue-initiating department.

Revenue Spending Policy

1. The City will follow a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Department, as directed by the Director of Finance, will use resources in the following hierarchy as appropriate: bond proceeds, federal funds, State funds, local non-City funds, and City funds.
2. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Director of Finance has the authority to deviate from this policy if it is in the best interest of the City.

IV. Expenditure Policy

1. Expenditure budgets shall be monitored throughout the fiscal year by department heads, the Director of Finance and the City Manager. Budget compliance, which includes electronic obligations, is the responsibility of the department head and the City Manager. The Finance department will review the General Ledger quarterly at a minimum for overspent accounts and coordinate departmental compliance with budget correction.

2. Budgeted funds will only be spent for categorical purposes for which they are intended. Budget amendments may be made to reflect unexpected expenses and must be approved by the City Manager or by vote of the Council if greater than 10% of the original budget of the Department whose allocation is reduced. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was issued or for the payment of debt principal and interest.
3. For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.
4. Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the City's Personnel Policy.
5. The City may utilize non-capital operating leases or installment purchase loans for the procurement of copiers, multifunction copiers/printer type machines and for personal computers as well as vehicles and other equipment.
6. The City will fund current expenditures with current resources and will strive to avoid balancing budgets utilizing one-time revenues.
7. The City will employ the use of the carryover method for reappropriation of outstanding purchase orders and contracts as of the end of each fiscal year into the new fiscal year. The process shall be explained in each year's budget process.

V. Reserve/Fund Balance Policy

1. In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those figures stand at the close of the fiscal year next preceding the budget year.
2. The City will strive to maintain a General Fund unassigned fund balance that exceeds the minimum eight percent (8%) as recommended by the LGC. Unassigned fund balance is defined as the portion of fund balance that remains available for appropriation by the City Council after all commitments for future expenditures, required reserves defined by State statutes, and Council-established assignments have been calculated. The percentage is to be determined by dividing the unassigned fund balance amount by actual expenditures of the then completed fiscal year. The goal is to maintain a fund balance of no less than 20%.
 - a. Purpose of Reserve: These funds will be utilized to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, and maintain the City's credit ratings.

- b. Reserve Drawdown: The available fund balance may be purposefully drawn down below the target percentage for emergencies, economic influences, nonrecurring expenditures, or major capital projects.
 - c. Reserve Replenishment: If the available fund balance falls below the target percentage for two consecutive fiscal years, the City will replenish funds by direct appropriation in the next budget developed for the fiscal year after the occurrence is known. In that instance, the City will annually appropriate 25% of the difference between the target percentage level and the actual balance until the target level is met. In the event appropriating 25% is not feasible, the City will appropriate a lesser amount and shall reaffirm by Council resolution its commitment to fully replenish the fund balance over a longer period of time.
 - d. Any General Fund unassigned fund balance that exceeds the target goal range may be used to reduce general fund debt.
3. The City may appropriate within the annual budget a Contingency appropriation each fiscal year. The minimum level of contingency is 1% of budgeted general fund expenditures and the maximum is an amount equal to the revenue generated by a \$.01 ad valorem tax rate.
4. The City's goal will be to maintain a minimum cash balance in both the water, sewer, electric and natural gas operating funds (separately) of 20% of actual expenditures of the then completed fiscal year. These funds will be utilized to avoid cash flow interruptions, generate interest income, fund capital expenditures, eliminate the need for short-term borrowing and maintain the City's credit ratings.

VI. Asset-Liability Management

1. The City will seek to incorporate coordinated investment and debt structuring decisions with the goal of such coordination being to use each side of the balance sheet to mitigate, or hedge, cash flow risks posed by the other side of the balance sheet.
2. The City considers short-term investments to be effective hedges to variable rate debt because movements in interest rates should have offsetting impacts upon both.
 - a. Given the prevalent patterns of business, economic and interest rate cycles, the City may strive to match temporary increases in interest income to temporary increases in interest expense through the use of variable rate debt or synthetic variable rate debt.
 - b. This recognizes that variable rate debt generally offers lower interest costs and that the use of higher interest income to offset higher interest expense is preferable to creating a budget imbalance due to reliance upon temporarily increased interest income.

3. The Director of Finance is designated to monitor and report on financial market conditions and their impact on performance of debt, investments, and any interest rate hedging products implemented or under consideration.
4. The Director of Finance is designated as the individual responsible for negotiating financial products and coordinating investment decisions for debt structure. The Director of Finance is designated as the individual responsible for recommending debt structure to the Council.
5. The City will only use debt instruments which are approved for local government.

VII. Capital Improvements Policy

1. Capital Improvements Plan
 - a. The City will update and readopt annually through the supplemental budget ordinance a five-year capital improvements plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects. A separate CIP will be developed for the General Fund, Water Fund, Sewer Fund, Electric Fund and Natural Gas Fund.
 - b. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.
 - c. The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
 - d. A programming or cost estimation study is eligible for inclusion in the CIP for a project for which a future request is being considered. Such a study is encouraged in order to generate reliable cost estimates for the CIP.
 - e. The City expects to see new capital items generally first appear in the last year of the CIP.
 - f. The City acknowledges pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project both on an individual basis after examining all relevant factors of the project and in conjunction with the funding of the entire CIP.
2. Capital Formation
 - a. General fund revenue is the source for the General Fund CIP.
 - b. Given the historical volatility of the state revenues and other revenues, the five year projections of revenue used to complete the CIP shall be very conservative.
3. Fixed Assets

- a. The capitalization threshold for fixed assets shall be \$5,000. The threshold will be applied to individual fixed assets and not to groups of fixed assets. Fixed assets will only be capitalized if they have a useful life in excess of two years following the date of acquisition. A physical inventory of capitalized fixed assets will be performed, either simultaneously or on a rotating basis, so that all fixed assets are physically accounted for at least once every four years.

VIII. Debt Policy

1. Debt will only be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. **Debt will not be used for operational needs.** Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under North Carolina law.
2. The City will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances.
3. Debt financing will be considered in conjunction with the approval by the Council of the City's CIP.
4. Capital projects financed through the issuance of bonds, installment financings or lease financings will be financed for a period not to exceed the expected useful life of the project.
 - a. General fund debt will normally have a term of 20 years or less. When practical, the term of non-Utility debt will not exceed 20 years.
 - b. Enterprise fund (water, sewer, electric & natural gas) debt will normally have a term of 20 years or less. When practical, the term of Utility debt will not exceed 30 years.
5. Debt Affordability
 - a. The net debt of the City, as defined in G.S. 159-55, is statutorily limited to 8% of the assessed valuation of the taxable property within the City.
 - b. Total General Fund debt service will not exceed any limits imposed by the LGC. As a guide, formulas established by the LGC and rating agencies will be monitored and appropriately applied by the City.
6. The City will seek to structure debt in the best and most appropriate manner to be consistent with the Asset – Liability Management section of this policy.
7. If the City issues Revenue Bonds, the City shall remain in compliance with all debt covenants of each bond issued.

8. The City will strive for the highest possible bond ratings in order to minimize the City's interest costs.
9. The City will obtain at least one debt rating (Fitch Ratings, Moody's, or Standard & Poor's) for all publicly sold debt issues.
10. For all years that the City has any publicly sold debt outstanding, the City will provide annual information updates to each of the debt rating agencies if desired by those agencies.
11. The City will use the Annual Comprehensive Financial Report as the disclosure document for meeting its obligation under SEC Rule 15c2-12 to provide certain annual financial information to the secondary debt market via various information repositories.
12. The City recognizes the significance of the debt portfolio and the need for the ability to properly manage and maintain that portfolio. The Director of Finance will maintain a current database of all debt.

IX. Accounting, Auditing and Financial Reporting

1. The City will maintain accounting systems in compliance with the North Carolina Local Government Budget and Fiscal Control Act. The City will maintain accounting systems that enable the preparation of financial statements in conformity with generally accepted accounting principals (GAAP).
 - a. The basis of accounting within governmental funds will be modified accrual.
 - b. The basis for accounting within all Enterprise and Internal Service Funds will be modified accrual.
2. Financial systems will be maintained to enable the continuous monitoring of revenues and expenditures or expenses with complete sets of monthly reports provided to the Council, and the City Manager. Monthly expenditure/expense reports are available through the financial system to department heads and other staff as much as practical and its use encouraged.
3. The City will place emphasis on maintenance of an accounting system which provides strong internal budgetary and financial controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, as well as the accountability of assets.
4. An annual audit will be performed by an independent certified accounting firm which will issue an opinion on the annual financial statements as required by the Local Government Budget and Fiscal Control Act.
5. The City will solicit proposals from qualified independent certified public accounting firms for audit services. The principal factor in the audit procurement process will be the auditor's ability to perform a quality audit. The City may enter into a multiyear agreement

with the selected firm for a period of up to five fiscal years. The Director of Finance may ask for a rotation of audit manager and staff. Firms are not barred from consecutive contract awards. The Council, upon recommendation from the City Manager or Director of Finance, shall approve the contractual relationship with the auditor.

6. The Director of Finance will conduct or have conducted some form of internal audit procedures at least one time per year, specifically focusing upon cash receipts procedures.
7. The City will prepare an ACFR in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting and will be submitted to that award program each year.
8. Full and complete disclosure will be provided in all regulatory reports, financial statements and debt offering statements.
9. The City shall use the ACFR as the disclosure document for meeting its obligation to provide certain annual financial information to the secondary debt market via various information repositories. The annual disclosure is a condition of certain debt covenants and contracts that are required by SEC Rule 15c2-12.
10. The Director of Finance will develop and maintain a Financial Procedures Manual as a central reference point and handbook for all financial, accounting and recording procedures.
11. The City Manager will ensure the establishment, documentation and maintenance of an Information Technology Disaster Recovery Plan that will contain a set of policies, tools and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster and will provide for the daily backup of data and the offsite storage of the same.

X. Cash Management Policy

1. Receipts
 - a. All aspects of cash receipts shall be subject to proper internal controls with standard controls documented and followed by revenue generating departments.
 - b. The Director of Finance shall prescribe internal control procedures for departments which address adequate segregation of duties, physical security, daily processing and reconciliation, use of automated resources, and treatment of overpayments.
 - c. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these moneys into accounts and investments as practical.
 - d. All incoming funds will be deposited daily as required by State law.

- e. The Director of Finance is responsible for conducting at least two unannounced random or risk based internal audits of cash receipting locations per fiscal year.
- f. Upon any suspicion of fraud, the department head shall timely notify the Director of Finance for further investigation. The Director of Finance will notify the City Manager.
- g. Upon any suspicion of non-compliance with internal control directives, the department head shall timely notify the Director of Finance for further investigation. The Director of Finance will notify the City Manager.
- h. The City reserves the right to refuse acceptance of more than \$5.00 in coins, damaged currency, suspicious currency or any check for the transaction of business.

2. Cash Disbursements

- a. The City's objective is to retain monies for investment for the longest appropriate period of time.
- b. Disbursements will be made timely in advance of or on the agreed-upon contractual date of payment unless earlier payment provides greater economic benefit to the City.
- c. Inventories and supplies will be maintained at minimally appropriate levels for operations in order to increase cash availability for investments purposes.
- d. Dual signatures are required for City checks. Electronic signature of accounts payable checks and purchase orders are currently utilized and applied through the Financial System software.
- e. Electronic payments shall be utilized to the fullest extent possible where it is determined to be cost effective by the Director of Finance. Such payments shall be integrated with financial systems and shall follow the proper data and internal controls in accordance with the NC Administrative Code 20 NCAC 03.0409 and 20 NCAC 03.0410. The City Council has adopted resolution number 22-2018 approving the City of Shelby's use of electronic obligations and payments.

XI. Investment Policy

- 1. Purpose - It is the goal of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the City and conforming to all State statutes governing the investment of idle funds.
- 2. Scope - This investment policy applies to all financial assets of the City except authorized petty cash and debt proceeds, which are accounted for and invested separately from pooled cash. The City pools the cash resources of its various funds into a single pool, as deemed

appropriate, in order to maximize investment opportunities and returns. Each fund's portion of total cash and investments is tracked by the financial accounting system.

All Investments of the City must be made in compliance with Federal and State law and in accordance with applicable legal interpretations.

3. Prudence

- a. The standard of prudence to be used by authorized staff shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- b. Authorized staff acting in accordance with procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Council and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

4. Authorized Staff - G.S. 159-25(a)(6) delegates management responsibility for the investment program to the Director of Finance. The Director of Finance will establish and maintain procedures for the operation of the investment program that are consistent with this policy. Such procedures will include delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.

The Director of Finance will be responsible for all transactions undertaken and will establish and maintain a system of controls to regulate the activities of subordinates. In the absence of the Director of Finance and those to which he or she has delegated investment authority, the City Manager or his or her designee is authorized to execute investment activities.

5. Objectives - The City's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield. Funds of the City will be invested in accordance with North Carolina General Statute 159-30 and in accordance with the following objectives in order of priority:

- Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

To best mitigate against Credit Risk (the risk of loss due to the failure of the security issuer or backer), the City will:

- Limit investments to the safest types of securities
- Pre-qualify the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business
- Diversify the investment portfolio so that potential losses on individual securities will be minimized

To best mitigate against Interest Rate Risk (the risk that changes in interest rates will adversely affect the market value of a security and that the security will have to be liquidated and the loss realized), the City will:

- Structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - Investing operating funds primarily in shorter-term securities, money market funds or similar investment pools.
- Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating and debt service cash requirements that may be reasonably anticipated. The portfolio will be structured so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with an active secondary market. A portion of the portfolio may be placed in money market mutual funds and/or local government investment pools which offer same-day liquidity for short-term funds.
 - Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic and interest rate cycles, taking into account investment risk constraints and liquidity needs. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be generally held until maturity with the following exceptions:
 - An investment with declining credit may be sold early to minimize loss of principal
 - An investment swap would improve the quality, yield, or target duration in the portfolio
 - Liquidity needs of the portfolio require that the investment be sold
6. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any interests in financial institutions with which they conduct business material to them. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the City.
7. Authorized Financial Dealers and Financial Institutions
- a. The Director of Finance will maintain a list of financial institutions that are authorized to provide investment services. Authorized financial institutions will be selected by credit worthiness and must maintain an office in the State of North Carolina. These may include “primary” dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).

- b. Any financial institutions and broker dealers that desire to become qualified to conduct investment transactions with the City must supply the Director of Finance with the following:
 - Audited financial statements;
 - Proof of National Association of Securities Dealers certification;
 - Proof of State registration; and
 - Certification of having read the City's investment policy.
 - c. Any previously qualified financial institution that fails to comply or is unable to comply with the above items upon request will be removed from the list of qualified financial institutions.
 - d. The Director of Finance shall have discretion in determining the number of authorized financial institutions and may limit that number based upon the practicality of efficiently conducting the investment program. The Director of Finance shall also have the discretion to add or remove authorized financial institutions based upon potential or past performance.
8. Internal Control - The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires the use of estimates and judgments by management.
9. Collateralization - North Carolina General Statutes authorize and allow the State Treasurer and the State and Local Government Finance Division to prescribe rules to regulate the collateralization of certain public deposits in North Carolina banks. These rules are codified in the North Carolina Administrative Code – Title 20, Chapter 7 (20 NCAC 7). The Pooling Method of collateralization under 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local government. This method transfers the responsibility for monitoring each bank's collateralization and financial condition from the City to the State Treasurer. Other than Public Housing funds, the City will only maintain deposits with institutions using the Pooling Method of collateralization. The deposits of Public Housing Authorities are not eligible to be included in the Pooling Method. These deposits are to be collateralized under the Dedicated Method and further restrictions required by regulations of the US Department of Housing and Urban Development. 20 NCAC 7-0104b discusses the exemption of Public Housing Authorities from the Pooling Method.
10. Delivery and Custody - All investment security transactions of the City shall be conducted on a delivery versus payment basis. Securities will be held by a third-party custodian designated by the Director of Finance and each transaction will be evidenced by safekeeping receipts and tickets.

11. Authorized Investments - The City will follow the guidance of North Carolina G.S. 159-30(c) for authorized investments.
12. Diversification - Investments will be diversified by security type and by institution.
 - a. With the exception of United States Treasury securities and the North Carolina Capital Management Trust, no more than 50% of the City's total investment portfolio will be invested in a single security type.
 - b. The Director of Finance is responsible for monitoring compliance with the above restrictions. If a violation occurs, the Director of Finance shall report such to the City Manager and to the Council along with a plan to address the violation.
13. Maximum Maturities - To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Beyond identified cash flow needs, investments will be purchased so that maturities are staggered. The following maturity limits are set for the City's investment portfolio:
 - a. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.
 - b. For purposes of this section, for any variable rate demand obligation, the purchase date is considered to be the last reset and remarketing date and the maturity date is considered to be the next reset and remarketing date.
 - c. If any change is made to the City's policy for unassigned fund balance in the General Fund then other sections of this policy must be concurrently revised.
14. Selection of Securities - The Director of Finance or his or her designee will determine which investments shall be purchased and sold and the desired maturity date(s) that are in the best interest of the City. The selection of an investment will involve the evaluation of, but not limited to, the following factors: cash flow projections and requirements; current market conditions; and overall portfolio balance and makeup.
15. Performance Standards - The investment portfolio will be managed in accordance with the parameters specified within this policy. The investment portfolio will strive to obtain a market average rate of return within the constraints of the City's investment risk profile and cash flow needs. Given the passive type of investment strategy the City uses, the basis used to determine whether market yields are being achieved shall be the one-year Constant Maturity Treasury Rate.
16. Active Trading of Securities -It is the City's intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal. However, if economic or market conditions change making it in the City's best interest to sell or to trade a security before maturity, that action may be taken.
17. Pooled Cash and Allocation of Interest Income - All moneys earned and collected from investments other than bond proceeds will be allocated monthly to the various participating

funds based upon the average cash balance of each fund and component unit as a percentage of the total pooled portfolio. Earnings on bond proceeds will be directly credited to the same proceeds.

18. Marking to Market - A report of the market value of the portfolio will be generated at least annually by the Director of Finance. The Director of Finance will use the reports to review the investment portfolio in terms of value and price volatility, as well as for compliance with GASB Statement #31.
19. Software - The City recognizes the significance of the size of its investment portfolio and of the requirements contained in this policy. The City may utilize investment software which enables efficient transaction processing and recording, sufficient portfolio monitoring and the ability to maintain reporting compliance with this policy.
20. Reporting - The Director of Finance shall prepare an investment report at least semi-annually as required by North Carolina General Statute 159-33. The report, which is to be made to the secretary of the Local Government Commission as of January 1 and July 1, will list all investment securities and time deposits held by the City, as well as all funds in the City's custody and the amounts of deposits of such funds in depositories.
21. Policy Considerations - A maturity or diversification violation created by fluctuations in the size of the portfolio does not require corrective action. The violation may be cured through an increase in the portfolio size or the maturity of an investment.

XII. Review and Revision

The City will formally review this set of financial and budgetary policies at least once every three years.

Glossary

ACFR: Annual Comprehensive Financial Report

This report moves one-step beyond the typical “audit report” and includes all the information from an audit, plus additional statistical and general information about the unit.

CPF: Capital Project Fund

These funds, by resolution of the City Council, are only for projects that may span more than one year for completion and have a specific purpose.

CIP: Capital Improvement Plan

The purpose of the capital improvement plan (CIP) is to forecast and match projected revenues and major capital needs over a five-year period. Generally defined, CIP capital expenditures are any expenditure of major value that recurs irregularly, results in the acquisition (or significant modification) of a fixed asset and has a useful life greater than one (1) year.

GAAP: Generally Accepted Accounting Principles

This is a standard related to how financial statements are prepared and includes conventions and rules that accountants use in the preparation and interpretation of these statements.

FDIC: Federal Deposit Insurance Corporation

The Federal Deposit Insurance Corporation (FDIC) is an independent agency created by the Congress to maintain stability and public confidence in the nation's financial system by insuring deposits, examining and supervising financial institutions for safety and soundness and consumer protection, and managing receiverships.

Fund Balance: Fund Balance is, simply explained, the amount of assets in excess of liabilities in a given fund.

RESOLUTION NO. 40-2021

A RESOLUTION ADOPTING THE FINANCIAL AND BUDGETARY POLICIES
OF THE CITY OF SHELBY

WHEREAS, the City of Shelby wishes to enact a policy governing the Financial and Budgetary transactions of the City; and,

WHEREAS, the City of Shelby will use this policy as the guideline utilized by City management in the day to day and long-term financial planning.

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

Section 1. The City's Financial and Budgetary Policies, a copy of which is attached hereto as ATTACHMENT A and made a part of this resolution, is hereby adopted.

Section 2. The City Manager is hereby authorized and directed to implement and administer the policies set forth in Section 1 of this resolution. The City Clerk is likewise authorized and directed to cause the provisions of this policy to be properly recorded into the Financial and Budgetary Policy document, as may be applicable.

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

Adopted and approved this the 21st 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 21, 2021
Council Chamber

Agenda Item: E-5

- 5) Approval of a resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission and appointing bond counsel and financial advisor in connection with the proposed issuance of street and sidewalk improvement bonds by the City: Resolution No. 41-2021

Consent Agenda Item: (Justin S. Merritt, Assistant City Manager)

Summary of Available Information:

- Memorandum dated June 10, 2021 from Justin S. Merritt, Assistant City Manager to Rick Howell, City Manager
- Resolution No. 41-2021

City Manager's Recommendation / Comments

Resolution No. 41-2021 is presented for City Council via the Consent Agenda. If approved this resolution would 1) define the bonds to be placed and that Council wishes to proceed with the referendum, 2) sets basic guidelines and cost estimates indicating that the bond would not be excessive and that audits are in strict compliance with debt management policies, 3) appoints outside bond counsel and a financial advisor to act in connection with the issuance of the bonds and 4) authorizes the City Manager, Finance Director and City Attorney to file an application with the Local Government Commission.

These are the initial actions that must be taken in order for the City to ultimately proceed with a bond referendum later this year.

It is recommended that Resolution No. 41-2021 be adopted and approved via the Consent Agenda.



MEMORANDUM

To: Rick Howell, City Manager

From: Justin S. Merritt, Assistant City Manager

RE: 2021 General Obligation Bond Referendum Preliminary Resolution

Date: June 10, 2021

The City of Shelby has identified the need to make certain street and sidewalk improvements throughout the City. This project is expected to be funded through the issuance of general obligation bonds, which will need approval of the N.C. Local Government Commission.

An important step in this process is the approval of a Preliminary Resolution by City Council. This Resolution defines what bonds will be placed and states that the Council does wish to proceed with the referendum. Additionally, this resolution sets some basic guidelines such as reasonable cost estimates will be used, amount of bond will not be excessive and that audits are in strict compliance with debt management policies. The resolution also appoints Bond Counsel and a Financial Advisor to act in connection with the issuance of the bonds. Finally, the resolution authorizes the City Manager, Finance Director and City Attorney to file an application with the LGC to move forward with the project.

This is just the first of several actions that will need to be taken by City Council as we continue through the bond referendum and ultimately, the issuance process and each action will provide more detailed information to Council. I have attached the Preliminary Resolution and please let me know if you would like additional information. I am recommending that City Council approve the resolution so that we may move forward with the bond referendum process.

RESOLUTION NO. 41-2021

A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND APPOINTING BOND COUNSEL AND FINANCIAL ADVISOR IN CONNECTION WITH THE PROPOSED ISSUANCE OF STREET AND SIDEWALK IMPROVEMENT BONDS BY THE CITY

The City Council of the City of Shelby, North Carolina met in a regular meeting in the Council Chambers of the City Hall located at 300 S. Washington Street in Shelby, North Carolina, the regular place of meeting, at 6:00 p.m. on June 21, 2021.

Present: Mayor O. Stanhope Anthony III, presiding, and Council Members

Absent: Council Members

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND APPOINTING BOND COUNSEL AND FINANCIAL ADVISOR IN CONNECTION WITH THE PROPOSED ISSUANCE OF STREET AND SIDEWALK IMPROVEMENT BONDS BY THE CITY

BE IT RESOLVED by the City Council (the “City Council”) of the City of Shelby, North Carolina (the “City”):

Section 1. The City Council does hereby find and determine as follows:

(a) Preliminary studies have been completed to demonstrate the need for financing the cost of various street and sidewalk improvements for the City.

(b) The City Council wishes to commence the procedures for the authorization of street and sidewalk improvement bonds to finance such capital projects.

(c) The capital projects to be funded by the proposed bonds are necessary and expedient, and the amount of proposed bonds is adequate and not excessive to fund said capital projects.

(d) The debt management and the budgetary and fiscal management policies of the City have been carried out in compliance with applicable law.

(e) No tax rate increase is expected to be necessary to pay debt service on the proposed debt.

Section 2. The City Manager and the Finance Director of the City are each hereby authorized and directed to file an application of the City with the North Carolina Local Government Commission for approval of not exceeding \$10,000,000 Street and Sidewalk Improvement Bonds of the City. The City Clerk is hereby authorized to publish a notice of intent to file such application in the manner provided by law.

Section 3. The law firm of Womble Bond Dickinson (US) LLP is hereby appointed to serve, but solely at the pleasure of the City Council, as bond counsel to the City in connection with the authorization, sale and issuance of the proposed bonds.

Section 4. First Tryon Advisors is hereby appointed to serve, but solely at the pleasure of the City Council, as financial advisor to the City in connection with the authorization, sale and issuance of the proposed bonds.

Section 5. The appropriate officers of the City are hereby authorized and directed to do any and all things necessary, appropriate or convenient to carry into effect the provisions of this resolution.

Section 6. This resolution shall take effect immediately upon its adoption.

Upon motion of _____, seconded by _____, the foregoing resolution entitled “RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND APPOINTING BOND COUNSEL AND FINANCIAL ADVISOR IN CONNECTION WITH THE PROPOSED ISSUANCE OF STREET AND SIDEWALK IMPROVEMENT BONDS BY THE CITY” was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Bernadette A. Parduski, City Clerk of the City of Shelby, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the City Council of said City at a regular meeting held on June 21, 2021, as relates in any way to the introduction and adoption of the foregoing resolution and that said proceedings are to be recorded in the minutes of said City Council.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said City this 21st day of June, 2021.

Bernadette A. Parduski
City Clerk

[SEAL]

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item: E-6

- 6) Adoption of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment
No. 11: Ordinance No. 25-2021

Consent Agenda Item: (Justin S. Merritt, Assistant City Manager)

Summary of Available Information:

- Memorandum dated June 10, 2021 from Justin S. Merritt, Assistant City Manager to Rick Howell, City Manager
- Copy of Resolution No. 24-2017
- Economic Development Agreement
- Invoice for Project Grizzly FY2021 Payment and Copy of payment schedule
- Ordinance No. 25-2021

City Manager's Recommendation / Comments

Ordinance No. 25-2021 is presented for City Council via the Consent Agenda. If approved this ordinance would appropriate funding to pay the annual debt service payment to Cleveland County for the loan associated with utility improvements necessary for "Project Grizzly" (Clearwater Paper S2 expansion). Funds are generated through the new utility customer and tax revenue paid by Clearwater Paper S2.

Council will recall that these loan proceeds were used to provide a 24" diameter water loop from the Water Treatment Plant to Washburn Switch Road, construction of a 750,000 gallon elevated water storage tank with pump station, construction of a 24" diameter sewer outfall and the looping of a 6" steel natural gas line. This loan along with grant funding of almost \$11 million from the Golden Leaf Foundation, the NC Commerce CDBG and IDF programs and the US Economic Development Administration and an \$8 million contribution from Clearwater Paper put the City in a position to attract this major investment of more than \$330,000,000 and over 180 new jobs.

It is recommended that Ordinance No. 25-2021 be adopted and approved via the Consent Agenda.



To: Rick Howell, City Manager

From: Justin Merritt, Assistant City Manager

Date: June 10, 2021

Subject: Project Grizzly Utility Construction - County Loan Repayment

Background:

The City of Shelby and Cleveland County entered into an interlocal agreement on April 3, 2017, through Resolution 24-2017. This agreement, among other things, detailed the amount of financial participation from the City to provide utility infrastructure to Project Grizzly (Clearwater Paper expansion) and set this limit at \$11,064,000. This amount would initially come in the form of a loan from Cleveland County, which the City would repay over a term not to exceed 15 years, at a rate of interest not to exceed 3.25%.

This budget amendment will allow for repayment of year 3 of the loan, in the amount of \$1,077,954.

The interlocal agreement and debt repayment schedule are attached as reference.

Recommendation:

The recommendation from staff is to approve the attached budget amendment so that the requested debt payment can be made.

RESOLUTION NO. 24-2017

A RESOLUTION AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF SHELBY
AND CLEVELAND COUNTY FOR THE ADMINISTRATION OF
AN ECONOMIC DEVELOPMENT AGREEMENT

WHEREAS, the City of Shelby, a North Carolina municipal corporation (herein "City"), and Cleveland County, a body politic organized and existing under the laws of, and a political subdivision of, the State of North Carolina (herein "County"), working through the Cleveland County Economic Development Partnership (CCEDP), propose to enter into an Economic Development Agreement (herein "ED Agreement") with Clearwater Paper Corporation, a Delaware corporation authorized to do business in North Carolina (herein "Company"); and,

WHEREAS, said ED Agreement covers several different types of incentives, including the payment of cash incentives to the Company, the transfer of real property to the Company, and the construction and installation of infrastructure (utilities, roads, rail); and,

WHEREAS, the incentives provided for in the ED Agreement are interdependent, and the ED Agreement is accordingly structured to be an integrated package, and no one element of it may be changed or removed without affecting the whole; and,

WHEREAS, because of the structure of the ED Agreement, the City and County desire to agree between themselves as to their responsibilities for administration of the Project; and,

WHEREAS, the City and County have also agreed between themselves to certain financial commitments with respect to the ED Agreement, and have also agreed among themselves as to requesting the annexation by the City of certain County property.

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

SECTION 1. In consideration of the promises and covenants set forth herein, and for other valuable considerations, including the exchange of \$10.00 between the parties, the receipt and sufficiency of which is hereby acknowledged.

SECTION 2. The City Council of the City of Shelby by this action approves the ED Agreement, attached as EXHIBIT A, and authorizes the Mayor to execute the ED Agreement on behalf of the City of Shelby.

SECTION 3. This resolution shall become effective immediately on the date of its adoption.

Adopted and approved this 3rd day of April 2017.



O. Stanhope Anthony III
Mayor

ATTEST:



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

AGREEMENT OF CITY OF SHELBY AND CLEVELAND COUNTY
ADMINISTRATION OF ECONOMIC DEVELOPMENT AGREEMENT

This Administration Agreement, made and entered into this 3rd day of April, 2017, by and between the City of Shelby, a North Carolina municipal corporation (herein "City"), and Cleveland County, a body politic organized and existing under the laws of, and a political subdivision of, the State of North Carolina (herein "County").

WITNESSETH

WHEREAS, the City and the County, working through the Cleveland County Economic Development Partnership (CCEDP), propose to enter into an Economic Development Agreement herein "ED Agreement") with Clearwater Paper Corporation, a Delaware corporation authorized to do business in North Carolina (herein "Company"); and

WHEREAS, said ED Agreement covers several different types of incentives, including the payment of cash incentives to the Company, the transfer of real property to the Company, and the construction and installation of infrastructure (utilities, roads, rail); and

WHEREAS, the incentives provided for in the ED Agreement are interdependent, and the ED Agreement is accordingly structured to be an integrated package, and no one element of it may be changed or removed without affecting the whole; and

WHEREAS, because of the structure of the ED Agreement, the City and County desire to agree among themselves as to their responsibilities for administration of the Project; and

WHEREAS, the City and County have also agreed among themselves to certain financial commitments with respect to the ED Agreement, and have also agreed among themselves as to requesting the annexation by the City of certain County property;

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, and for other valuable considerations, including the exchange of \$10.00 between the parties, the receipt and sufficiency of which is hereby acknowledged, the City and the County hereby agree as follows:

REFERENCES and DEFINITIONS, unless otherwise defined herein, certain capitalized terms (e.g., Project Site, IU Improvements) shall have the same meaning as in the Economic Development Agreement. Reference to the Economic Development Agreement is made for purposes of providing context for this Administration Agreement.

I. Limits of Financial Participation by Shelby

- A. The City and the County agree that the City's maximum financial commitment with respect to the Economic Development Agreement, exclusive of any fee waivers or administrative costs, for its contributions in aid of public infrastructure shall not exceed \$11,064,000 million (herein "City's Financial Commitment") which includes all applicable debt issuance and closing costs shared at a proportional amount. These costs are limited to the cost of constructing and installing water, sewer, and natural gas utility extensions, facilities, economic development, land purchase and connections (herein "City's IU Improvements") as provided in the Economic Development Agreement.
- B. Said Financial Commitment is based on the City's good faith estimates of the cost of constructing and installing the City's IU Improvements.
- C. The City will not be responsible for acquiring or paying for the acquisition of the land, easements, right-of-way, or other interests in land that may be necessary in

order for the City to install and construct the City's IU Improvements, and such costs are not included in the City's Financial Commitment.

- D. The City's Financial Commitment is expressly contingent upon the City's obtaining funding from the County for the cost of the City's IU Improvements at an interest rate that does not exceed 3.25%, and for a repayment period that does not exceed 15 years.
- E. In the event that \$11,064,000 million is not sufficient to cover the costs of the City's IU Improvements, the City will notify the County, and the County will have the option of paying some or all of the additional costs necessary to complete the City's IU Improvements. Nothing herein shall prohibit the City and the County from negotiating among themselves for the payment of any additional costs.
- F. In the event that the County exercises the claw back, per the agreement with Clearwater, on undeveloped property at the project site the County agrees to share any claw back equally with the City of Shelby.

II. SALES TAX ALLOCATION

- A. Beginning July 1, 2019 and with commencement of operations at the Expanded Facility as provided in the Economic Development Agreement, and following annexation of the Company's property (including the existing facility) as provided for therein, and pursuant to the allocation of North Carolina State local option sales tax revenue provided for in Article 39 of N.C.G.S. Chapter 105, the City expects to receive approximately-12.96% of sales tax revenue collected in and

distributed to Cleveland County for the term of its financing for the IU Improvements.

- B. In arranging and budgeting for the funding costs for its share of the cost of the City's IU Improvements, the City has relied on the allocation of said sales tax revenue remaining constant or exceeding 12.96% for the term of said financing, based on projections of economic and population growth in Cleveland County, and the parties agree that said projections are reasonable. The continued availability of this revenue is a critical factor in the City's decision to participate financially in the Economic Development Agreement at the level provided for therein.
- C. In the event that the City's allocation of sales tax revenue falls below 12.96% of the total sales tax revenue distributed to Cleveland County for any tax year that occurs during the term of the City's repayment period, the County will pay the City an amount equal to any such difference, so that the amounts received by the City, including its sales tax revenue allocation and payments made pursuant to this Agreement, will equal 12.96% of the sales tax revenue for Cleveland County.

III. ANNEXATION OF COUNTY PROPERTY

- A. On or before the 30th day following execution of this Agreement, the County shall submit a petition for voluntary annexation of property owned by it and located at the following addresses, and having the following County Real Estate Identification (REID) numbers:

1. Parcel # 40797.
2. Parcel # 32624.

3. Parcel # 32196.

4. Parcel # 61941.

5. Parcel # 62696.

6. Parcel # 32618.

7. Parcel # 58557.

- B. Said petitions shall be in a form satisfactory to the Shelby City Attorney, and shall not have an expiration date, other than as may be required by law.
- C. The City is under no obligation to annex any or all of said properties, but shall act on said petitions within 3 months from the date on which they are received. If said petitions expire by operation of law prior to the time specified above for action by the City, the County shall, at the request of the City, resubmit said petitions.
- D. If the County sells, leases, or otherwise conveys an interest in any of the properties identified herein, prior to submitting the petitions, or prior to the City acting on said petitions, the contract or instrument of transfer for said property shall require the grantee or subsequent holder of any interest in said property to comply with this Section by submitting a petition for annexation of said property or joining in a petition for annexation of said property regardless of who submits the petition. To this end, the City may record a memorandum of this Agreement in the Cleveland County Registry.
- E. If the County fails to comply with this Agreement with respect to any of the identified properties, resulting in any of said properties not being annexed (provided that they otherwise qualify for annexation), then the County shall pay the City an amount equal to the ad valorem taxes that would be due the City on

said non-annexed properties if said properties had been annexed. This obligation will continue for as long as the property is not annexed, and the City has the authority under State law to impose and collect ad valorem property tax on land within its jurisdiction.

IV. ADMINISTRATION OF ECONOMIC DEVELOPMENT PROJECT


- A. The City and County agree that each of them is participating to a substantial degree with respect to the Economic Development Project Agreement, including the commitment of financial and other resources, and that each has a substantial stake in the success of the Company and in the Economic Development Agreement.
- B. The City and County further agree that said Economic Development Agreement is an integrated package of incentives and other items, such that administration of any part of it by either entity acting alone would be impracticable.
- C. The Agreement contains several provisions that require performance by the Company with respect to which Company's failure to perform, or failure to perform completely, is cause to terminate the Agreement, or to invoke certain remedies, including but not limited to: reductions in the amount of financial incentives provided to the Company, repayment by the Company of some or all of amounts expended by the City or County pursuant to the Agreement, reconveyance of the Project Site from the Company to the County, payment by the Company of additional amounts in aid of public infrastructure, or payments by the Company in lieu of taxes.

D. Because of the significant consequences of a termination of the Economic Development Agreement, or a failure by the Company to perform its obligations thereunder in whole or in part, and because of the integrated structure of the Economic Development Agreement, the City and the County hereby agree:


1. That officials of the City and County will confer on a biweekly basis during the term of the Investment and Construction Schedule of the Economic Development Agreement, or more often as needed to monitor Company's compliance with the Agreement and to monitor progress on the construction activities by the Company as set out in the Investment and Employment Schedule, and on the IU Improvements.
2. Either the City or the County may determine that the Company is in violation or has not complied with one or more of the terms of the Economic Development Agreement (herein "Company Default").
3. If the City or the County determines that a Company Default has occurred, that entity must, within a reasonable time of making said determination, notify the other entity by any reasonable means, and the City and County shall confer regarding the Company Default prior to providing any notice to the Company of said Company Default.
4. The failure to provide the notification specified herein does not confer any substantive rights on the Company, but is only to ensure that issues regarding Company performance under the Economic Development Agreement are addressed in a timely manner by both governmental entities.

5. Without regard to whether both entities agree that a Company Default has occurred, either the City or the County may, after the conference required above, notify the Company of the Company Default.
6. Nothing herein shall prevent or prohibit the City and County from negotiating among themselves, or with the Company, for a resolution or curing of a Company Default.
7. This section is not included to create an interlocal agreement within the meaning of Article 20 of N.C.G.S. Chapter 160A. If any provision of this section is deemed invalid or unenforceable by a court of competent jurisdiction, then a Company Default shall be determined in accordance with the following, based on their respective interests in the ED Agreement.
- A. The County shall determine whether a Company Default has occurred under Section II of the ED Agreement.
 - B. The County shall determine whether a Company Default has occurred under Section III of the ED Agreement.
 - C. The City shall determine whether a Company Default has occurred under Section IV of the ED Agreement.

WHEREFORE, the parties hereto have executed this Administration Agreement the day and year first above written.



Title: _____
Cleveland County



Title: MAYOR
City of Shelby

[FORM OF EXECUTION to be approved by City and County legal staff.]

4827-9427-2323, v. 1



Cleveland County
NORTH CAROLINA

INVOICE

TO: Beth Beam
City of Shelby

SUBJECT: Project Grizzly
YR4 of Project Grizzly Debt Service Repayment

DATE: June 7, 2021

FOR FY21 PAYMENT

AMOUNT \$1,077,954.00

Please remit the amount above to:
Cleveland County Finance Department
Attn: Accounts Receivable
PO Box 1210
Shelby, NC 28151-1210.

Thank you for your prompt payment.

Sincerely,

Lucas Jackson
Finance Director

Attachment

030.800.4.460.00 \$1,077,954.00

FINANCE & PURCHASING DEPARTMENT
311 EAST MARION STREET
PO BOX 1210 • SHELBY, NC 28151-1210

Cleveland County, North Carolina
City of Shelby

15 Year Payment
3.250%

Annual Percentage Rate for Interest:

Item Description	Due Date	Principal	Interest	Payment	Balance
Date of Loan					11,064,000.00
Payment #1		0.00	359,580.00	359,581.00	11,064,000.00
Payment #2	06/30/19	790,286.00	335,608.00	1,125,896.00	10,273,714.00
Payment #3	06/30/20	790,286.00	311,636.00	1,101,925.00	9,483,428.00
Payment #4	06/30/21	790,286.00	287,664.00	1,077,954.00	8,693,142.00
Payment #5	06/30/22	790,286.00	263,692.00	1,053,983.00	7,902,856.00
Payment #6	06/30/23	790,286.00	239,720.00	1,030,012.00	7,112,570.00
Payment #7	06/30/24	790,286.00	215,748.00	1,006,041.00	6,322,284.00
Payment #8	06/30/25	790,286.00	191,776.00	982,070.00	5,531,998.00
Payment #9	06/30/26	790,286.00	167,804.00	958,099.00	4,741,712.00
Payment #10	06/30/27	790,286.00	143,832.00	934,128.00	3,951,426.00
Payment #11	06/30/28	790,286.00	119,860.00	910,157.00	3,161,140.00
Payment #12	06/30/29	790,286.00	95,888.00	886,186.00	2,370,854.00
Payment #13	06/30/30	790,286.00	71,916.00	862,215.00	1,580,568.00
Payment #14	06/30/31	790,286.00	47,944.00	838,244.00	790,282.00
Payment #15	06/30/32	790,282.00	23,972.00	814,273.00	0.00
Totals		11,064,000.00	2,876,640.00	13,940,764.00	

ORDINANCE NO. 25-2021

CITY OF SHELBY
FISCAL YEAR (FY) 2020-2021 BUDGET ORDINANCE AMENDMENT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its annual budget for FY 2020-2021; and,

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

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

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

Section 1. Ordinance No. 22-2020, the City's FY 2020-2021 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 11 for the year:

(A) The City of Shelby, via resolution 24-2017, entered into an interlocal agreement with Cleveland County to fund an infrastructure loan for economic development. Year four of the loan repayment is due to the County per the referenced agreement. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

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

- | | |
|---|-----------|
| (a) Increase 11001000-39900
Fund Balance Appropriated | \$270,488 |
| (b) Increase 110495-49230
Transferred to Economic Development Fund | \$270,488 |

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

- | | |
|---|-----------|
| (a) Increase 63006000-39900
Fund Balance Appropriated | \$404,231 |
| (b) Increase 630731-49230
Transferred to Economic Development Fund | \$404,231 |

(3) The following Gas Fund line items are amended:

- | | |
|---|-----------|
| (a) Increase 64006000-39900
Fund Balance Appropriated | \$404,231 |
| (b) Increase 640741-49230
Transferred to Economic Development Fund | \$404,231 |

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

(a) Increase 23009000-39000 Transferred from Other Funds	\$270,488
(b) Increase 23009000-39630 Transferred from Electric Fund	\$404,231
(c) Increase 23009000-39640 Transferred from Gas Fund	\$404,231
(d) Increase 230590-49610 Transferred to Water Fund	\$407,250
(e) Increase 230590-49620 Transferred to Sewer Fund	\$555,360
(f) Increase 230590-49620 Transferred to Natural Gas Fund	\$116,340

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

(a) Increase 61006000-39000 Transferred from Other Funds	\$407,250
(b) Increase 610711-70001 Debt Service – Principal	\$298,570
(c) Increase 610711-70002 Debt Service – Interest	\$108,680

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

(a) Increase 62006000-39000 Transferred from Other Funds	\$555,360
(c) Increase 620721-70001 Debt Service – Principal	\$407,155
(c) Increase 620721-70002 Debt Service – Interest	\$148,205

(7) The following Gas Fund line items are amended:

(a) Increase 64006000-39000 Transferred from Other Funds	\$116,340
(b) Increase 640741- 70001 Debt Service – Principal	\$84,560
(c) Increase 640741-70002 Debt Service – Interest	\$31,780

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

	<u>Current Budget</u>	<u>Amendment No. 11</u>
General Fund	\$ 26,168,320	\$ 26,438,808
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	645,000	645,000
Economic Dev. Fund	992,035	2,070,985
Housing Fund	2,206,180	2,206,180
Cemetery Fund	30,000	30,000
Utilities-Water Fund	6,066,638	6,473,888
Utilities-Sewer Fund	5,536,229	6,091,589
Utilities-Electric Fund	22,538,388	22,942,619
Utilities-Gas Fund	16,437,600	16,958,171
Utilities – Stormwater Fund	868,220	868,220
FY 2020-2021 Budget Total:	<u>\$ 81,595,610</u>	<u>\$ 84,832,460</u>

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

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

Adopted and approved this the 21st 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

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item: E-7

- 7) Adoption of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 12:
Ordinance No. 26-2021

Consent Agenda Item: (Justin S. Merritt, Assistant City Manager)

Summary of Available Information:

- Memorandum dated June 10, 2021 from Justin S. Merritt, Assistant City Manager to Rick Howell, City Manager
- Invoice for Shell Building #3 Debt Service and Copy of amortization schedule
- Ordinance No. 26-2021

City Manager's Recommendation / Comments

Ordinance No. 26-2021 is presented for City Council via the Consent Agenda. If approved this ordinance would appropriate funding from General Fund Balance for the purpose of making the first payment on the City's share of the debt incurred by Cleveland County for the financing of Shell Building #3.

As you know a purchase / sale contract for the sale of this building has been signed and is pending the due diligence process by the buyer. Ultimately the City will receive 50% of the sale proceeds. This will be the first and only payment due to the sale.

It is recommended that Ordinance No. 26-2021 be adopted and approved via the Consent Agenda.



To: Rick Howell, City Manager
From: Justin Merritt, Assistant City Manager
Date: June 10, 2021
Subject: Job Ready Shell Building #3 - County Loan Repayment

Background:

The City of Shelby and Cleveland County agreed to construct Job Ready Shell Building #3, with each entity sharing costs at 50%. Cleveland County secured loan funding for construction of the project. Construction of this facility was recently completed, and it is now time for 50% of the first debt service payment to be remitted to Cleveland County.

This budget amendment will allow the City to remit its portion of the year 1 debt service payment, which is \$360,119.

The invoice from Cleveland County is attached for reference.

Recommendation:

The recommendation from staff is to approve the attached budget amendment so that the requested debt payment can be made.



Cleveland County
NORTH CAROLINA

INVOICE

TO: Beth Beam
City of Shelby

SUBJECT: Shell Building Debt Service

DATE: June 7, 2021

FOR FY21 PAYMENT

AMOUNT \$360,119.00

Please remit the amount above to:
Cleveland County Finance Department
Attn: Accounts Receivable
PO Box 1210
Shelby, NC 28151-1210.

Thank you for your prompt payment.

Sincerely,

Lucas Jackson
Finance Director

Attachment

010.410.4.460.02 \$360,119.00

FINANCE & PURCHASING DEPARTMENT
311 EAST MARION STREET
PO BOX 1210 • SHELBY, NC 28151-1210

120

Shell Building Debt Amortization Schedule

Payment Date	Coupon	Principal	Interest	Total Payment	Ending Value
4/1/2021	2.19%	595,000	115,238	710,238	5,950,000
4/1/2022	2.19%	595,000	117,275	712,275	4,760,000
4/1/2023	2.19%	595,000	104,244	699,244	4,165,000
4/1/2024	2.19%	595,000	91,214	686,214	3,570,000
4/1/2025	2.19%	595,000	78,183	673,183	2,975,000
4/1/2026	2.19%	595,000	65,153	660,153	2,380,000
4/1/2027	2.19%	595,000	52,122	647,122	1,785,000
4/1/2028	2.19%	595,000	39,092	634,092	1,190,000
4/1/2029	2.19%	595,000	26,061	621,061	595,000
4/1/2030	2.19%	595,000	13,031	608,031	
		5,950,000	731,013		

Check

Year	County Portion Principal	Interest
2021	297,500	62,619
2022	297,500	58,638
2023	297,500	52,122
2024	297,500	45,607
2025	297,500	39,092
2026	297,500	32,577
2027	297,500	26,061
2028	297,500	19,546
2029	297,500	13,031
2030	297,500	6,514
	2,975,000	395,807

Year	Shelby Portion Principal	Interest
2021	297,500	62,619
2022	297,500	58,638
2023	297,500	52,122
2024	297,500	45,607
2025	297,500	39,092
2026	297,500	32,577
2027	297,500	26,061
2028	297,500	19,546
2029	297,500	13,031
2030	297,500	6,514
	2,975,000	395,807

010-410-4-460-02

ORDINANCE NO. 26-2021

CITY OF SHELBY
FISCAL YEAR (FY) 2020-2021 BUDGET ORDINANCE AMENDMENT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its annual budget for FY 2020-2021; and,

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

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

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

Section 1. Ordinance No. 22-2020, the City's FY 2020-2021 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 12 for the year:

(A) The City of Shelby, in partnership with Cleveland County, constructed Job Ready Shell Building #3, located on Plato Lee Road. Cleveland County secured loan funding for said project and the City agreed to share in debt payments at 50%. The first debt service payment is now due and payable to Cleveland County. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

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

(a) Increase 11001000-39900 Fund Balance Appropriated	\$360,119
(b) Increase 110495-70001 Debt Service-Principal	\$297,500
(c) Increase 110495-70002 Debt Service-Interest	\$ 62,619

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

	<u>Current Budget</u>	<u>Amendment No. 12</u>
General Fund	\$ 26,438,808	\$ 26,798,927
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	645,000	645,000
Economic Dev. Fund	2,070,985	2,070,985
Housing Fund	2,206,180	2,206,180
Cemetery Fund	30,000	30,000
Utilities-Water Fund	6,473,888	6,473,888
Utilities-Sewer Fund	6,091,589	6,091,589
Utilities-Electric Fund	22,942,619	22,942,619
Utilities-Gas Fund	16,958,171	16,958,171
Utilities – Stormwater Fund	<u>868,220</u>	<u>868,220</u>
FY 2020-2021 Budget Total:	<u>\$ 84,832,460</u>	<u>\$ 85,192,579</u>

Ordinance No. 26-2021
June 21, 2021
Page 2

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

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

Adopted and approved this the 21st 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

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item: E-8

- 1) Approval of a Notice of Cancellation in the Regular Meeting Schedule of Shelby City Council

Consent Agenda Item: (Bernadette A. Parduski, City Clerk)

Summary of Available Information:

- Notice of Cancellation

City Manager's Recommendation / Comments

After reviewing with staff the upcoming agenda schedule and any upcoming items requiring action by City Council it is my recommendation that the regular meeting slated for Monday, July 5, 2021 be cancelled via the Consent Agenda. As a matter of practice agenda items are scheduled and planned weeks in advance for most items to allow the appropriate review process to occur. I would note that in the event an issue arises that would require immediate action by City Council a special meeting could be called in accordance with the NC General Statutes. If approved by City Council your next regularly scheduled meeting would be held on Monday, July 9, 2021.

**Notice of Cancellation
in the
Regular Meeting Schedule
of
Shelby City Council**

This notice is to inform the general public and the media and is conducted in accordance with the mandates of North Carolina General Statutes 160A-71 and 143-318.12 (a), that the regularly scheduled July 5, 2021 meeting of the Shelby City Council has been cancelled in observance of the City's Independence Day holiday. The regular meeting schedule, as adopted by the Council, remains in place for all other regular meetings of the Council and will resume:

**Monday, July 19, 2021, at 6:00 p.m.
City Hall Council Chamber
300 South Washington Street
Shelby, North Carolina**

Dated: June 21, 2021

**O. Stanhope Anthony III
Mayor**

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

F. Unfinished Business

None

G. New Business

City of Shelby
Agenda Item Summary
June 21, 2021
Council Chamber

Agenda Item G-1

- 1) Consideration of a resolution authorizing selection of Kimley-Horn based on qualifications for the 24-inch water transmission line to the south tank and Forest Hill Drive: Resolution No. 42-2021

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

Summary of Available Information:

- Memorandum dated June 16, 2021 from David Hux, Director of Water Resources to Rick Howell, City Manager
- Photo showing Proposed 24” Water Line Extension
- Resolution No. 42-2021

City Manager’s Recommendation / Comments


Resolution No. 42-2021 is presented for City Council as new business. If approved this resolution would authorize the City Manager to enter into negotiations with Kimley-Horn of Charlotte for engineering services related to the extension of 24” diameter cross town water transmission line as shown on the included map. It would further authorize the City Manager to move to negotiations with the next most qualified firm in the event an agreeable fee cannot be negotiated and finally would authorize the execution of a contract with a firm after successful negotiation of a fee within an adopted project budget ordinance.

The staff selection committee voted to recommend Kimley-Horn of Charlotte as the most qualified firm to perform civil engineering services for the extension of this water transmission line. As is my practice and in accordance with the NC General Statutes the City follows a “Request for Qualifications” process. Submitting firms are vetted by a staff committee using an established scoring system. The field is narrowed and an interview process occurs. The staff committee then reviews their findings and recommendation with me. Please keep in mind that the statute requires us to select the most qualified firm and then and only then may we negotiate pricing. If we cannot agree to a price with the most qualified firm we can then negotiate with the next firm on the list. The City has contracted with Kimley-Horn in the past for the design of the 24” diameter water transmission loop line from the water treatment plant on Grover Street to Washburn Switch Road as part of Project Grizzly.

It is recommended that Resolution No. 42-2021 be adopted and approved at this time.

Memorandum

To: Rick Howell, City Manager

From: David Hux, Director of Water Resources 

Date: June 16, 2021

Subject: 24" Water Transmission Line Extension to South Tank and Forest Hill Drive – Engineering Services Selection

Background

In 2009, the City of Shelby identified low water pressure and low flow issues in the eastern portions of the City's water distribution system. The system was able to meet normal consumption needs and fire protection; however the system struggled with increased demand times associated with commercial/institutional demand, fire hydrant flushing and fire suppression. During these times customers were notifying the City of low pressure and flow issues.

Most of these pressure and flow issues stem from lack of an adequately sized distribution lines (major) from the Water Treatment Plant (WTP) to the Eastern portions of the system and the lack of water storage around the community college area. Engineering reviews recommended a phased approach including the construction of an elevated storage tank in the East and installation of a major distribution waterline from the City WTP to the elevated storage tanks in the North, South and eventually a new East tank.

The City began planning and construction of several large projects to help alleviate the issues in the eastern sections of the City. Some additional key steps of improvements along the way have included:

- 2015-2017 Design and construction of the East Tank at Kemper Road and Marion Street
- 2015-2018 Design and construction of Grover Morgan 24-inch Waterline from WTP to Marion Street and Morgan Street Intersection
- 2016 Water Model Evaluation of the City's Water System – Included proposed system improvement projects and waterline sizing verification.
- 2016 Waterline Planning Document providing routes and estimates for construction of 24-inch waterline to South and East Tank. This document included phasing of these projects.

The completion of the East Tank and main distribution waterline to the Uptown area have helped to improve the water situation in the East; however, the City must continue to construct a 24-inch waterline across Shelby to help provide adequate water for future economic development and fire protection. Since the problem was identified, the City has seen increased development in the East with Cleveland Community College, residential and commercial growth. With this growth, the additional capacities in the east are further reduced because of the hydraulic limitations of smaller distribution lines.

With these activities/projects completed, the next phase is the design and construction a 24-inch water line extending service from the Marion Street and Morgan Street intersection (4,900 linear feet) to the South Tank. This new line would be installed along Market/Morgan Street paralleling the old Norfolk Southern Railroad (Rail Trail Corridor), turning east on McDowell Street and then onto South Lafayette Street to the South Tank. There will be several interconnections to the existing distribution system along the route.

From the intersection of Graham Street and Morgan Street, a 24-inch line would extend east to Beaumonde Avenue and then to Forest Hill Drive. There will be several interconnections to the existing system along the route. A major connection would be made at the intersection of Dekalb and Graham to the 12-inch line that feeds the City's North Tank.

As part of the project, altitude valves will be installed at the North and South Tanks. These altitude valves will allow the City force additional water flow to the eastern portion of the system towards the East Tank. This will help to continue to enhance water distribution to the East Tank area until the City can complete the additional phases needed to extend the main 24-inch distribution line to the East Tank.

Review

On April 7, 2021, the City of Shelby solicited a Request for Qualifications (RFQ) for engineering services for the 24" Water Transmission Line Extension to the South Tank and Forest Hill Drive. The solicitation was advertised on the City's website and directly sent out to nine (9) engineering firms who have either worked for or expressed interest in working with the City.

On April 21, 2021, City staff received three (3) responses to the RFQ and has thoroughly reviewed all proposals. Responses were received and evaluated from the following firms (in alphabetical order):

- Kimley-Horn and Associates, Inc – Charlotte, North Carolina
- McGill Associates, PA – Hickory, North Carolina
- Willis Engineers – Charlotte, North Carolina

After scoring of the RFQs, staff is recommending that Kimley-Horn and Associates, Inc be selected as the most qualified engineer. The RFQ process is in accordance with North Carolina General Statute 143-64.31.

Recommendation

City staff recommends that the Shelby City Council approve the resolution selecting Kimley-Horn and Associates, Inc to perform the engineering services for the 24" Water Transmission Line Extension to the South Tank and Forest Hill Drive. This resolution would also authorize the City Manager to then negotiate and execute an agreement establishing the scope of work and fees associated with the required engineering services.

Please let me know if additional information is needed.

24" Water Transmission Line Extension



Proposed Water Line South Tank



RESOLUTION NO. 42-2021

**A RESOLUTION AUTHORIZING SELECTION OF KIMLEY-HORN
BASED ON QUALIFICATIONS FOR THE 24-INCH WATER TRANSMISSION LINE
TO THE SOUTH TANK AND FOREST HILL DRIVE**

WHEREAS, the City of Shelby has plans for a 24” water transmission line extension to the South Tank and Forest Hill Drive; and,

WHEREAS, the City currently does not have the transmission lines to adequately serve the needs of the surrounding areas; and,

WHEREAS, the area has been identified as having low water pressure and low flow issues; and,

WHEREAS, the overall project will greatly benefit current operations and help to move closer to eventually extending service to Peach/Marion Street and then to the East Tank; and,

WHEREAS, the City of Shelby is seeking design engineering for the 24” Water Transmission Line Extension to the South Tank and Forest Hill Drive; and,

WHEREAS, City staff issued a Request for Qualifications to professional engineering firms interested in providing design services and subsequently construction oversight contingent on the availability of funds related to this project; and,

WHEREAS, three (3) Statement of Qualifications were received from engineering firms interested in performing the work associated with this project in accordance with North Carolina General Statute 143-64.31; and,

WHEREAS, City staff has reviewed the Statement of Qualifications and determined that Kimley-Horn is the most qualified to perform and provide the services as outlined in the Request for Qualifications.

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

Section 1. The City Council of the City of Shelby hereby desires for the City Manager or his designee to enter negotiations with Kimley-Horn of Charlotte, North Carolina in accordance with North Carolina General Statute 143-64.31 to negotiate a contract for the above referenced project.

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

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

Resolution No. 42-2021
June 21, 2021
Page 2

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

Adopted and approved this 21st 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 21, 2021
Council Chamber

Agenda Item G-2

- 2) Consideration of a resolution authorizing selection of WithersRavenel based on qualifications for the Hickory Creek Sewer Outfall Replacement:
Resolution No. 43-2021

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

Summary of Available Information:

- Memorandum dated June 16, 2021 from David Hux, Director of Water Resources to Rick Howell, City Manager
- Photo showing Hickory Creek Sewer Outfall Replacement
- Resolution No. 43-2021

City Manager's Recommendation / Comments

Resolution No. 43-2021 is presented for City Council as new business. If approved this resolution would authorize the City Manager to enter into negotiations with Withers Ravenel of Asheville for engineering services related to the replacement of a sewer collection line as shown on the included map. It would further authorize the City Manager to move to negotiations with the next most qualified firm in the event an agreeable fee cannot be negotiated and finally would authorize the execution of a contract with a firm after successful negotiation of a fee within an adopted project budget ordinance.


The staff selection committee voted to recommend Withers Ravenel of Asheville as the most qualified firm to perform civil engineering services for the replacement of this sewer line. As is my practice and in accordance with the NC General Statutes the City follows a "Request for Qualifications" process. Submitting firms are vetted by a staff committee using an established scoring system. The field is narrowed and an interview process occurs. The staff committee then reviews their findings and recommendation with me. Please keep in mind that the statute requires us to select the most qualified firm and then and only then may we negotiate pricing. If we cannot agree to a price with the most qualified firm we can then negotiate with the next firm on the list. The City has contracted with Withers Ravenel in the past for the completion of a water/sewer rate study and update of the Transportation Asset Management Plan.

It is recommended that Resolution No. 43-2021 be adopted and approved at this time.



Memorandum

To: Rick Howell, City Manager

From: David Hux, Director of Water Resources 

Date: June 16, 2021

Subject: Hickory Creek Sewer Outfall Replacement – Engineering Services Selection

Background

The gravity sections of Hickory Creek Outfall from south of Highway 74 to Windsor Drive was initially installed in the 1950's and was constructed utilizing vitrified clay pipe (VCP). Some of these sections were relocated during the late 1990's and constructed with ductile iron pipe (DIP). Staff identified this area as a high priority area of the sanitary sewer system because of the number of sanitary sewer overflows over the past 10 plus years. In 2015, the City contracted an engineering firm to complete an evaluation of the Hickory Creek Sewer Outfall utilizing flow monitoring and surveying of the outfall. The engineering evaluation determined that the outfall had several sections that are laid at either reverse or flat grade, thereby reducing the system flow capacity during dry weather flows and wet weather events. The reduction of the system flows during rain events created hydraulic problems resulting in large sanitary sewer overflows.

System improvements would include the re-laying of sewer line from Highway 74 to Windsor Drive to provide adequate hydraulic capacity by installing the sewer line at proper grades, thus reducing the number of sanitary sewer overflows in the Windsor Drive and Kings Road area.

Review

On April 7, 2021, the City of Shelby solicited a Request for Qualifications (RFQ) for engineering services for the Hickory Creek Sewer Outfall Replacement. The solicitation was advertised on the City's website and directly sent out to nine (9) engineering firms who have either worked for or expressed interest in working with the City.

On April 28, 2021 City staff received seven (7) responses to the RFQ and has thoroughly reviewed all proposals. Responses were received and evaluated from the following firms (in alphabetical order):

- Gavel & Dorn Engineering – Charlotte, North Carolina

- Kimley-Horn – Charlotte, North Carolina
- McGill Associates – Hickory, North Carolina
- Odom Engineering – Forest City, North Carolina
- The Wooten Company – Hickory, North Carolina
- Willis Engineers – Charlotte, North Carolina
- WithersRavenel – Asheville, North Carolina

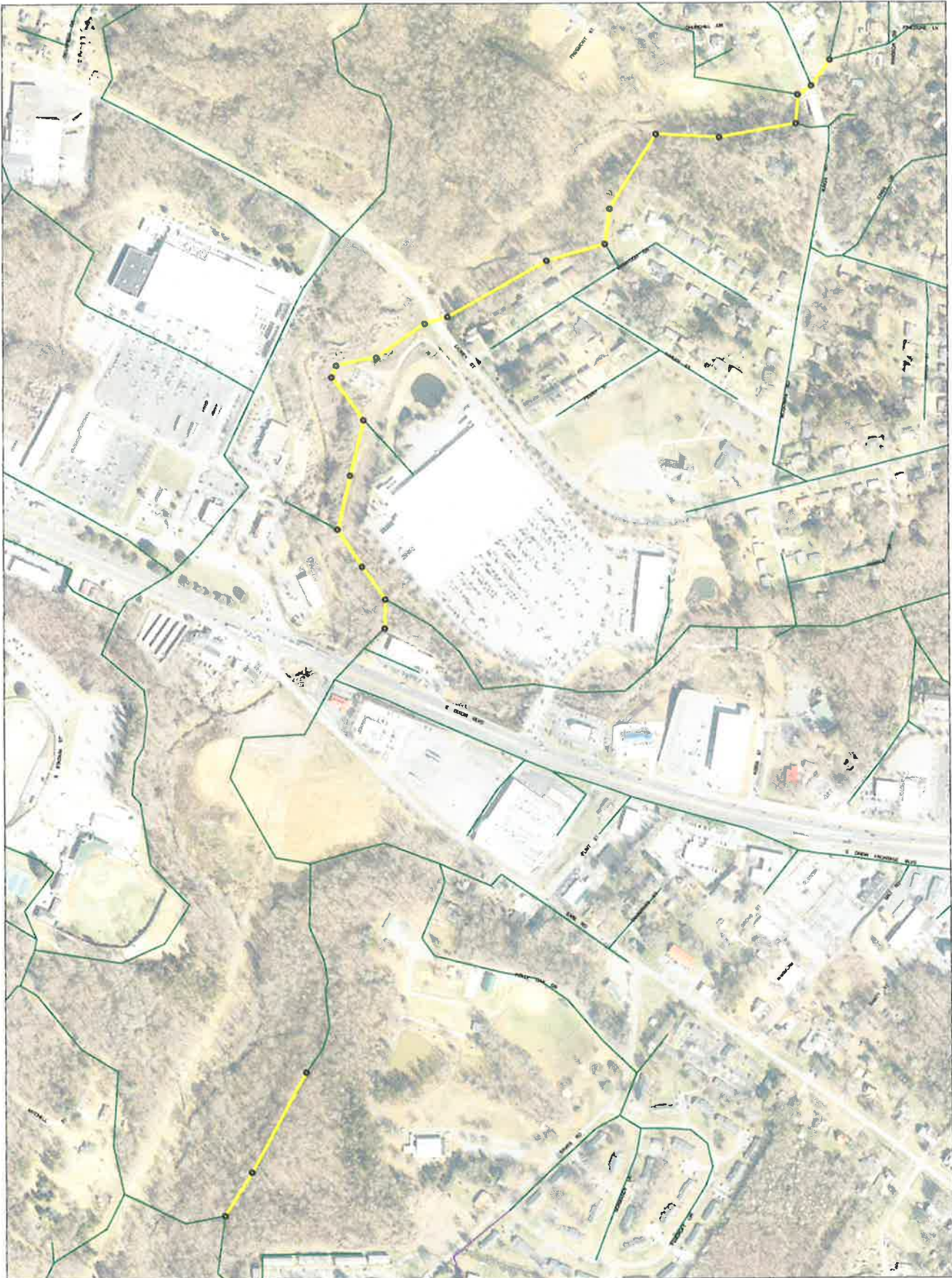
After scoring of the RFQs, staff recommends that WithersRavenel be selected as the most qualified engineer. The RFQ process is in accordance with North Carolina General Statute 143-64.31.

Recommendation

City staff recommends that the Shelby City Council approve the resolution selecting WithersRavenel to perform the engineering services for the Hickory Creek Sewer Outfall Replacement. This resolution would also authorize the City Manager to negotiate and execute an agreement establishing the scope of work and fees associated with the required engineering services.

Please let me know if additional information is needed.

Hickory Creek Sewer Outfall Replacement



— Project Area • Manhole — Gravy Main — Force Main



0 125 250 500 1,000 Feet

RESOLUTION NO. 43-2021

**A RESOLUTION AUTHORIZING SELECTION OF WITHERSRAVENEL
BASED ON QUALIFICATIONS FOR
THE HICKORY CREEK SEWER OUTFALL REPLACEMENT**

WHEREAS, the City of Shelby has plans to replace portions of the Hickory Creek Sewer Outfall from Windsor Drive to US-74 and sections near Holly Oak Park; and,

WHEREAS, the City of Shelby has identified this area as a high priority area of the sanitary sewer system; and,

WHEREAS, several sections of the sewer line are laid at either reverse or flat grade reducing the system flow capacity during wet weather events; and,

WHEREAS, the reduction of the system flow during these events is a big cause of the sanitary sewer overflows that occur in this area; and,

WHEREAS, the City of Shelby is seeking design engineering for the Hickory Creek Sewer Outfall Sewer Replacement; and,

WHEREAS, City staff issued a Request for Qualifications to professional engineering firms interested in providing design services and subsequently construction oversight contingent on the availability of funds related to this project; and,

WHEREAS, seven (7) Statement of Qualifications were received from engineering firms interested in performing the work associated with this project in accordance with North Carolina General Statute 143-64.31; and,

WHEREAS, City staff has reviewed the Statement of Qualifications and determined that WithersRavenel is the most qualified to perform and provide the services as outlined in the Request for Qualifications.

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

Section 1. The City Council of the City of Shelby hereby desires for the City Manager or his designee to enter negotiations with WithersRavenel of Asheville, North Carolina in accordance with North Carolina General Statute 143-64.31 to negotiate a contract for the above referenced project.

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

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

Resolution No. 43-2021
June 21, 2021
Page 2

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

Adopted and approved this 21st 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 21, 2021
Council Chamber

Agenda Item: H

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: I

Council Announcements and Remarks

J. Closed Session:

- 1) To discuss matters relating to the location or expansion of industries or other businesses in the area served by City Council, including an agreement on a tentative list of economic development incentives that may be offered pursuant to North Carolina General Statute 143-318.11 (a) (4)

K. Adjournment:

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